



Start of blooming seasons

Annual report 2016



CONTENTS

ANNUAL REPORT 2016

04 - 13

VISION, MISSION,
STRATEGY,
BUSINESS PHILOSOPHY



- 06 Vision, mission
- 06 Business philosophy
- 07 Corporate social responsibility (CSR)
- 08 Development strategy

16 - 63

COMPANY OVERVIEW



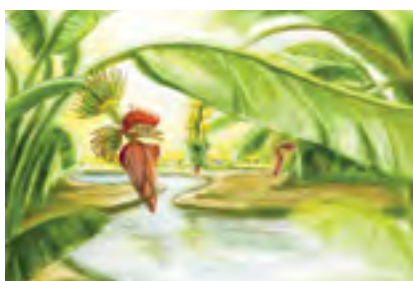
- 16 General information
- 17 Establishment history
- 18 Development history
- 26 Business sectors and operational network
- 34 S.W.O.T analysis
- 36 Organizational structure and management structure
- 52 Performance through the years
- 58 Risks factors

MESSAGES

- 10 Messages from
Chairman of the BOD

66 - 131

BUSINESS OPERATION IN 2016



- 66 Report from the Board of Management
- 67 Situation of real estate market in 2016
- 68 Business results in 2016
- 81 Business results of subsidiaries
- 84 Implementation of project investment
- 96 Environmental and social impact report of the Company
- 98 Shareholder structure, equity change
- 102 Financial activities
- 106 Sales operations
- 108 Operation of Import-Export Department
- 110 Organizational structure and human resource
- 113 Marketing activities and branding development
- 115 Shareholder and partner relations
- Report from the Board of Directors
- 116 Evaluation of business performance in 2016
- 118 Board of Directors' activities
- 123 List of internal shareholders, share ownership and remuneration
- 124 Transactions of internal shareholders, major shareholders and relevant people
- 126 Report from the Board of Supervisors

134 - 153

FINANCIAL STATEMENTS



- 135 Information about the audit firm
- 137 Corporate information
- 138 Statement by General Director
- 139 Auditor's report
- 141 Consolidated balance sheet
- 144 Consolidated income statement
- 145 Consolidated cash flow statement
- 147 Report on utilization of capital from issuance of public shares

156 - 166

BUSINESS PLAN AND ORIENTATION IN 2017



- 156 Economic & real estate prospect
- 158 Strategic objectives in 2017
- 160 Primary solutions to implement strategic targets in 2017
- 162 Business plan in 2017

*Walk abreast
on flower roads*







VISION, MISSION, STRATEGY, BUSINESS PHILOSOPHY

VISION

- Always is one of the leading real estate investment and development companies in Vietnam.
- Create a breakthrough business development and become a powerful corporation, contributing practically to the community development.

MISSION

Provides a wide range of high quality products and services on real estate as well as other related professions to provide customers with high levels of satisfaction that meet the needs of a living happy.

BUSINESS PHILOSOPHY

“Respect business ethics with the sense of highest responsibility so that every product brings pleasure to customers and contributes to the development of society”.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Under the motto “**Company’s business goal is associated with social benefits**”, Thuduc House always do multiple practical activities to show our responsibility to our society such as Contribute to charity funds, Poor patient sponsorship fund, community entrepreneur fund, Vu A Dinh Scholarship Fund; Fund to support people in flooding areas, etc. Via such practical activities, Board of Management of Thuduc House wishes to build a nice culture trait for our officials and staffs which is spirit to try our best to do our jobs and to improve our lifestyle and our responsibility awareness to community and society at the same time.

Thuduc House always give prominence to our social responsibility awareness by committing to make continuous contribution to the development of economy and society, as well as to guarantee the quality of life for our staff and their family and guarantee the stability for our company’s sustainable development.

Core goals

- Create contribution opportunities to employees with stable life and gradually enhance a friendly, safe working environment and always support employees to facilitate personal’s competence development and professional skills, ethics improvement.
- Increase the Company’s value through effective and transparent corporate governance, ensuring capital preservation and increasing company’s profit, bringing shareholders higher interests.
- Pay attention to ensure benefit and added satisfaction for customers. With the slogan “Happiness from your home”, the projects of Thuduc House always step up to quality improvement, sophistication, business ethics and brand reputation so as to bring true values and improve quality of life for customers.
- Create values for the community through business development and provision of real estate products and services for common interests, sharing business results with the community, strictly complying with environmental protection requirements for a green and clean environment.
- Pay more attention to increase of domestic and international branding, creating best products for the society, preserving cultural beauty and realizing commitments to the community.



STRATEGY UNTIL 2020

Focus on real estate business as a core business line in the next five years with remedies as follows:

Real estate business is considered a core business line with a minimum proportion of between 60% and 70% of the total revenue. Of which, priority is given to expansion of land fund under criteria as follows: development of urban area projects in big cities nationwide; development of serviced apartment projects in central Districts of Ho Chi Minh City, creating stable cash flows for the coming years.

Aim to achieve an annual average growth rate of at least 25%, increasing asset and equity accumulation, and improving business efficiency.

Regularly improve and replenish resources in terms of management, human resources, and financial resources in order to maintain and enhance reputation.

Associate and form joint ventures with domestic and international stakeholders to develop complex projects, apartments, offices, commercial space and other types of real estate depending on nature of each project to meet requirements of increasing international integration of Vietnam.

Diversify real estate products and services to meet demands of customers and real estate market cycle.

SHORT-TERM STRATEGY

Given the current international situation, Vietnamese economy, internal conditions and existing achievements of the Company, Thuduc House's business strategy in 2017 was developed on the basis of the strategy implemented over the past 2 years with adjustments as follows:

Aim to achieve a growth rate of at least 25%/year, increasing profitability and capital accumulation.

Real estate business is still considered a strategic business line, ensuring a minimum proportion of between 60% and 70% of the total revenue of the Group:

- Focus on finding big projects to create land fund for the next 10 years with geographical focus on two cities including Ho Chi Minh City and Ha Noi City and neighbouring provinces.
- Priority is given to segments as follows: low-rise houses (land plots) in suburban Districts and surrounding provinces, small apartments, serviced apartments and offices for rent projects in central Districts of Ho Chi Minh City and Ha Noi City.

Continue to strengthen member companies and supporting activities to create stable cash flows and take advantage of added values generated from the projects to increase revenues and profits of Thuduc House Group.



MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



THUDUC HOUSE HAS OVERCOME THE DIFFICULT PERIOD WITH GOOD RESULTS IN 2016, EXCEEDING THE PLAN ASSIGNED BY SHAREHOLDERS, STEP BY STEP STRENGTHENING FINANCIAL RESOURCES, IMPROVING BUSINESS EFFICIENCY, MAINTAINING BRAND IMAGE ON THE REAL ESTATE MARKET.

Dear shareholders, investors, partners, customers, staffs of TDH Group, member companies, valuable companions of Thuduc House.

In 2016, Vietnamese economy did not meet GDP target, only increasing 6.21% compared to 2015. The mining industry deeply sank due to lower prices of coal and crude oil. Agriculture, aquaculture and forestry faced severe losses due to natural disasters such as salinization of rice fields in the Mekong Delta, frost in the North, flooding in the Central area, drought in coffee plantations in the Central Highland, and pollution in coastal areas. Industrial growth rate only increased 7.5% (while that of 2015 increased 9.8% compared to the previous year). Total retail sales excluding price factors also only increased 7.8% (while that of 2015 increased 8.5%). Trade surplus was 2.68 billion US dollars, of which domestic deficit was 21.02 billion US dollars, FDI surplus was 23.7 billion US dollars. CPI of the whole year increased 4.74%. Average inflation rate in 2016 increased 1.83% compared to that of 2015. The only highlight was an increase of 16.2% in number of newly established enterprises compared to the previous year. Meanwhile, monetary and credit policies saw potential risks. The banking system was unstable and not fully recovered with high non-performance debts and credit growth of up to 20%. In addition, changes in US policies on TPP also adversely affected import, export and trade in Vietnam, and thus affecting production sectors.

After a 6-year crisis cycle (2008 - 2014), the real estate market in Vietnam has significantly recovered since the second half of 2014. By end of 2016, most market segments considerably developed, especially low-rise houses and abutting houses. In addition, low inflation rate, improvement of bank loans, good economic growth, income increase, rapid urbanization and emigration population growth in big cities were considered driving forces for further expansion of the market in the next few years. On the other hand, based on lessons learned from financial crisis and real estate bubble in the past, the real estate market has developed more sustainably and based on practical needs.

In this context, Thuduc House overcame a lot of challenges in 2016 with outstanding achievements, exceeding targets assigned by the shareholders, gradually consolidating financial resources, improving business results, and maintaining reputation in the real estate market. The Board of Directors, the Board of Management and all employees actively implemented measures to screen and rearrange investment portfolio, finding new projects and land funds, restructuring member companies in order to streamline the structure and increase their efficiency, improving human resources, especially managers at all levels, and building better relationships with authorities, banks, shareholders, customers, and the mass media. Working environment was improved in order to promote innovation and unity within the company, increasing awareness on providing best products and services to customers and the community. In addition to development of real estate business as its core business line, the Company also maintained stable supporting activities such as wholesale markets for agricultural products and foodstuffs, warehouse services, office rental, event management, advertising etc. Member companies were profitable. Moreover, the Company also expanded import and export activities to create additional revenues and profits. Supporting activities also created relatively stable cash flows while waiting for long-term real estate projects.



MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS

SINCE 2016, THUDUC HOUSE HAS ENTIRELY OVERCOME THE CRISIS AND STARTED THE NEW DEVELOPMENT PROCESS. 2017 WILL BE AN IMPORTANT YEAR TO FURTHER THIS PROCESS AS A BLOOMING SEASON, PROMISING OUTSTANDING ACHIEVEMENTS IN THE COMING TIME.

The annual growth rate from 2016 until 2020 is at least

25% on average

Given the current international situation, Vietnamese economy, internal conditions and existing achievements of the Company, Thuduc House's business strategy in 2017 was developed on the basis of the strategy implemented over the past 2 years with adjustments as follows:

1. In 2017 and subsequent years, try to look for big projects to create land funds for the following ten years.
2. Real estate development focuses on two big cities including Ho Chi Minh City and Ha Noi City, as well as surrounding provinces.
3. Aim to achieve an average annual growth rate of at least 25% from 2016-2020, increasing asset and equity accumulation, and improving business efficiency.
4. Priority is given to segments as follows: low-rise houses (land plots) at suburban Districts and surrounding provinces, medium apartments, luxury and serviced apartments, offices for rent projects in central Districts of Ho Chi Minh City and Ha Noi City.
5. Continue to strengthen member companies and supporting activities to create stable cash flows and take advantage of added values generated from projects to increase sales and profits of Thuduc House Group.

Basic remedies to implement the above business strategy and objectives will be implemented by the Board of Directors and the Board of Management based on pillars as follows:

1. Continue to increase number of managers and improve management capacity at all levels. Strengthen training activities to further improve productivity of all employees. Develop a creative, dynamic and determined spirit based on the Company's culture cumulated over the past 27 years to bring the Company to a new height.
2. Restructure debts, portfolios, and funds to create a strong financial potential for bigger projects in the future. Look for cheap credit sources, calling for cooperation and funding from potential partners including domestic and international investment funds.
3. Expand and improve important relationships to facilitate the search for projects, creating land funds, quickly implementing investment procedures, selecting appropriate partners, calling for more funding or affiliation.



4. Enhance sales capacity and continue to cooperate with experienced real estate trading floors to sell new products. Continue to develop the brand and promote image of the Company through various means of communication, internet and social networks at low costs. Sponsor cultural, sport and social programs at the community to fulfil social responsibilities and confirm humanitarian philosophy of Thuduc House in the mind-set of customers.

5. Continue to professionalize various activities of the Company through quality management process, ISO standardization, ERP data management, risk management in accordance with the regulation, strict project management, application of advanced technologies from planning to construction and post-operation management, providing best products at affordable prices and ensuring environmental protection.

Since 2016, Thuduc House has entirely overcome the crisis and started the new development process. 2017 will be an important year to further this process as a blooming season, promising outstanding achievements in the coming time.

Le Chi Hieu
Chairman



*Join efforts
For abundant harvests*



ESTABLISHMENT HISTORY

GENERAL INFORMATION

Company name : CÔNG TY CỔ PHẦN PHÁT TRIỂN NHÀ THỦ ĐỨC

English name : THUDUC HOUSING DEVELOPMENT CORPORATION

Abbreviation : THUDUC HOUSE

Stock code : TDH

Chartered capital : VND 709,883,810,000

Equity (31 December, 2016) : VND 1,770,950,342,171

Stock exchange : Ho Chi Minh City Stock Exchange (HSX)

License of establishment and operation No. : 7987/QD-UB-CNN dated 24 November, 2000

Certificate of Business Registration No. 0302346036 issued by the Department of Planning and Investment of Ho Chi Minh City for the first time on 15 June, 2001 and revised for the 19th time on 18 July, 2016

Head office : 3 - 5 Pasteur Street, Nguyen Thai Binh Ward, District 1, HCMC
Tel: (08) 39 143 111 Fax: (08) 39 143 222

Thuduc House's real estate trading floor : 3 - 5 Pasteur Street, Nguyen Thai Binh Ward, District 1, HCMC
Tel: (08) 39 143 111 Fax: (08) 39 143 222

Website : www.thuduchouse.com

Email : tdh@thuduchouse.com

ESTABLISHMENT HISTORY

On 2 February 1990

Company was established under the name of Thuduc Housing Management and Development Company under Decision No. 57/QD-UB dated 02/02/1990 of HCMC People's Committee with the starting point is 400 million working capital allocated by the State.

On 14 December 2006,

Thuduc House's stock (Ticker: TDH) was officially listed on the HCMC stock exchange, affirmed Thuduc House's position, development and popularity and Thuduc House's stock on the market.

On 5 October 1996

Company was renamed Thuduc Housing Development and Industrial Park Services Company under Decision No. 4569/QD - UBKT of HCMC People's Committee.



On 15 June 2001

Company officially received the certificate of business registration No. 4103000457 by the Department of Planning and Investment of HCMC.

On 24 November 2000

Company was officially transformed into Thuduc Housing Development Corporation (**Thuduc House**) with initial charter capital of VND 15 billion under Decision No. 7967/QD-UBCNN of HCMC People's Committee.

HISTORY OF RAISING CHARTER CAPITAL

TIME	SOURCE	CHARTER CAPITAL
Time of establishment (15 June 2001)		VND 15 billion
1st time July 2005	Issuance of shares to increase equity (bonus shares) (1:1 ratio): VND 15 billion	Increasing from VND 15 billion to VND 30 billion
2nd time June 2006	<ul style="list-style-type: none"> • Issuance of shares to increase equity (1:1 ratio): VND 30 billion • Share issuance to employees: VND 10 billion • Share issuance to strategic partners: VND 30 billion 	Increasing from VND 30 billion to VND 100 billion
3rd time June 2007	<ul style="list-style-type: none"> • Issuance of shares to increase equity (2:1 ratio): VND 50 billion • Additional issue to shareholders (5:1): VND 20 billion 	Increasing from VND 100 billion to VND 170 billion
4th time January 2008	<ul style="list-style-type: none"> • Dividend by share (ratio 5:1): VND 34 billion • Share issuance to current shareholders: VND 17 billion • Share issuance to strategic partners: VND 9 billion 	Increasing from VND 170 billion to VND 230 billion
5th time December 2008	Dividend by share (ratio 10:1): VND 22.5 billion (500,000 treasury shares are not subject to be paid dividend)	Increasing from VND 230 billion to VND 252.5 billion
6th time December 2009	Dividend by share (ratio 2:1): VND 126.25 billion	Increasing from VND 252.5 billion to VND 378.75 billion
7th time February 2013	Converting TDH41029 bonds first time in 2012: gaining VND 2.18 billion	Increasing from VND 378.75 billion to VND 380.93 billion

8th time December 2013	Converting TDH41029 bonds for the second time in 2013: gaining VND 573.34 million	Increasing from VND 380.93 billion to VND 381.50 billion
9th time February 2015	Issuance of shares to increase equity (10:1 ratio): VND38.14 billion	Increasing from VND 381.50 billion to VND 419.64 billion
10th time April 2016	Issuance of shares to existing shareholders and other partners (2:1 ratio): chartered capital increased VND 197.66 billion, capital surplus increased VND 64.6 billion	Increasing from VND 419.64 billion to VND 617.3 billion
11th time June 2016	Issuance of shares to increase equity (100:15 ratio): VND 92.58 billion	Increasing from VND 617.3 billion to VND 709.88 billion



MILESTONES DURING ITS GROWTH AND DEVELOPMENT SINCE BECOMING JOINT STOCK COMPANY

Shareholders Meeting decided to establish Thuduc Housing Developing Corporation (formerly known as Thuduc Housing Development and Industrial Park Services Company) with initial charter capital of VND 15 billion.

Officially listing Thuduc House share (Ticker: TDH) on the Ho Chi Minh City Stock Exchange on 14 December, 2006.

2001



2003

- Launching Thuduc Agriculture Wholesale Market, one of the three key wholesale markets in HCMC.
- Establishing Thuduc Agriculture Wholesale Market Co., Ltd.
- Winning a tender of a 6.4 hectares land located at Binh An Ward, District 2, HCMC from Vietnam Export Import Commercial Joint Stock Bank (Eximbank) and successfully developing Binh An urban project - District 2.
- Establishing Daewon Thuduc Housing Development Corporation - the first joint venture with a foreign partner with capital contribution by land use right.
- Ground-breaking of the Cantavil Apartment (1st phase) - starting the product line of Cantavil Apartment.

2006



2007

Ground-breaking of TDH - Truong Tho Apartment - which marked the company's first foundation for the product line named TDH - Apartment invested by TDH. The project has been awarded Gold Medal by Ministry of Construction for High Quality Construction Products Vietnam 2010.

Receiving Certificate of Quality Management System Standard ISO 9001: 2001 certified by Det Norske Veritas (DNV) (ISO 9001:2008 standards changed in 2010).

2008



2009

- Thuduc House's Board of Directors received a Certificate of Merit by the Prime Minister for their recognized contribution in building socialism and protecting the fatherland (period from 2003 to 2007).
- Breaking ground on Cantavil Premier Apartment Building - 2nd phase.
- General Director Le Chi Hieu was recognized as Typical Entrepreneur of Vietnam and was awarded Thanh Giong Cup.

2010



2010

- Being rewarded with the prize of Sao Vang Dat Viet (Vietnam Gold Star Award) for five consecutive years from 2006 to 2010, given to typical Vietnamese brands and product organized by the Vietnam Youth Federation in cooperation with the Vietnam Young Entrepreneurs Association.
- Being granted "Top 500 Biggest Enterprises in Vietnam 2010" - a title to recognize and honor enterprises which got the fastest growth in Vietnam in the past few years.
- Being awarded "Most Admired ASEAN Enterprises 2010" (ASEAN-ABA 2010), paving the way for the company to confidently assert and promote its brand to regional market.

- Applying ERP SAP solution with aim to plan information and provide reports on the company's operation management.
- Being rewarded with Gold Medal for High Quality Projects - 2010 Vietnam Construction Products for TDH - Truong Tho (certificate dated 10 November 2010).
- Thuduc House, its General Director and several Deputy General Directors were awarded Third-class Labor Medal for outstanding accomplishments from 2006 to 2009 in building Socialism and protecting the fatherland of Vietnam under decision No. 505/QD-CTN dated 28 April 2010.

MILESTONES DURING ITS GROWTH AND DEVELOPMENT SINCE BECOMING JOINT STOCK COMPANY (continued)

- Being continuously rewarded as Top 200 Vietnam Gold Star for six consecutive years (from 2006 to 2011).
- Being granted with the title "Typical Saigon Enterprise 2011".

2011



2012

- Organization department of VietBuild International Exhibition - Ministry of construction granted award "Viettopre gold cup" for TDH - Truong Tho apartment.
- State Securities commission awarded Certificate of Merit for Thuduc House's achievements of winning annual report prizes in Annual Report Award for the past 5 years.
- Received Certificate of Merit from HCMC People's Committee for completing business mission in 02 years (2010 and 2011) contributed to positive movement of Ho Chi Minh City.

- The People's Committee of Khanh Hoa Province gave Certificate of Merit to Thuduc Housing Development Corporation for its achievement "For pupils living in our beloved Truong Sa Islands" program in 2012.
- Vietnam Fatherland Front Committee gave Certificate of Merit to Thuduc Housing Development Corporation for its positive engagement in "For the poor" campaign in 2012.
- Minister of Construction gave Certificate of Merit to Thuduc Housing Development Corporation for its excellent achievement in completing all tasks in 2012 work plan.

2012



2013

- HCMC People's Committee gave Certificate of Merit to Thuduc Housing Development Corporation for its contribution to "For beloved Truong Sa students" program.
- VietNamNet online newspaper certified Thuduc Housing Development Corporation as one of 500 largest private companies in Vietnam.
- Ministry of Education and Training gave Certificate of Merit to Thuduc Housing Development Corporation for its excellent achievement in founding and accompanying with Vu A Dinh Scholarship which aims at developing the education career for young generation in highland, remote region and region of islands in Vietnam.
- The Prime Minister gave Certificate of Merit to Thuduc Housing Development Corporation for its achievement in charitable and social activities contributing to the career of socialism construction and fatherland protection.

- The Prime Minister gave Certificate of Merit to Thuduc Housing Development Corporation for its achievement in charitable and social activities contributing to the career of socialism construction and fatherland protection.
- Prime Minister awarded Certificate of Merit to Thuduc Housing Development Corporation on the achievements in the organization, participation in the Executive Council and sponsored Vu A Dinh Scholarship Fund, contributing to the construction industry building socialism and defending our country.
- The “Best Real Estate Enterprise 2014” (apartment items) voted by the Dau Tu Newspaper.

- President of the Socialist Republic of Vietnam awarded the Third-class Labor Medal to Mr. Nguyen Vu Bao Hoang - General Director of Thuduc Housing Development Corporation for excellent achievements in business at Thuduc Agriculture Wholesale Market in HCMC, facilitating consumption of agricultural products, implementing charity activities, making contribution to the career of socialism construction and fatherland protection.
- Chairman of HCMC People’s Committee awarded the title HCMC Typical Enterprise 2016 to Thuduc Housing Development Corporation
- Chairman of HCMC People’s Committee awarded the Certificate of Merit to Thuduc Housing Development Corporation for excellent achievements in development the Real Estate Association in consecutive years at the 3rd congress (2016 - 2021).

2014



2015

- The President of Vietnam awarded the second-class Labor Order to Thuduc House for outstanding achievements in its works and contribution to the career of building socialism and protecting the nation.
- The State President awarded the Second-class Labor Medal to the Chairman of the Board of Directors - General Director Le Chi Hieu for excellent achievements from 2010 to 2014, making contribution to development of socialism and national defence.
- The Minister of Education and Training awarded Merit Certificate to Thuduc House for its outstanding achievements in founding and accompanying with Vu A Dinh scholarship fund, developing education career in mountain and island areas.
- Thuduc House won Vietnam Gold Star Award 2015 - an award for the typical brands and products of Vietnam in international integration co-organized by the Central Committee of the Vietnam Youth Federation and the Central Committee of the Vietnam Young Enterprise Association.

2016



2016

- The HCMC People’s Committee awarded the Certificate of Merit to Thuduc Housing Development Corporation for achievements in development of the Business Fund for the Community in consecutive years, actively contributing to the emulation movement of the city at the 2nd congress (2016 - 2021).



AWARDS IN 2016

NO.	YEAR	AWARD	GRANTOR
1	2006, 2007, 2008, 2009, 2010, 2011, 2015	Vietnam Gold Star Award	Vietnam Youth Federation and Vietnamese Young Entrepreneur Association
2	2009	Gold Cup for Excellent Enterprise	Vietnam Association of Small and Medium Enterprise and Representative Office of Ministry of Science and Technology
3	2009	Gold Cup for Excellent Brand	
4	2009	Gold Cup for Excellent Real Estate Service	
5	2009	Certificate of Merit of Prime Minister	Prime Minister Nguyen Tan Dung
6	2010	The Third-class Labor Medal	President Nguyen Minh Triet
7	2010	Most Admired ASEAN Enterprises 2010 (ASEAN-ABA 2010)	Business Advisory Council ASEAN (ASEAN-BAC)
8	2010	Top 500 Biggest Enterprises in Vietnam	Vietnamnet Newspaper

9	2011	Typical Saigon Enterprise.	HCMC People's Committee
10	2012	Certificate of Merit of Minister of Construction for its excellent achievement in completing all tasks in the 2012 work plan.	Minister of Construction
11	2013	Certificate of Merit of Ministry of Education and Training for its excellent achievement in founding and accompanying with Vu A Dinh Scholarship which aims at developing the education career for young generation in highland, remote region and region of islands in Vietnam.	Ministry of Education and Training
12	2013	Certificate of Merit of Prime Minister for its achievement in charitable and social activities contributing to the career of socialism construction and fatherland protection.	Prime Minister
13	2014	Certificate of Merit Certificate from the Prime Minister for the achievements in works of charity, society, contributing to the cause of building socialism and protecting the country.	Prime Minister
		Certificate of Merit of Prime Minister for the achievements in activities of organization and participation in the Council of Executive and Sponsor for Vu A Dinh Scholarship Fund, contributing to the career of socialism construction and fatherland protection.	Prime Minister
		Certificate of Merit of Ho Chi Minh City Youth Union for the active contributions to the movement of learning, scientific research in consecutive years. On occasion of the 25 th anniversary of the establishment of new science and technology development center (1989-2014).	Ho Chi Minh City Youth Union
		Certificate of Merit from the People's Committee of District 3 for the outstanding achievements in the patriotic movement for the period of 2010-2014.	People's Committee of District 3
14	2015	The Second-class Labor Medal for outstanding achievements in works and contribution to the career of socialism construction and fatherland protection.	President of Vietnam
		Certificate of Merit for outstanding achievements in founding and accompanying with Vu A Dinh scholarship fund, developing education career in mountain and island areas.	Minister of Education and Training
		HCMC Typical Enterprise 2015.	HCMC People's Committee
15	2016	Mr. Nguyen Vu Bao Hoang - General Director of Thuduc Housing Development Corporation was awarded the Third-class Labor Medal for his outstanding achievements in business at Thuduc Agriculture Wholesale Market, facilitating consumption of agricultural products, implementing charity activities, contributing to the career of socialism construction and fatherland protection.	State President of the Socialist Republic of Vietnam
		HCMC Typical Enterprise 2016	HCMC People's Committee
		Certificate of Merit for development of the Real Estate Association for consecutive years at the 3 rd Congress (2016 - 2021).	HCMC People's Committee
		Certificate of Merit in development of the Business Fund for the community for consecutive years, actively contributing to the emulation movement of the city at the 2 nd Congress (2016 - 2021).	HCMC People's Committee

REAL ESTATE INVESTMENT

REAL ESTATE INVESTMENT AND BUSINESS IS THE MAIN BUSINESS OPERATION OF THUDUC HOUSE SINCE ITS ESTABLISHMENT DATE. AFTER 26 YEARS OF DEVELOPMENT, THUDUC HOUSE HAS INCREASINGLY AFFIRMED ITS REPUTATION IN REAL ESTATE MARKET AT HOME AND ABROAD AND CONTRIBUTED TO THE DEVELOPMENT OF REAL ESTATE MARKET IN VIETNAM IN THE CONTEXT WITH DIFFICULTIES AND CHALLENGES. AT THE END OF 2016, THUDUC HOUSE SUCCESSFULLY IMPLEMENTED MORE THAN 45 REAL ESTATE PROJECTS, INCLUDING NEW URBAN AREAS, FROM-MIDDLE-TO-HIGH-CLASS APARTMENT BUILDING PROJECTS, COMMERCIAL CENTERS, PREMIUM RESORTS AND HOTELS. BESIDES, SINCE 2009 THUDUC HOUSE HAS EXPANDED ITS INVESTMENT TO THE UNITED STATE.

Operational network of real estate investment and trading

- **Domestic investment**

Thuduc House has expanded its real estate operational network nationwide including: Ho Chi Minh City, Hanoi, Hue, Nha Trang, Da Lat, Long An. In particular, the projects of Thuduc House are mainly located in District 9, Thu Duc District, District 2. Some typical projects of Thuduc House include Cantavil Premier Project (Joint Venture with Daewon corporation - South Korea), Thuduc Agriculture Product Wholesale Market, Binh An Residential Area, Phuoc Long Spring Town, TDH - Truong Tho Apartment, TDH - Phuoc Binh Apartment, Ben Luc Residential Area in Long An Phuc Thinh Duc Apartment, Centum Wealth high - gradeapartment (Joint Venture with Daewon), Cantavil Hanoi (Joint Venture with Daewon, Phong Phu)...

Main products of Thuduc House are mostly medium and luxury segments. Since 2010, the Company has developed a strategy to diversify products with additional medium segments to meet changing needs of the Vietnamese real estate market. The Company successfully launched S-home small apartments, starting with TDH - Phuoc Long apartment in District 9 in 2016. Moreover, the corporation also promotes its cooperation and joint venture with both local and international big partners namely Daewon Group - South Korea, Phong Phu Corporation, Vinatex ITC, Tocontap, Phuoc Long Investment JSC, Satraseco, etc. The expanded cooperation enables the corporation to develop projects in multiple kinds and appropriate to each project status.

Since 2016, Thuduc House has signed comprehensive cooperation contracts with FIDECO and Lien Phuong Textile & Garment Corporation to jointly develop new projects, in which, focusing on the office and apartment projects in central Districts to expand land fund and enhance competitive competence.



- **Foreign investment**

With experience, considerable expertise and clear-headed strategy, Thuduc House brand is recognized by local and foreign partners. Especially, Thuduc House is the first Vietnamese Company to receive the real estate business license to operate in USA.

In 2009, Thuduc House established joint-venture named Thuduc House Property Ventures LLC with head office located in 985 Kendall Drive, Suite 342, San Bernardino, CA 92407, USA. Main business line of this company is to develop residential areas for sale and rent.

DIAGRAM OF MAJOR REAL ESTATE PROJECTS
(COMPLETED & ON GOING) OF THUDUC HOUSE

PRODUCT LINES OF APARTMENT BUILDING

1

HIGH-CLASS SEGMENT



Cantavil An Phu Apartment Building
(Dist.2) (TDH: 40%)
Land area: 10,725 m²
Completed in 2006



Cantavil Premier Apartment Building
(Dist.2) (TDH: 40%)
Land area: 11,170 m²
Completed in 2013



Green Pearl Project (Hanoi)
(TDH: 18.4%)
Land area: 28,736 m²
Ongoing



Centum Wealth Luxury Apartment Building (Dist.9)
(TDH: 51%)
Land area: 11,582 m²
Ongoing

MEDIUM-ABOVE SEGMENT



TDH - Truong Tho Apartment Building
(Thu Duc District) (TDH: 100%)
Land area: 7,000 m²
Completed in 2010



TDH - Phuoc Binh Apartment Building (Dist.9)
(TDH: 100%)
Land area: 2,325 m²
Completed in 2010



TDH - Phuoc Thinh Duc Apartment Building (Dist.9)
Land area: 14,680 m²
Ongoing

MEDIUM SEGMENT (S-HOME)



TDH - Phuoc Long Apartment Building (Dist.9)
(TDH: 100%)
Land area: 3,573 m²
Completed in 2016



TDH - Binh Chieu Lot I Apartment Building
(Thu Duc District) (TDH: 100%)
Land area: 6,748 m²
Under design



TDH - Binh Chieu Lot H Apartment Building
(Thu Duc District) (TDH: 100%)
Land area: 3,754 m²
Under design

2

RESIDENTIAL - URBAN - COMPLEX PROJECT



Binh An Urban Zone
(Dist.2) (TDH: 100%)
Land area: 64,605 m²
Completed in 2003



Binh Chieu I Residential Area (Thu Duc District)
(TDH: 100%)
Land area: 157,380 m²
Completed in 2007



Phuoc Long Spring Town Urban Zone
(Dist.9) (TDH: 66.9 %)
Land area: 37,140 m²
Ongoing



Long Hoi - Ben Luc Urban Zone
(Long An) (TDH: 65%)
Land area: 203,500 m²
Ongoing



TDH - Tocontap Residential Area (Dist.9)
(TDH: 70%)
Land area: 16,594 m²
Ongoing



Binh Chieu Residential 4 ha Area (Thu Duc District)
(TDH: 100%)
Land area: 39,441.9 m²
Ongoing



Can Gio Premium Residential Area (Dist.2)
(TDH: 43%)
Land area: 29.8 ha
Ongoing



Nam Dinh Textile & Garment Urban Area
Land area: 24.8 ha
Expected to cooperate for construction

3

REAL ESTATE FOR TOURISM - SERVICE - OFFICE



Thuduc Agriculture Wholesale Market
(Thu Duc District) (TDH: 100%)
Land area: 200,000 m²
Completed in 2003



La Sapinette Hotel Dalat
(TDH: 72%)
Land area: 7,560 m²
Completed in 2009 & transferred.



Hang Xanh Commercial - Service - Office Center
(Binh Thanh District) (TDH: 45%)
Land area: 607 m²
Completed in 2013



Cantavil Long Hai Project
(Vung Tau) (TDH: 40%)
Land area: 47,032.5 m²
Open for sale



Project office for lease at 28 Phung Khắc Khoan
(Dist. 1) (TDH: 43%)
Land area: 2,281.9 m²
Application for investment permission

Note: The list above does not include transferable projects and small-scale projects.

DIAGRAM OF COMPLETED, ONGOING, AND EXPECTED TO COOPERATE FOR CONSTRUCTION PROJECTS IN HCMC AND OTHER PROVINCES

IN THU DUC DISTRICT

- 1. TDH - TRUONG THO APARTMENT BUILDING (Completed in 2010)
- 2. TDH - BINH CHIEU APARTMENT BUILDING (LOT I + LOT H) (Under design)
- 3. BINH CHIEU RESIDENTIAL AREA - 4 ha (Under construction of infrastructure)
- 4. BINH CHIEU I RESIDENTIAL AREA (Completed in 2007)
- 5. THUDUC AGRICULTURE WHOLESALE MARKET (Completed in 2003)

IN DISTRICT 9

- 1. CENTUM WEALTH PREMIUM APARTMENT BUILDING (Ongoing)
- 2. TDH - PHUOC BINH APARTMENT BUILDING (Completed in 2010)
- 3. TDH - PHUOC LONG APARTMENT BUILDING (Completed in 2016)
- 4. TDH - PHUC THINH DUC APARTMENT BUILDING (Under design)
- 5. PHUOC LONG SPRING TOWN URBAN ZONE (Under construction low-rise area)
- 6. TDH - TOCONTAP RESIDENTIAL AREA (Ongoing)

IN DISTRICT 2

- 1. CANTAVIL APARTMENT BUILDING - PHASE I (Completed in 2006)
- 2. CANTAVIL PREMIER APARTMENT BUILDING (Completed in 2013)
- 3. BINH AN URBAN ZONE DISTRICT 2 (Completed in 2003)

IN DISTRICT 1

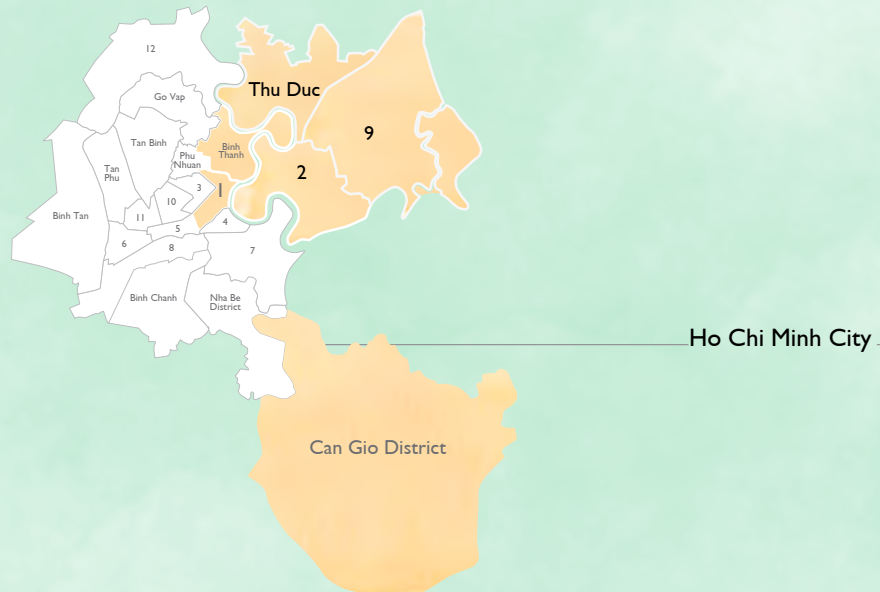
- 1. PROJECT OFFICE FOR LEASE AT 28 PHUNG KHAC KHOAN (Application for investment permission)

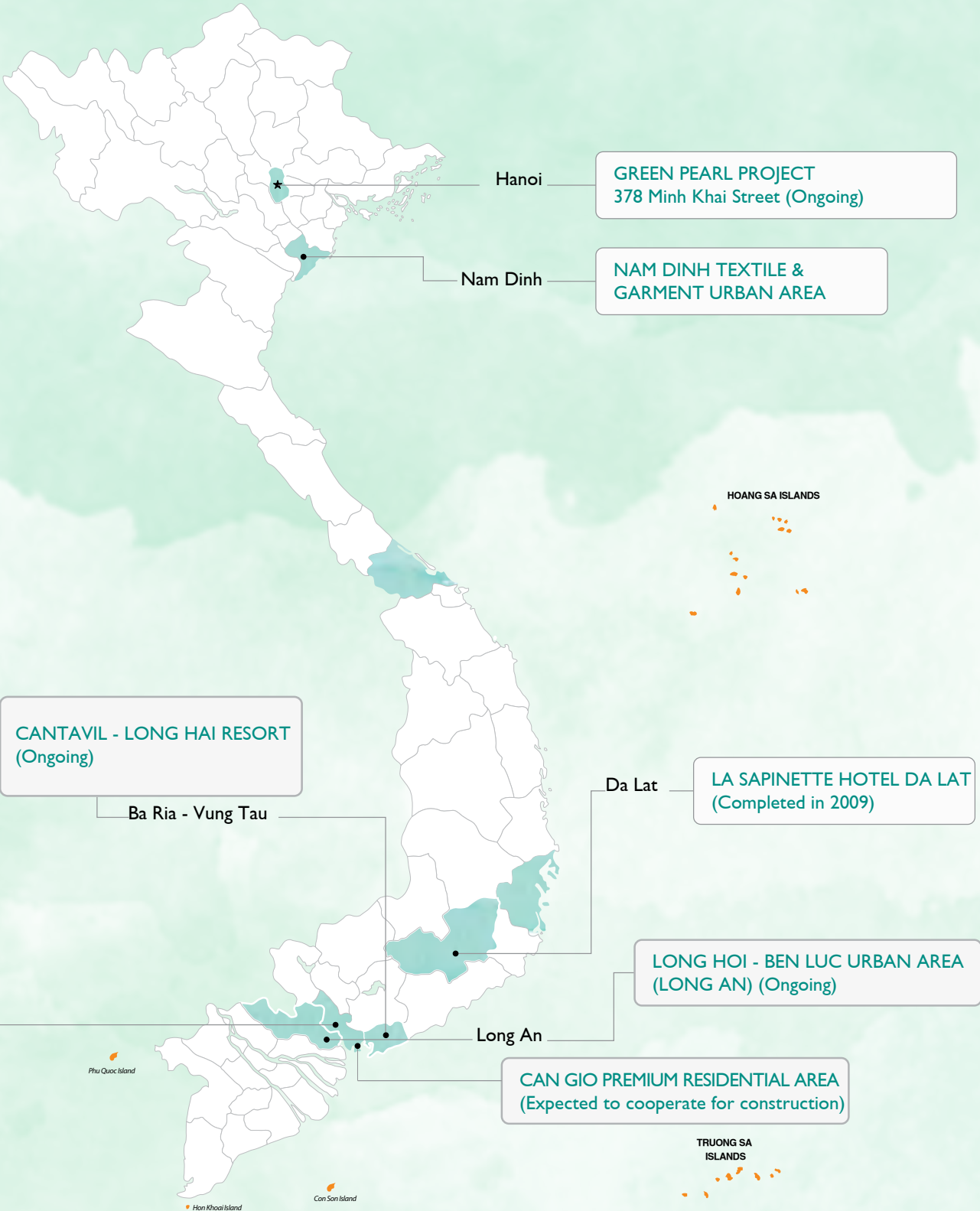
IN BINH THANH DISTRICT

- 1. HANG XANH COMMERCIAL - SERVICE - OFFICE CENTER (Completed in 2013)

IN CAN GIO DISTRICT

- 1. CAN GIO PREMIUM RESIDENTIAL AREA (Expected to cooperate for construction)





BUSINESS SECTORS AND OPERATIONAL NETWORK OF THUDUC HOUSE



INVESTMENT OF PRODUCTION - TRADE - SERVICE

With the aim to increase performance of the Company as well as bring added values, TDH spent part of capital to invest in projects and established many member companies operating in trade and services creating more diversified products and services such as Dong An Binh Pure Ice Co., Ltd; high-rise building management services of Tam Binh - Thu Duc Service Co., Ltd; security services of Hung Vuong Security Service JSC, Thuduc Agriculture Wholesale Market Co; Ltd; La Sapinette Dalat Hotel and Lang Biang Plaza...

Sectors of Manufacturing - Commerce - Service of the Company including:

- Managing, operating and trading the wholesale market and the auxiliary services; establishing agro-product trade and import-export center, agro-product trading floor...
- Provide logistics and warehousing services; fiduciary services for import-export related to warehouse, consignment agent;

- Manufacture, process and supply pure ice, manufacture bottled purified-water;
- Provide lodging, catering services (hotel - resort - tourism);
- Associated business in sport service.

In which, the management services in the cluster of Thuduc Agriculture Wholesale Market is business operation of contributing the highest revenue among sectors of manufacturing - commerce - services of the Company.

Currently, besides the main activity as real estate business, the Company also promoted development of more export activities of agricultural-forestry-mineral products based on the existing advantages from Thuduc Agriculture Wholesale Market and from local and foreign partners.



FINANCIAL INVESTMENT

Financial investment aimed to create balance for business cycle, land fund development and diversification of asset portfolio to reduce risk. The key financial investment activities of TDH include:

- Capital contribution to (establishing) enterprise for the first time.
- Capital contribution (purchase of shares) as a strategic shareholder.
- Financial investment under form of business partnership contract for real estate projects.

Especially in financial investment, TDH always focused on large capital to invest in financial items related to development of real estate sector. Primarily investing in joint venture, associated companies to expand land fund and facilitate for development of investment activities in projects of the Company in the long term.



STRENGTHS

- Thuduc House is an experienced company with many years in investing and trading properties in Vietnam. Its Board of Management is proficient, experienced, flexible and creative in management.
- Thuduc House is one of the real estate enterprises which have safe finance structure, remains low debt rate in comparison with equity and keeps stable business situation in the past many years.
- Thuduc House owns abundant land fund at good locations in big cities such as Ho Chi Minh City, Hanoi, Hue, Da Lat, Long An. Most lands of Thuduc House are clean (The lands do not need time and costs for clearance and compensation) for quick development.
- Thuduc House is a big, reputable brand name, trusted and chosen by many clients thanks to its product quality. Quality is deemed the most important factor to retain current customers and attract potential customers.
- Professional marketing and branding activities bring high efficiency and create strong impression with community.
- There are many strong local and international partners such as: Daewon Corporation - South Korea, Phong Phu Corporation Lien Phuong Textile & Garment Corporation, Satraseco, Tocontap, FIDECO, Pavo Capital...

CHALLENGES

- Legal risk in the real estate sector is still quite high. Regulations in the field of land management, construction management and planning keep many existing shortcomings; policies on land valuation, lasted legal procedure... also cause many difficulties and increase in project development costs for enterprises (especially the cost related to land).
- In the context of global integration, many experienced foreign real estate companies with strong financial capacity have been putting significant competitive pressure on domestic companies.
- Local real estate companies are growing more and more in quantity. More and more projects are launched in the market leading to increasingly fiercer competition.

WEAKNESSES

- Capital Scale is still small, not yet able to meet investment needs under the development strategy of Company. It must rely on loans and joint venture, associated capitals...
- Not yet have expanded land fund in central Districts of HCMC. The expansion is still under consideration due to too high price, currently Company has just researched and expectedly deployed first potential projects in center area.
- Lack of human resources, especially middle and senior managers. Members of BOD and BOM still take over multi-positions.

OPPORTUNITIES

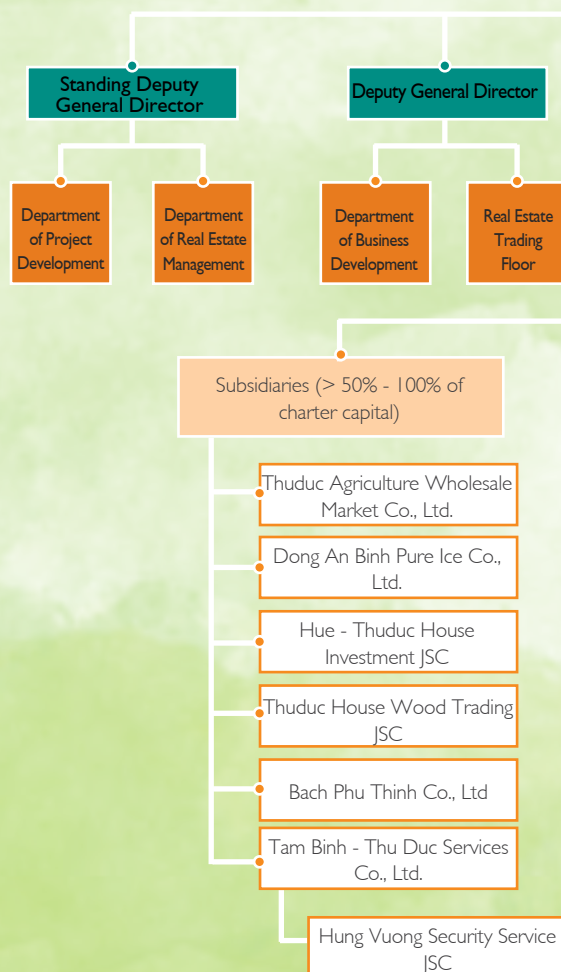
- The real estate market will continue to strongly develop and deeply integrate in 2017: new State policies, low interest rate, increasing capital flows inside and outside the country into the market, recovering the belief in the market, increasing M&A activities, etc.
- Demand in accommodation and middle-class apartments are very high. This product line of the Company has competitive strengths. The Company is focusing on this segment in the future.
- The cooperation strategy with strong partners, local and foreign associated Companies helps Thuduc House to enhance competitiveness as well as ensure financial support for project implementation in future.
- Thuduc House successfully implemented ERP project to manage information data and provide appropriate management reports to meet the expansion plan of Group. ERP helps Thuduc House to enhance management quality, facilitate business processes in accordance with international standards, concurrently increase profit, improve competitive advantages and brand development.
- With its available advantages from Thuduc Agriculture & Food Wholesale Market, its strategy to foster agro - products export and import activity in the next coming years is expected to provide the Company with stable revenue, effective support for its real estate sector and an improvement in business results.

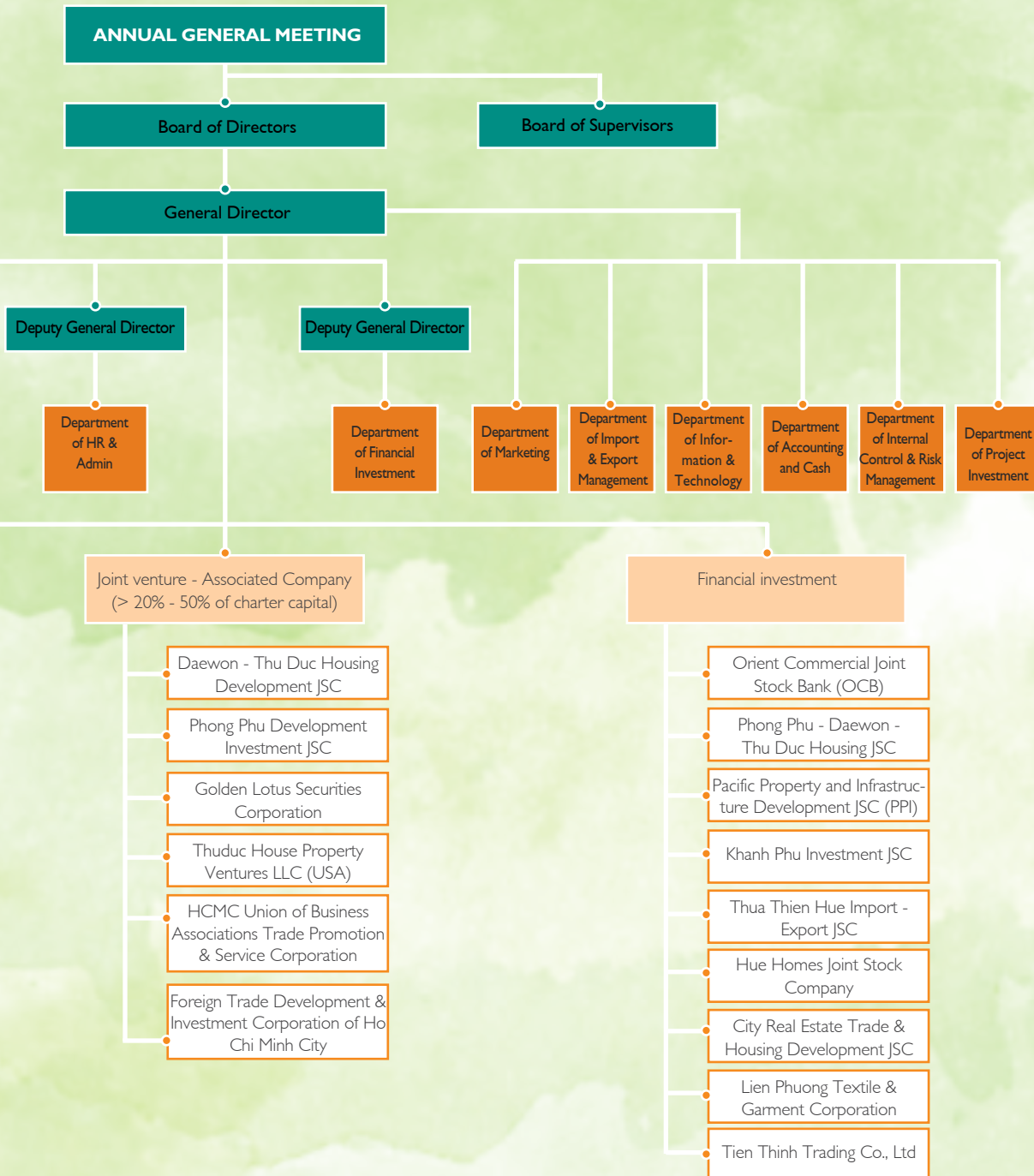
ORGANIZATIONAL STRUCTURE

MANAGEMENT STRUCTURE

Annual General Meeting (AGM): The Annual General Meeting is the highest decision-making body of the Company. As of 01 March 2017, total shareholders of Thuduc House were 4,438 shareholders, of whom 39.78% are foreign shareholders and 60.22% are domestic shareholders.

- Board of Directors (BOD):** The Board of Directors is the corporate management body, totally representing the Company to decide and implement the rights and obligations not under the competence of AGM. Thuduc House's BOD consists of 05 members, of whom 04 members are non-executive and 01 member is independent.
- Board of Management (BOM):** Thuduc House's BOM members are appointed by BOD, including 01 General Director and 04 Deputy General Directors, who are responsible for implementing the decisions of BOD and AGM and carrying out business strategies related to the Company's business operation.
- Board of Supervisors (BOS):** Thuduc House's BOS consists of 03 independent non-executive members and 01 Head of the BOS who has an accounting background and works full time for the Company. The BOS is responsible for supporting shareholders in control and management of the Company.





BOARD OF DIRECTORS AND BOARD OF MANAGEMENT



Mr. LE CHI HIEU

Chairman of BOD

Year of birth: 1957

Qualification: Doctor of Business Administration

Seniority: Joined the Company since 1994 (23 years)

Employment history:

- 1980 - 1986: Worked at State Bank - Thu Duc Branch (formerly)
- 1986 - 1988: Worked at Investment & Construction Bank - Thu Duc Branch
- 1988 - 1989: Head of Planning & Statistic Division - Thu Duc People's Committee
- 1989 - 1994: Head of Finance - Planning Division - Thu Duc People's Committee; Member of Thu Duc People's Council
- 1994 - 2001: Director of Thuduc House Management & Development Company
- 2001 - May 2015: Chairman cum General Director of Thuduc Housing Development Corporation
- June 2015: Chairman of BOD of Thuduc Housing Development Corporation.

Positions in other organizations:

- Chairman of BOD of Phong Phu Investment & Development JSC (PPI)
- Chairman of BOD of Phong Phu - Daewon - Thuduc Housing Development JSC
- Chairman of the Board of Members of Bach Phu Think Co., Ltd.
- Chairman of BOD of Phuc Thinh Duc Investment Co., Ltd.
- Chairman of Thuduc Agriculture Wholesale Market Co., Ltd.



Mr. TRAN QUANG NGHI

Vice Chairman of BOD

Year of birth: 1960

Qualification: Master of Business Administration, Bachelor of Science in Economics, CEO Certificate

Employment history:

- 1980 - 1995: Staff of Phong Phu Textile Company.
- 1995 - 1996: Deputy Head of Sales Department of Phong Phu Textile Company.
- 1996 - 1997: Deputy Head of Planning Department of Phong Phu Textile Company.
- 1997 - 1998: Head of Planning Department of Phong Phu Textile Company.
- 1998 - 2001: Head of Sales Department of Phong Phu Textile Company.
- 2001 - 2003: Vice General Director of Phong Phu Textile Company.
- 2003 - 2009: General Director of Phong Phu Corporation.
- 2009 - 2010: Member of the Board of Members, Standing Deputy General Director of Vietnam National Textile and Garment Group, Chairman cum General Director of Phong Phu Corporation.
- 2010 - 2013: Member of the Board of Members, General Director of Vietnam National Textile and Garment Group, Chairman of BOD of Phong Phu Corporation.
- 2013 - 2014: Chairman of the Board of Members of Vietnam National Textile and Garment Group, Chairman of BOD of Phong Phu Corporation.
- January 2015 up to now: Chairman of BOD of Vietnam National Textile and Garment Group, Chairman of BOD of Phong Phu Corporation, Chairman of Board of Members of Coast Phong Phu Joint Venture Company.

Positions in other organizations:

- Chairman of BOD of Vietnam National Textile and Garment Group.
- Chairman of the Board of Members of Coast Phong Phu Joint Venture Company.
- Chairman of BOD of Phong Phu Corporation.



Mr. NGUYEN VU BAO HOANG

Member of BOD - General Director

Year of birth: 1976

Qualification: Doctor of Business Administration, Master of Economics

Seniority: Joined the Company since 2005 (12 years)

In charge of:

Being the Company's legal representative, representing the Company to sign economic contracts and transactions with the State management agencies, organizations and individuals on the issues related the Company's business operation.

Employment history:

- 1995 - 2005: Studied and worked at Sydney - Australia
- 2005 - May 2010: Sales & Marketing Director - Thuduc Housing Development Corporation.
- June 2010 - May 2015: Deputy General Director of Thuduc Housing Development Corporation.
- From June 2015: General Director of Thuduc Housing Development Corporation.
- From March 2011 - May 2015: Member of BOD cum Deputy General Director of Thuduc Housing Development Corporation.
- From June 2015: Member of BOD cum General Director of Thuduc Housing Development Corporation.

Positions in other organizations:

- Member of BOD of Pacific Property & Infrastructure Development JSC (PPI).
- Chairman of BOD of HCMC Union of Business Association Trade Promotion & Service Corporation.
- Chairman of BOD of Thuduc House Wood Trading JSC.
- Vice Chairman of Thuduc Agriculture Wholesale Market Co., Ltd.
- Member of BOD of Petroleum Mechanical JSC.
- Member of BOD of Ben Thanh Jewelry JSC.
- Vice Chairman of BOD of Foreign Trade Development & Investment Corporation of HCMC (FIDECO).
- Chairman of Board of Members of Thong Duc Co., Ltd.
- Vice Chairman of BOD of Daewon - Thu Duc Housing Development JSC.



Mr. LE THANH LIEM

Member of BOD (Joining the Board of Directors since April 2016)

Year of birth: 1960

Qualification: Master of International Business Administration

Employment history:

- 1982 - 2008: Deputy General Director of Phong Phu Corporation
- 2008 - 2013: General Director of Vietnam Textile & Garment Real Estate JSC
- 2013 - 2015: General Director of Phuoc Long Investment JSC
- 2015 up to now: Vice Chairman cum General Director of Lien Phuong Textile & Garment Corp.

Positions in other organizations:

- Chairman of BOD cum General Director of Vietnam Wool JSC
- Vice Chairman of Vinatex Nam Dinh City JSC
- Member of BOD of Phong Phu - Daewon - Thu Duc Housing Development JSC

BOARD OF DIRECTORS AND BOARD OF MANAGEMENT



Mr. TRAN BAO TOAN

*Member of the Board of Directors
(Joining the Board of Directors since April 2016)
Year of birth: 1971
Qualification: PhD in Economics*

Employment history:

- May 1995 - July 1999: Chairman of Risk and Return Switzerland
- August 1998 - August 2000: Portfolio Manager of Banque General du Luxembourg.
- September 2000 - February 2005: Research Director, Vice Chairman of Fund Management and Portfolio Department of AKB Bank.
- February 2005 - June 2006: Financial Consultant of SECO Project on supporting Vietnam.
- February 2005 - September 2006: Investment Manager of Vietnam Holding.
- October 2006 - June 2012: Vice Chairman of the Board of Directors of Ban Viet Fund Management Company and Member of the Board of Directors of Ban Viet Securities Joint Stock Company.
- May 2011 - October 2014: General Director of Foreign Trade Development & Investment Corporation of Ho Chi Minh City
- From July 2015: Chairman of the Board of Directors of Ho Chi Minh City Foreign Trade Development and Investment Joint Stock Company.
- From February 2016: General Director of UK - Northern Ireland PAVO CAPITAL Fund Management Company.

Positions in other organizations:

- Chairman of the BOD of Foreign Trade Development & Investment Corporation of Ho Chi Minh City.
- Chairman of Doanh Bao An Co., Ltd.
- Chairman of the BOD of Happyland DC.
- Chairman of the BOD of New Pine Multimedia Technologies JSC.
- Chairman of the BOD of Bach Kinh JSC.
- Chairman of the BOD of DBA-RHINO JSC.



Mr. TRAN QUANG NHUONG

*Standing Deputy General Director
Year of birth: 1962
Qualification: Bachelor of Economics
Seniority: Joined the Company since 1991 (26 years)*

In charge of:

- Managing Project Development & Service Division; supervising and directing some subsidiaries, associates and joint ventures.

Employment history:

- 1981 - 1991: Staff of Statistic Department of Thu Duc District.
- 1991 - 2001: Head of Planning Department of Thuduc Housing Development & Industrial Park Company.
- 2001 - March 2011: Deputy General Director of Thuduc House.
- March 2011 up to now: Standing Deputy General Director of Thuduc House.

Positions in other organizations:

- Chairman of BOD of Dong An Binh Pure Ice Co., Ltd.



Mrs. PHAM THI THANH BINH

Deputy General Director

Year of birth: 1964

Qualification: Bachelor of Economics, Bachelor of Law

Seniority: Joined the Company since 1993 (24 years)

In charge of:

- Managing Human Resource & Admin Division.

Employment history:

- 1985 - 1991: Worked at Thu Duc Import - Export Manufacturing and Trading Company
- 1991 - 1993: Deputy Head of Planning Department Thu Duc Import - Export Manufacturing and Trading Company
- 1993 - 1994: Staff of Thuduc Housing Management & Development Company
- 1994 - 1996: Deputy Head of Material Planning Department of Thuduc Housing Management & Development Company
- 2001 - April 2010: Sales Director of Thuduc House
- April 2010 up to now: Deputy General Director of Thuduc House



Mr. NGUYEN KHAC SON

Deputy General Director

Year of birth: 1970

Qualification: Bachelor of Business Administration

Seniority: Joined the Company since 2006 (11 years)

In charge of:

- Directly in charge of business. Management of real estate trading floors under Thuduc House; Assist to Deputy Director in dealing with investor relations, foreign organizations and funds.

Employment history:

- 1994 - 2001: Head of Purchasing Department of VMEP - SYM Vietnam.
- 2006 - May 2010: Director of Financial Investment Department of Thuduc Housing Development Corporation.
- June 2010 - April 2011: Deputy General Director of Thuduc Housing Development Corporation.
- April 2011 - April 2015: Member of the Board of Directors - Deputy General Director of Thuduc Housing Development Corporation.
- May 2015: Deputy General Director of Thuduc Housing Development Corporation.

Positions in other organizations:

- Member of BOD of Khanh Phu Investment Corporation.
- Member of BOD cum Deputy General Director of Daewon - Thu Duc Housing Development JSC.
- General Director of Bach Phu Think Co., Ltd.

BOARD OF DIRECTORS AND BOARD OF MANAGEMENT



Mr. PHAM DINH KHANG

Deputy General Director

(Retired in May 2016)

Year of birth: 1956

Qualification: Doctor of Business Administration

Seniority: Joined the Company since 1994 (23 years)

In charge of:

- Directly managing foreign investment (USA market), supporting General Director in foreign affairs.

Positions in other organizations:

- 1984 - 1989: Director of Dai Thang Shipbuilding Factory - HCMC Department of Aquatic Resources Protection.
- 1989 - 1992: Standing Deputy Director of Nha Be Logistic Company.
- 1993 - 1994: Deputy Director of HODACO Construction Company.
- 1995 - 2000: Chief of Engineering Construction Team, Thuduc Housing Development & Industrial Park Service Company.
- 2000 - 2001: Head of Project Management Department of Thuduc Housing Development & Industrial Park Service Company.
- 2001 - March 2011: Member of BOD - Deputy General Director of Thuduc House.
- March 2011 - May 2016: Deputy General Director of Thuduc House.



Mr. NGUYEN NGOC TRUONG CHINH

Deputy General Director (appointed since 13 January 2016)

Year of birth: 1973

Qualification: Bachelor of Foreign Trade

Seniority: Joined the Company since 2016

In charge of:

- Directly managing financial investment, supporting General Director to work with investors, foreign organizations and financial funds.

Employment history:

- 1999 - 2006: Chief of OTC Department - ACB Securities JSC.
- 2006 - 2007: Deputy General Director of Dong Duong Securities JSC.
- 2007 - 2009: Director of Project Division of Nguyen Kim Group; General Director of Vinatex - Nguyen Kim.
- 2009 - January 2016: General Director of Golden Lotus Securities JSC.
- January 2016 up to now: Deputy General Director of Thuduc House.

Positions in other organizations:

- Chairman of the Board of Members cum Director of Tam Binh - Thu Duc Services Co., Ltd.
- Member of BOD of Sen Vang Securities JSC.
- Member of BOD of Thua Thien Hue Import, Export & Investment JSC.
- Member of BOD of Foreign Trade Development & Investment Corporation of Ho Chi Minh City.
- Member of BOD of the City Housing Development Real Estate Business Joint Stock Company (HDReal).



Mr. DOAN NGOC QUANG

Deputy General Director

(Appointed in August 2016 and dismissed on 22 February, 2017)

Year of birth: 1976

Qualification: Master of Finance - Banking

Seniority: Joined the Company in 2016

In charge of:

- Directly in charge of project investment.

Employment history:

- From September 1998 to December 1999: Staff of Vietnamese Music Company.
- From January 2000 to April 2002: Staff of Danu Vina Company (Linh Trung Export Processing Zone).
- From June 2002 to February 2007: Deputy Head of Research and Development Department of Nam Long Construction Co., Ltd.
- From February 2007 to April 2008: Staff of Alpha Securities JSC.
- From April 2008 to June 2010: Staff of VinaCapital Real Estate Co., Ltd.
- From April 2010 to March 2011: Deputy General Director/Member of the Board of Directors of Binh Thanh Import - Export Production & Trade JSC (Gilimex); General Director of Gia Dinh Real Estate One-member Co., Ltd (under Gilimex).
- From January 2011 to November 2014: Deputy General Director of Dat Viet Development JSC (under Vina Capital Group).
- From December 2014 to January 2016: Investment Director of Dat Xanh Group.
- From February 2016 to May 2016: Deputy General Director of Foreign Trade Development & Investment Corporation of Ho Chi Minh City.
- From June 2016 up to now: General Director of Foreign Trade Development & Investment Corporation of Ho Chi Minh City.

BOARD OF SUPERVISORS



Mr. NGUYEN HUNG LONG

Chief of BOS

Year of birth: 1966

Qualification: Bachelor of Economics, Bachelor of Law

Employment history:

- February 1989 - December 1990: Worked at Ho Chi Minh Communist Youth Union.
- January 1991 - October 1995: Worked at HCMC Department of Finance.
- October 1995 - October 1999: Worked at HCMC Department of State Capital & Asset Management.
- October 1999 - 2011: Worked at Division of Enterprise Finance - Department of Finance.
- 2011 - December 2015: Deputy General Director - Real Estate Trade & Construction JSC No. 3.



Mr. THAI BANG AU

Member of BOS

Year of birth: 1957

Qualification: Bachelor Degree

Employment history:

- 1976 - 1979: Captain, Assistant of Political Department - Team 3 - Ho Chi Minh Communist Youth Union.
- 1980 - 1985: Student of Ho Chi Minh University.
- 1986 - 2002: Internship in Russia, Lecturer at Ho Chi Minh University.
- 1997 - 2005: Member of BOD of Long An Import - Export JSC, Specialist of Foreign Representative Office.
- 2005 up to now: Independent Financial Investor cum Member of Executive Committee of Vietnam Association for Financial Investment (VAFI). Member of BOS of Thuduc House.



Mr. THAI DUY PHUONG

Member of BOS

Year of birth: 1980

Qualification: Bachelor of Economics with major in Finance

Employment history:

- February 2008 - July 2008: Bank teller of ANZ Bank in New Zealand - ANZ Mount Roskill Branch
- September 2008 - February 2010: Specialist of Entrusted Capital Management of Ho Chi Minh City Investment Fund for Urban Development
- March 2010 up to now: Specialist of Appraising Department, HR Management Department of Ho Chi Minh City Finance and Investment State-owned Company



Mr. QUAN MINH TUAN

Chief Accountant

Year of birth: 1963

Qualification: Bachelor of Finance and Accounting

Seniority: Joined the Company since 1990 (27 years)

Employment history:

- September 1981 - August 1988: Chief Accountant in Construction Division of Thu Duc District
- August 1988 - June 1990: Chief Accountant in Housing Management Team of Thu Duc District
- June 1990 - February 2000: Accountant of Thuduc Housing Management & Development Company which was then renamed as Thuduc Housing Development & Industrial Park Service Company
- February 2000 - March 2006: Deputy Head of Accounting Department of Thuduc Housing Development & Industrial Park Service Company then renamed as Thuduc Housing Development Corporation
- March 2006 up to now: Chief Accountant of Thuduc Housing Development Corporation

LIST OF SUBSIDIARIES & ASSOCIATES



THUDUC AGRICULTURE
WHOLESALE MARKET CO.,
LTD.

Charter Capital (VND billion)

37

Ownership rate held by TDH
100%

Headquarter: No. 141, Quarter 5, National Highway 1A, Tam Binh Ward, Thu Duc District, HCMC

Business Areas: Managing, operating and trading project cluster of Thuduc Agriculture Wholesale Market.

Development Strategy: To build an modern agricultural product trade center; to establish an agricultural product auction floor; an import-export center contributing to strong promotion of commercial and service activities in HCMC and Nationwide in general.



DONG AN BINH PURE ICE
CO., LTD.

Charter Capital (VND billion)

25.1

Ownership rate held by TDH
99.60%

Headquarter: No. 4, Road No. 4, Quarter 5, Tam Binh Ward, Thu Duc District, HCMC

Business Areas: Manufacturing & processing and supplying pure ice; High quality bottled pure water; Providing advertising service.



TAM BINH - THU DUC
SERVICES CO., LTD.

Charter Capital (VND billion)

6

Ownership rate held by TDH
70%

Headquarter: Office Building of Thuduc Agriculture Wholesale Market - No. 141, National Highway 1A, Tam Binh Ward, Thu Duc District, HCMC

Business Areas: Providing logistics service, warehousing service and other import - export mandate services related to warehouse and consignment agents. Providing services for properties consultancy and brokerage.



List of subsidiaries & associates (Thuduc House holds more than 51% of charter capital)



HUE - THUDUC HOUSE

HUE - THUDUC HOUSE
INVESTMENT JSC

Charter Capital (VND billion)

30

Ownership rate held by TDH
75%

Headquarter: Chan May - Lang Co Economic Zone, Lang Co Town, Phu Loc District, Thua Thien Hue Province

Business Areas: Constructing kinds of house; Constructing other civil engineering works; Providing short-stay lodging service; Restaurant and catering services upon mobile request; Providing catering service upon infrequent contract with customers (parties, meetings, wedding, etc.) and other catering services; Providing drinks service; Trading real estate products, land use right of owner, user or tenant; providing advertising services; Providing supporting services related to operating and promoting tours. Owner of La Sapinette Resort Project - Lang Co, Hue.



THUDUC HOUSE WOOD TRADING

THUDUC HOUSE WOOD
TRADING JSC

Charter Capital (VND billion)

120

Ownership rate held by TDH
58%

Headquarter: 3-5 Pasteur Street, Nguyen Thai Binh Ward, District 1, HCMC

Business Areas: Trading in bamboo, timber and body wood and processed wood; Trading in agroforest materials; Trading in iron, steel and others; Brick, tile, sand, gravel trading; Construction materials and installing equipment trading; Food and agro-products trading, etc.



CENTUM WEALTH

BACH PHU THINH CO., LTD

Charter Capital (VND billion)

195

Ownership rate held by TDH
51%

Ventures Partner: South Korean Daewon Group

Business Areas: Investment, construction of high-rise apartment buildings, office buildings for rent to serve high income people and foreigners living in Vietnam.



List of subsidiaries & joint ventures
(Thuduc House holds from 20% to 50% of charter capital)



DAEWON - THUDUC HOUSING DEVELOPMENT JSC

PHONG PHU DEVELOPMENT INVESTMENT JSC

Headquarter:

No.1, Hamlet 3, An Phu New Urban Area, An Phu Ward, District 2, HCMC

Ventures Partner:

South Korean Daewon Group

Business Areas:

Partnership in investing and building high-rise apartments and office buildings for lease aimed to serve for middle to high income people and foreigners living and working in Vietnam.



Headquarter:

11th Floor, HUD Building, 159 Dien Bien Phu Street, Ward 15, Binh Thanh District, HCMC

Business Areas:

Investing, constructing and trading infrastructures of industrial zone; leasing houses, commercial centers, operating factories & warehouse; providing investment consultancy services.

Charter Capital

VND 323 billion

Charter Capital

VND 200 billion

Ownership rate held by TDH

40%



Ownership rate held by TDH

27%





GOLDEN LOTUS SECURITIES JSC

THUDUC HOUSE PROPERTY VENTURES LLC (USA)

Headquarter:

3th - 4th Floor, 164 Nguyen Cong Tru Street, District 1, HCMC

Business Areas:

Operating in securities services such as: stock brokerage, custodian, securities investment consultancy, securities self-investment and financial consultancy.

Headquarter:

985 Kendall Drive, Suite 342, San Bernardino, CA 92407, USA

Ventures Partner:

California Newland Ventures Company, LLC

Business Areas:

Developing and trading housing areas, participating in developing other real estate projects.

Charter Capital

VND 135 billion

Charter Capital

USD 6 million

Ownership rate held by TDH

22.49%

Ownership rate held by TDH

50%





HCMC UNION OF BUSINESS ASSOCIATIONS TRADE PROMOTION AND SERVICE CORPORATION



Headquarter:

3-5 Pasteur Street, Nguyen Thai Binh Ward, District I, HCMC

Business Areas:

Providing services of advertisement, media, trade introduction and promotion, consultancy & design for brand name identification system, printing, design, investment consultancy, marketing etc.

Charter Capital

VND 5 billion

Ownership rate held by TDH

31.40%



FIDECO

FOREIGN TRADE DEVELOPMENT AND INVESTMENT CORPORATION OF HO CHI MINH CITY (FIDECO)



Headquarter:

28 Phung Khac Khoan, Dakao Ward, District I, HCMC

Business Areas:

Investing in real estate projects and providing real estate services; financial investment and financial services; development of educational projects; industrial development in both production and resource exploitation; providing import and export services and developing foreign trade;

Charter Capital

VND 386.3 billion

Ownership rate held by TDH

43%





BUSINESS RESULTS IN LAST 5 YEARS (2012 - 2016)

Unit: VND billion

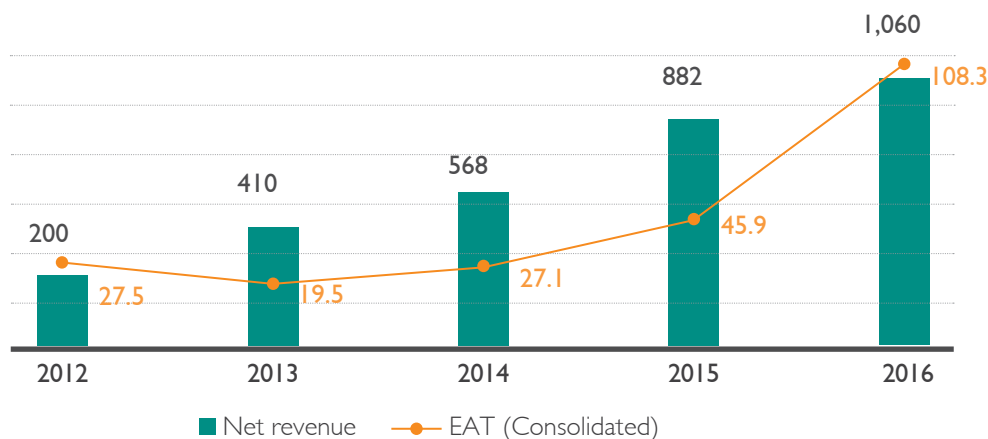
	Indicators	2012	2013	2014	2015	2016
1	Net revenue	199.9	409.5	568.3	882.4	1,060.3
2	Operating profit	22.7	26.7	34.3	41.4	134.1
3	EAT (Consolidated)	27.5	19.5	27.1	45.9	108.3
4	EAT (Parent Company)	32.8	21.7	30.5	47.1	108.3
Growth rate						
1	Net revenue growth	- 62.5%	104.8%	38.8%	55.3%	20.2%
2	Operating profit growth	- 38.1%	17.6%	28.8%	20.6%	223.8%
3	EAT growth (Consolidated)	- 11.3%	- 29.2%	39.5%	69.3%	135.7%
4	EAT growth (Parent Company)	- 26.6%	- 33.9%	40.8%	54.3%	129.9%

Sources: Audited Consolidated Financial Statements 2012 - 2016

Growth chart of revenue and profit in last 5 years

Net revenue and profit 2012 - 2016

Unit: VND billion



TOTAL REVENUE IN LAST 5 YEARS (2012 - 2016)

Unit: VND billion

	Indicators	2012	2013	2014	2015	2016
1	Net revenue	199.9	409.5	568.3	882.4	1,060.3
2	Financial revenue	78.6	6.3	49.4	90.8	81.3
3	Results from other activities	6.7	4.4	14.5	7.1	4.6
	Total revenue	285.3	420.2	632.1	980.3	1,146.2
Proportion/Total revenue						
1	Net revenue/Total revenue	70.1%	97.5%	89.9%	90.0%	92.5%
2	Financial revenue/Total revenue	27.6%	1.5%	7.8%	9.3%	7.1%
3	Results from other activities/Total Revenue	2.4%	1.0%	2.3%	0.7%	0.4%

Sources: Audited Consolidated Financial Statements 2012 - 2016

PERFORMANCE BY BUSINESS ACTIVITIE (2012 - 2016)

Unit: VND billion

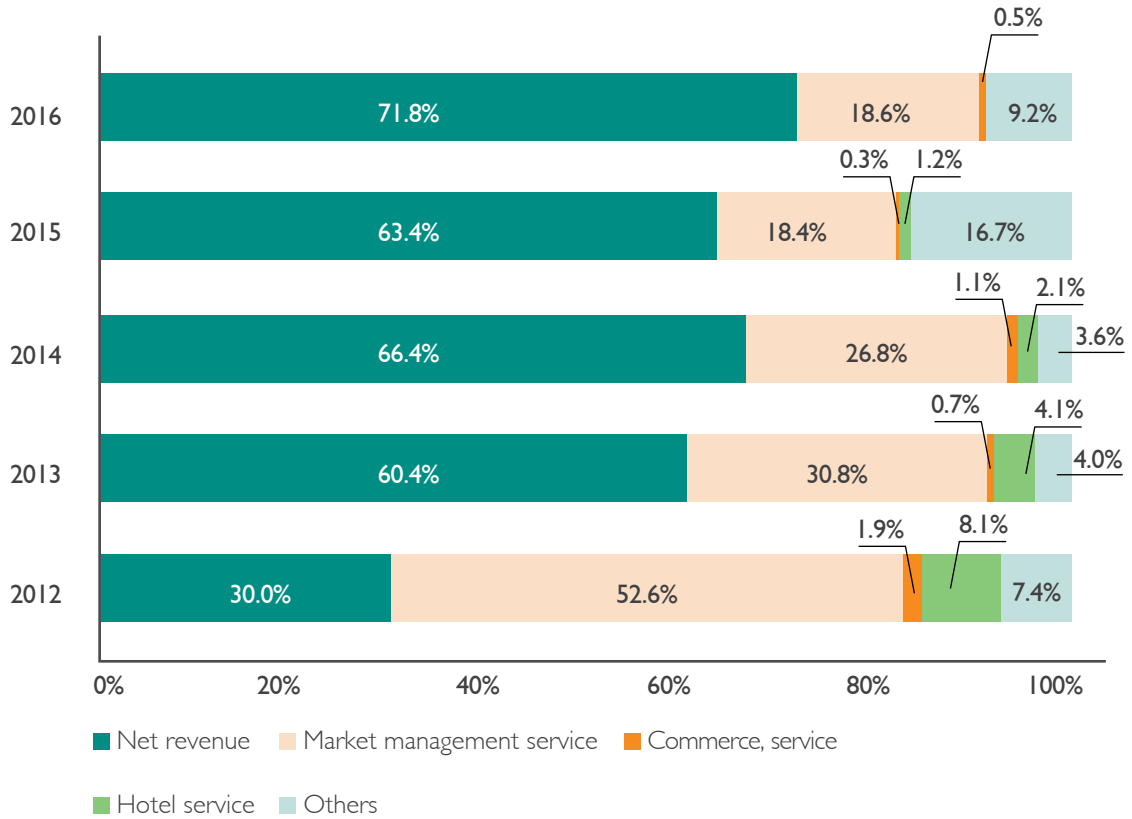
	Indicators	2012	2013	2014	2015	2016
1	Real estate	60.0	247.1	377.3	559.5	760.8
2	Market management service	105.1	126.3	152.5	162.2	197.1
3	Commerce, service	3.8	2.8	6.0	3.0	4.8
4	Hotel service	16.2	16.8	11.8	10.7	0.0
5	Others	14.9	16.5	20.7	147.0	97.7
	Net revenue	199.9	409.5	568.3	882.4	1,060.3
Proportion/Net revenue						
1	Real estate	30.0%	60.4%	66.4%	63.4%	71.8%
2	Market management service	52.6%	30.8%	26.8%	18.4%	18.6%
3	Commerce, service	1.9%	0.7%	1.1%	0.3%	0.5%
4	Hotel service	8.1%	4.1%	2.1%	1.2%	0.0%
5	Others	7.4%	4.0%	3.6%	16.7%	9.2%

Sources: Audited Consolidated Financial Statements 2012 - 2016

PERFORMANCE THROUGH THE YEARS

Chart of net revenue structure by business sector in last 5 years

Net revenue by business sector



COST STRUCTURE IN LAST 5 YEARS (2012 - 2016)

Unit: VND billion

No.	Indicators	2012	2013	2014	2015	2016
1	Cost of goods sold	151.1	279.9	471.9	754.5	848.7
2	Sales expenses	6.8	5.6	9.3	10.9	7.2
3	Management expenses	50.8	51.8	65.2	95.0	88.9
4	Financial expenses	47.2	51.8	36.9	71.4	62.8
5	Other expenses	3.3	2.8	1.7	1.6	3.0
	Total expenses	259.2	391.9	585.0	933.4	1,010.5
Proportion/Net revenue						
1	Cost of goods sold/Net revenue	75.6%	68.4%	83.0%	85.5%	80.0%
2	Sales expenses/Net revenue	3.4%	1.4%	1.6%	1.2%	0.7%
3	Management expenses/ Net revenue	25.4%	12.7%	11.5%	10.8%	8.4%
4	Financial expenses/Net revenue	23.6%	12.7%	6.5%	8.1%	5.9%
5	Other expenses/Net revenue	1.7%	0.7%	0.3%	0.2%	0.3%

Sources: Audited Consolidated Financial Statements 2012 - 2016

BASIC FINANCIAL INDICATORS IN LAST 5 YEARS (2012 - 2016)

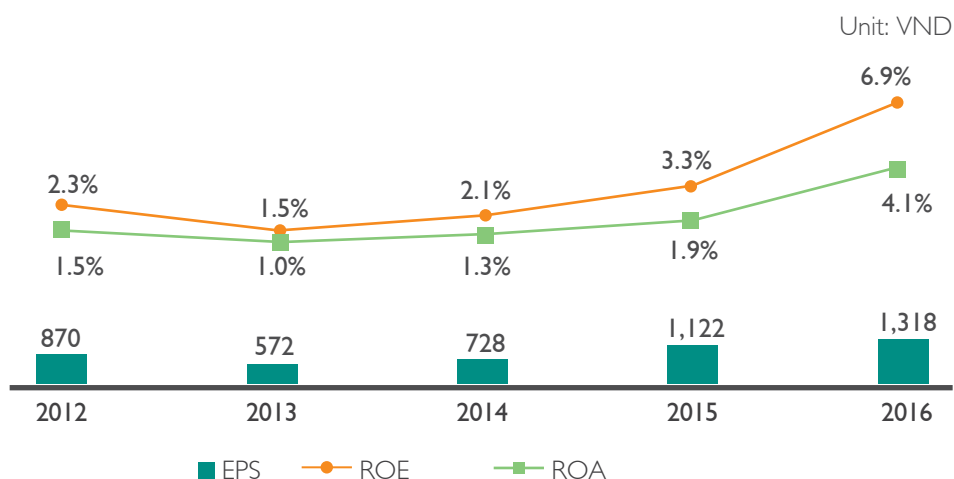
	Indicators	2012	2013	2014	2015	2016
1	Liquidity ratio					
	Current ratio	2.15	2.05	2.42	2.14	1.63
	Quick ratio	1.07	1.12	1.15	1.53	1.27
	Cash coverage ratio	0.09	0.09	0.18	0.47	0.24
2	Capital structure and liquidity					
	Total debt/Equity	0.36	0.36	0.39	0.45	0.37
	long-term debt/Equity	0.16	0.14	0.17	0.20	0.11
	Interest coverage ratio	1.60	1.44	2.04	1.88	3.41

BASIC FINANCIAL INDICATORS IN LAST 5 YEARS (2012 - 2016)

	Indicators	2012	2013	2014	2015	2016
3	Management efficiency					
	Total asset turnover	0.09	0.18	0.24	0.36	0.40
	Fixed assets turnover	0.96	2.21	2.48	4.78	5.42
	Receivables turnover	0.45	0.93	0.97	0.96	0.92
	Inventory turnover	0.34	0.60	0.84	1.40	2.56
4	Profitability index					
	Gross profit margin	24.4%	31.6%	17.0%	14.5%	20.0%
	Operating profit margin	11.3%	6.5%	6.0%	4.7%	12.6%
	EBIT margin	41.1%	19.1%	18.1%	11.3%	18.1%
	EBT margin	15.5%	5.8%	9.2%	5.3%	12.8%
	ROS	16.6%	5.3%	5.4%	5.3%	10.2%
	ROE	2.3%	1.5%	2.1%	3.3%	6.9%
	ROA	1.5%	1.0%	1.3%	1.9%	4.1%
5	EPS	870	572	728	1,122	1,318
6	Book value	37,548	38,236	39,159	32,970	25,853

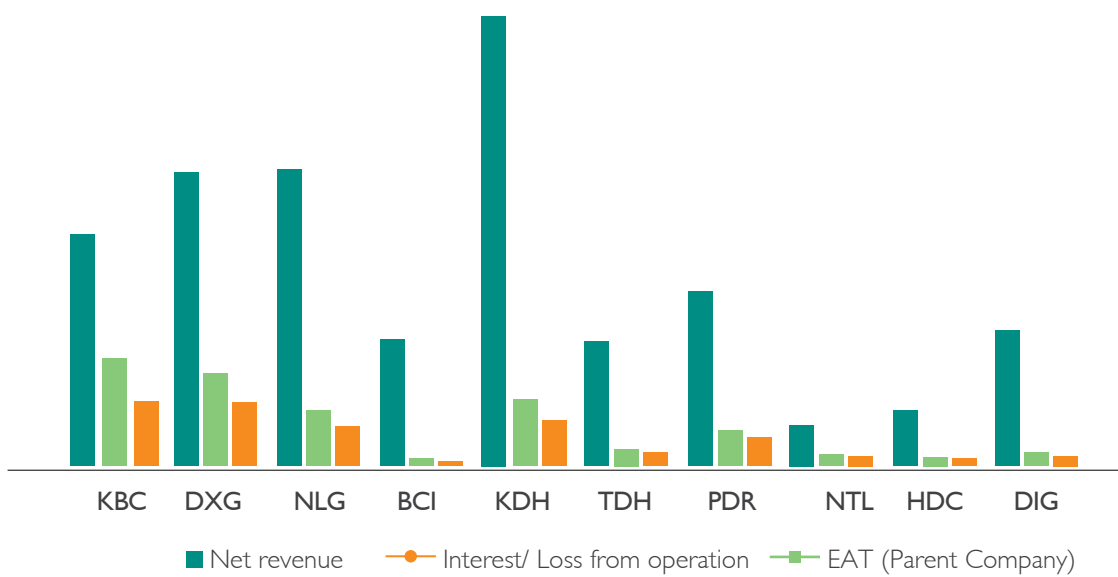
Sources: Thuduc House calculated on the basis of Audited Consolidated Financial Statements 2012 - 2016

EPS, ROE, ROA chart in last 5 years (2012 - 2016)



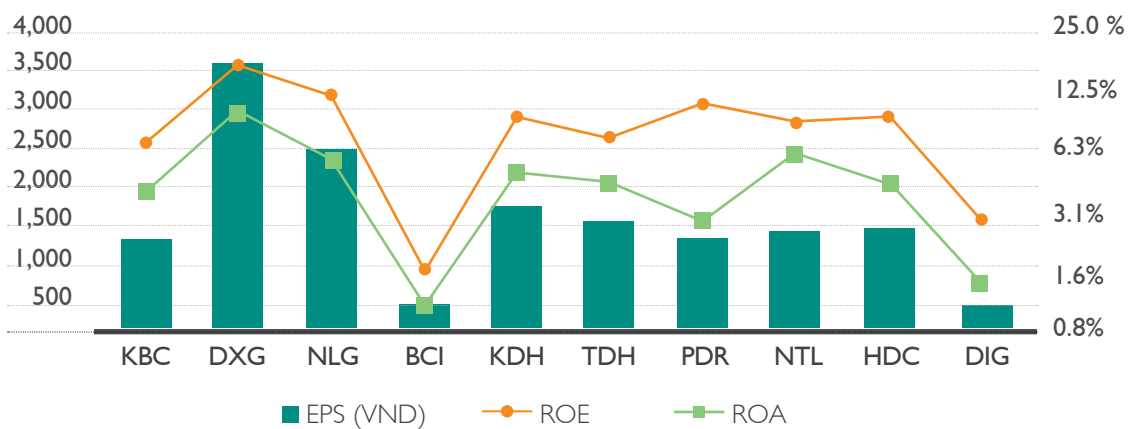
COMPARED WITH LISTED REAL ESTATE ENTERPRISES IN 2016

Revenue and profit chart of some real estate enterprises in 2016



EPS, ROE, ROA chart of some real estate enterprises in 2016

Unit: VND billion





ECONOMIC RISKS

In 2017, it is forecasted that the Vietnamese economy will be more positive compared to 2016 with a targeted GDP growth rate of 6.7%. However, Vietnam will also face challenges from the global economy and politics such as unpredictable developments after the US presidential election, US withdrawal from TPP, Brexit, increasing separation and protectionism, global climate change, and political tensions in many areas. In addition, internal issues such as economic stability pressure caused by high public debts, slow banking restructuring, non-performance debts, increasing food prices due to food scarcity caused by El Nino, inflation control pressure, etc., will affect profitability of the Company. Moreover, increasing economic integration will create high competitive pressure, requiring domestic companies to change their growth models in order to improve efficiency and competitiveness for survival and development.

Solutions to limit risk

To implement solutions to limit risks due to the impact of the economy, the Company will continue to focus on handling primary problems relating to revenue increase, controlling operation expense management and looking for capital source for the Company. Specific solutions are:

- Continuing to promoting sales, product distribution network, enhancing performance of real-estate trading floor and synchronously executing marketing strategy, expanding PR to various objects, etc... in order to speed up sales.
- In real estate investment: Focus on development of quick projects in priority orders as follows: land plots in suburban Districts and surrounding provinces of Ho Chi Minh City and Ha Noi City; apartments for middle-income customers. In addition, expand scale of projects on office buildings and serviced apartments in central Districts.



- Focusing on promoting and developing import-export activity, agro and forest products trading, taking all advantages of the project cluster of Thuduc Agriculture Wholesale Market.
- Continuing to apply the strict policy of cost control for the Company. Additionally, to enhance competitiveness, it requires a close management of capital and product price.
- Besides, focusing on seeking potential partners with high experience in project development with international standards; partners with strong source of capital and/or clear land fund (near the city center) to jointly develop potential projects as well as enlarge scale and competitive position for the Company.





LEGAL RISKS



Top legal documents related to Thuduc House's activities are Enterprises Law, Construction Law, Securities Law, Investment Law, Housing Law in Vietnam, Corporate Income Tax Law. Accordingly, the by-laws system is still in its infancy, many provisions are frequently changed and amended and difficult to be applied. Lots of illogical regulations cause difficulties for real estate businesses, such as: the regulations on land price which is too high, the complex and cumbersome legal procedures make project schedule lasted, intangible costs increased and progress delayed, matter related to land acquisition and compensation is facing many difficulties...

However, given the roadmap of integration into WTO, Vietnam legal system must be improved in accordance with the international legal standards. As a result, the companies can run business with clearer and effective mechanism. Now, laws of rights and obligations for organizations and individuals in property ownership and real estate investment are amended and perfected to ensure transparent investment environment and clear information.

Solutions to limit risk

- With 27-year operating in real estate sector, Thuduc House is believed to be experienced enough in identifying, analyzing and managing risks related to legal changes of market.
- Currently, the Company has a specialized department in charge of legal compliance to frequently update changes of relevant legal system and providing suggestions, recommendations and adjustments of processes and regulations of the Company accordingly.



SECTOR SPECIFIED RISKS



Continuing the recovery trend from previous year, the real estate market in Vietnam in 2016 is forecasted to strongly grow in almost segments. However, the market will be more fiercely competitive and the projects will face more challenges. To be specific, with the current strong increase in supply sources of housing, the projects will meet more difficulties in product consumption because the clients have more options. Therefore, the middle-class projects without highlights and advantages and not meeting the clients' demands will meet many difficulties in consumption.

Moreover, the facts that the bad debt situation in real estate sector still hides potential risks; source capital continues to be a big challenge; land price frame increases 2 times; and other issues are related to land clearance and compensation, slow and complex administrative procedures will cause extension of project time, creating pressure of cost increase if there is no good control.

Solutions to limit risk

- The Company focuses on improving operational structure to help well manage project management cost and expanding clean land fund towards some central Districts to increase competitive competence.
- Searching potential partners having much experience and strong financial sources to get support on technique, technology and medium-term and long-term finance to reduce pressure from loans.
- Limiting spread investment and just promoting development of projects suitable to the actual needs in the market such land-housing and middle-class apartment (S-Home) to speed up consumption and enhance competitive competence on price, quality, position, etc.
- In addition, to prepare for catching the foreign investment wave, the Company will train and enhance professionalization and foreign language skill for employees as well as choose easy payment methods and good after-sales services to create competitive advantage.



EXCHANGE RATE RISKS

Although the Company has import and export activities using foreign currencies, risks caused by exchange rate fluctuations are minimized as transactions relating to foreign currencies account for a very small proportion.

Solutions to limit risk

- When doing business, the Import and Export Department of the Company have regularly updated exchange rate fluctuations in order to timely balance payment terms and transaction prices between input and output contracts to minimize adverse impacts.
- Derivative financial tools are used in foreign exchange transactions to manage risks when forecasting exchange rate fluctuations.



INTEREST RATE RISKS

Interest rate risks of the Group mainly relate to interests of loans and borrowings due to increase of interest rates in the market. As loans of the Company are mainly used for construction and investment in long-term projects, majority of the loans are thus capitalized into original costs of these projects.

Interest rate sensitivity of the Group as of 31 December 2016: with unchanged assumptions and other variables, if the market interest rate increases or decreases 1% per year, loan costs of the Group will increase or decrease VND 5,704,590,146.

Solutions to limit risk

- Currently, the proportion of debt over total capital of Thuduc House is quite low (total short-term and long-term debts account for 20.36% of total capital) and the Company is considered as one of the real estate companies with safe financial structure. The Company will continue to maintain a low debt ratio or seek a solution to reduce debt ratio in conformity with profitability to reduce pressure from loan interest expense.
- Restructuring finance by loan replacement (seeking banks, credit institutions or investment funds with low and stable interest rate for replacement) or mobilizing capital from other channels such as additional share issuance for capital increase, divestment from some investment portfolios, calling for investment and cooperation from big organizations inside and outside the country.



ENVIRONMENTAL RISKS

Two main businesses of the Group may be exposed to environmental risks, affecting its reputation, branding, and survival: Investment in construction projects and business activities at Thuduc Agriculture Wholesale Market. Specifically:

In project investment and development: Projects might have adverse impacts on the environment such as air pollution (soil, sand, stone, cement dust, smoke...); emission pollution; impacts on water resources caused by waste water; noise pollution... during land clearance and construction. If the Company does not manage projects well or fails to conduct proper environmental impact assessment prior to project development or fails to comply with regulations on labour safety and environmental protection, the projects might adversely damage the living environment, health, life and working spirit of employees and people living in surrounding areas and project areas. It is very difficult to overcome these damages.

Business activities at Thuduc Agriculture Wholesale Market: Environmental risks in management of the market will have a direct impact on food safety and sanitation as this is the largest supply source of agricultural products, vegetables and fruits for the city. Violation of regulations on environmental protection not only affect water sources and the environment surrounding the market but also directly affect health and life of consumers.

If the Company does not manage environmental risks effectively, serious consequences might follow such as being responsible before the law, spending a lot of money to overcome consequences, and more importantly, seriously affecting reputation and survival of the business, especially given the fact that health issues are considered top priority.

Solutions to limit risk

- Apply the ISO: 9001: 2008 quality management system to improve management efficiency and product quality in all stages of operation.



- For real estate projects: Carry out reports on environmental impact assessment for each project; apply measures to minimize and deal with pollution as well as to ensure labour safety in construction and comply with regulations on environmental protection; develop systems for treatment of emissions, solid wastes, domestic waste water using advanced technologies for each project...; conduct environmental monitoring every 3 months and send periodical environmental reports to authorities.
- For Thuduc Agriculture Wholesale Market: All counters must comply with standards of area and daily hygiene inspection. Garbage in the market area is collected twice a day. Compliance with environmental conditions such as air, water, dust, noise are regularly monitored and timely settled upon complaints from the people or consumers, etc.



OTHER RISKS

Other risks include unprejudiced risks beyond the Company's control ability such as earthquake, storm and flood, fire, war, etc. which may affect the works such as delaying construction progress or partially or entirely destroying the works, etc. These risks rarely occur, but if occurring, they may cause a huge loss on assets and cannot be prevented.



*Place of talents
For fruitful seasons*



REPORT FROM THE BOARD OF MANAGEMENT



SITUATION OF REAL ESTATE MARKET IN 2016

It is estimated that the Gross Domestic Product (GDP) in 2016 only increased 6.21%, lower than the growth rate of 6.68% in 2015, not reaching the targeted 6.7% growth rate. Nevertheless, given unfavourable global economy, decreasing prices and global trade, such growth rate was still a success and Vietnam was still one of countries with high economic growth rate in the region. The annual basic inflation rate (CPI excluding food, fresh food, energy and commodities managed by the Government including health and educational services) increased 1.83% compared to the same period but still within control of the Government. Indicators of retail sales, number of international tourists, and foreign direct investment (FDI) have seen significant growth, reflecting stable economic development, confirming the status of Vietnam as an attractive destination for foreign investors.

Also in 2016, the Government and ministries issued important policies affecting the economy of the country in general and the real estate market in particular. Among these, Circular 06/2016/TT-NHNN dated 27 May, 2016 of the State Bank of Vietnam on reduction of dependence of enterprises on bank credit funds was one of the most significant documents. Accordingly, businesses must seek other sources of funding from joint ventures and associations or from domestic and foreign investment funds. In addition, other policies currently under review will have significant impacts on the real estate market after approval. These regulations include taxation of the second house or prohibition of use of apartments for commercial purposes.

In general, the real estate market saw stable development in all segments last year.

With respect to apartments and land plots, both sales and prices increased in many areas. In Ho Chi Minh city,

the real estate market in the Eastern area continued to attract customers and investors thanks to improvement in infrastructure including the metro line No. 1, expansion of Hanoi Highway, Ho Chi Minh city - Long Thanh - Dau Giay expressway, and approval of Long Thanh Airport Project. In addition, limited land funds in central Districts explained why luxury segments were still attractive to consumers as prices of these projects were low compared to other cities in the region, especially after regulations on house ownership of foreigners in Vietnam were significantly loosened in 2015.

The retail market also attracted investors, ranging from luxury fashion to restaurants, coffee shops and supermarkets with expansion of both domestic retailers such as Vincom and Co.opmart and foreign retailers such as Aeon, Lotte, Ilahui Miniso. Following success of Zara, two famous brands including H&M and 7-eleven were considering to enter Vietnamese market. At the same time, average rent of these segments in central areas increased 15% compared to the same period of last year due to favorable location and limited supply given expansion of international brands.

In 2016, as supply of office space was limited, both occupancy rate and rents increased while vacancy rate was very low, especially projects in central areas.

M & A in 2016 was very active with transactions worth up to hundreds of millions of dollars thanks to positive changes from macro-economic factors and more open policies for foreign investors given increasing international integration of Vietnam. According to statistics of market survey agencies, Japanese investors ranked the first with projects in luxury and middle segments, followed by Singaporean investors with projects in luxury urban areas and then investors from South Korea with projects in industrial zones.

BUSINESS RESULTS IN 2016

Assessing business performance in 2016

2016 saw remarkable growth of Thuduc House Group as it was the first year the total revenue reached more than VND 1,000 billion since its establishment.

With the strategy focusing on restructuring activities in order to expand core business activities supported by activities in other areas, the BOM of Thuduc House gained a lot of achievements in 2016 thanks to reform efforts implemented since end of 2015 in order to improve the image of Thuduc House. Many new projects were open for sales during the year with high consumption rate. Cooperation with major partners was improved significantly to develop potential land funds in central Districts. Priority was given to finding new projects, looking for long-term funding from domestic and foreign investors, restructuring business activities, etc. These measures helped the Company achieve high growth rate, exceeding the annual targeted plan.

Shortcomings

- Profitability was lower than expected and still modest compared to the average rate in the industry.
- Expansion of land funds and implementation of projects in central areas were still relatively slow, mainly to due legal problems.
- Although member companies no longer suffered losses, their profitability was not very high.
- Although the ratio of cost of goods sold to sales decreased, it was still high.
- Project development for supply to the market was still lower than expected as time for project approval was too long. The Company was trying to speed up the legal procedures and project construction.
- New marketing and online-marketing strategies were not applied in improving the Company's image and introducing projects.



Achievements

- Business results sharply increased and exceeded the plan in all fields with high sales growth rate.
- The restructuring strategy was successfully implemented, streamlining the organizational structure, liquidating assets and investments by end of 2015 such as La Sapinette Hotel, Phuc Think Duc Company, Gia Dinh Star Investment JSC.
- Priority was given to development of core businesses (real estate and wholesale market) while other business activities were streamlined.
- Operational efficiency was comprehensively improved, reducing the cost of goods sold, and saving other management expenses. Profitability ratios were double increased.
- The Company was active in finding land funds at central Districts through promoting cooperation opportunities with new partners: FIDECO, Pavo Capital, Lien Phuong Textile & Garment Corporation...
- Business performance of subsidiaries was effectively controlled. In 2016 no subsidiary suffered any losses.
- Paid-in capital shares were successfully issued to raise fund for projects implemented in the year.

CONSOLIDATED BUSINESS RESULTS IN 2016

Unit: VND million

INDICATORS	PLAN IN 2016	ACHIEVED IN 2016	ACHIEVED IN 2015	ACHIEVED/ PLAN (%)	% INCREASE/ DECREASE COMPARED TO 2015
Total revenue	1,000,000	1,146,200	980,312	114.62%	+16.9%
Total cost	902,963	1,010,501	933,382	111.91%	+8.3%
Interest/Loss of joint ventures and associates	2,000	122	(496)	6.09%	-
Profit before tax	99,037	135,821	46,433	137.14%	+192.5%
Profit after tax	80,172	108,294	45,937	135.01%	+135.7%
Profit after tax of shareholders of the Parent Company	80,172	108,276	47,101	135.05%	+129.9%
Dividend yield ratio	90%	47.9%	81%		
EPS (VND)		1,318	1,122		+17.47%

Source: Audited Consolidated Financial Statements

Total revenue of Thuduc House Group in 2016 sharply grew with an increase of 14.6% compared to the plan. The growth mainly came from core business activities such as real estate, agricultural product wholesale market, import and export activities. Specifically, net sales of goods and services increased by 20.2% (equivalent to nearly VND 178 billion) while financial incomes and other revenues slightly decreased by VND 12 billion compared to the same period of last year. The results were thanks to successful application of restructuring measures by the BOM, focusing on development of core businesses in line with the planned strategy.

Profit after tax of the Group in 2016 reached VND 108.3 billion (of which profit after tax of shareholders of the parent company was VND 108.3 billion), sharply increasing by 130% compared to 2015 and exceeding by 35.1% compared to the plan. Main reasons for sharp increase in profit margin were thanks to reduction of the cost of goods sold, management costs, selling expenses as well as to effective management of loan interest. Consequently, increase of the total costs was much lower than the sales growth rate.

Business performance remarkably grew thanks to increase of sales and effective control of costs, resulting in double increase of profitability ratios; ensuring payment of 10% dividend for shareholders in 2016 while still deducting part of the profits for re-investment in the following year (dividend pay-out ratio decreased from 90% in 2015 to 47.9% in 2016). In addition, liquidation of ineffective investments (especially sales of La Sapinette Hotel by end of 2015) helped the Company improve asset utilization. By the end of 2016, the Company's EPS was VND 1,318 per share.

Revenue

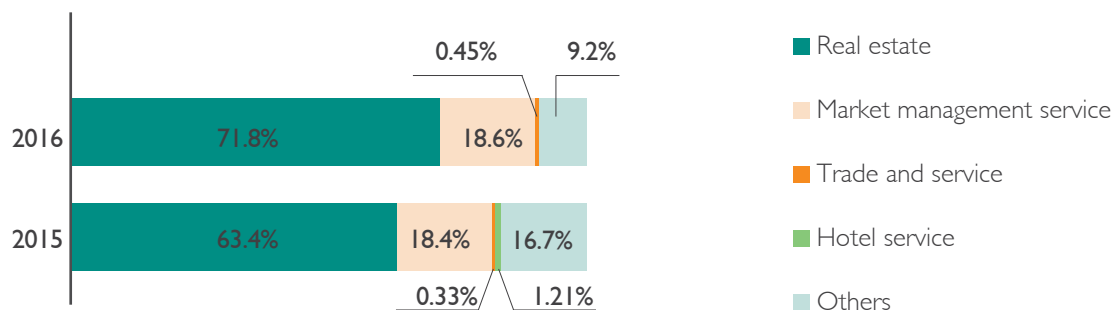
Net revenue structure by business areas in 2016

Unit: VND million

INDICATORS	2015	2016	Change (in value)	Increase/ Decrease (%)
Net revenue of sales & service	882,376	1,060,296	177,920	20.2%
Real estate	559,530	760,795	201,265	36.0%
Market management service	162,217	197,047	34,830	21.5%
Trade and service	2,946	4,798	1,852	62.9%
Hotel service	10,691	-	(10,691)	- 100.0%
Others	146,992	97,656	(49,336)	- 33.6%
Revenue from financial activities	90,795	81,301	(9,494)	- 10.5%
Other income	7,140	4,603	(2,537)	- 35.59%
Total revenue	980,312	1,146,200	165,888	+ 16.9%
Net revenue density by business activities				
Real estate	63.41%	71.75%		
Market management service	18.38%	18.58%		
Trade and service	0.33%	0.45%		
Hotel service	1.21%	0.00%		
Others	16.66%	9.21%		

Source: Audited Consolidated Financial Statements

Consolidated net revenue structure of TDH in 2015 - 2016



The above chart shows substantial changes in the net revenue structure of the Company in 2016: Increase in proportion of major real estate revenues, decrease in proportion of revenues from other activities and especially no revenue from hotel operations (since La Sapinette project was transferred to partners). Thu Duc wholesale market still grew well with a stable proportion. Thanks to rapid growth of real estate businesses, total revenue of Thuduc House Group in 2016 reached a record of VND 1,146 billion (exceeding 14.6% compared to the plan) with a sharp increase of VND 166 billion or equivalent to 17% compared to 2015. This was also the second consecutive year that the total revenue exceeded the plan since the real estate market recovered in 2014.

Quality of revenues was also significantly improved. In 2016, the Company no longer relied too much on financial operations and other activities as development resources mainly came from its core business. Revenues from core business activities was over VND 1,060 billion (accounting for more than 92% of the total revenue). Specifically:

- Net revenue from business activities increased by 20.2% (equivalent to VND 178 billion), mainly due to rapid increase of real estate businesses and trading in Thuduc Agriculture Wholesale Market, of which:
 - » Real estate businesses continued to boom with a sharp increase of 36%, equivalent to VND 760 billion, accounting for 75.1% of net revenue. Increase in real estate revenues was thanks to business activities as follows:
 - + Inventory projects were completely sold out (TDH - Truong Tho apartment, TDH - Phuoc Binh apartment, Long Hoi land plots, Phuoc Long Spring Town land plots...);
 - + Newly launched projects were sold very quickly including: 96% of revenues from TDH - Phuoc Long apartment (S-home) (handed over to customers); Binh Chieu residential area project and land plots of Tocontap residential area project;
 - + Revenues from construction contracting and rents (8th floor of Cantavil - nearly VND 10 billion per year, houses at the wholesale market, Hang Xanh office building...) increased.
 - » Net revenue from Thuduc Agriculture Wholesale Market in 2016 also saw a high growth rate over the plan with a new record revenue of more than VND 197 billion, a sharp increase of 20.2% (average growth rate of previous years was less than 10%). Notably, net revenues from import and export activities (new business) saw a breakthrough with an increase of 2.5 times compared to the previous year. This was mainly due to increasing cooperation in import and export of agricultural products, fruits, rubber, cashew nuts, etc.
 - » In 2016, revenues from other business activities significantly declined with a decrease of VND 49.3 billion (equivalent to 33.6%), mainly due to reduction of shares at Lien Phuong Textile & Garment Corporation. Consequently, revenues from import and export of raw materials for garment and textile sharply decreased compared to 2015. As it was not considered one of core business activities, the Company planned to reduce investment capital.
- In addition, financial incomes in 2016 also exceeded the plan, reaching nearly VND 82 billion, mainly thanks to increase in interest incomes from deposits and loans, dividends and distributed profits. However, these incomes slightly decreased by 10.5% compared to the same period of last year. In 2015, financial incomes saw a sharp increase as the Company speeded up liquidation of investments during its restructuring.

Total revenue reached a record of
 VND **1,146** billion
 exceeding **14.6%**
 compared to the plan

Costs

Cost structure in 2016

Unit: VND million

No.	Indicators	2015	2016	Change	Proportion compared to net revenue	
					2016	2015
1	Cost of goods sold	754,456	848,682	+ 12.5%	80.04%	85.50%
2	Sales expenses	10,942	7,162	- 34.5%	0.68%	1.24%
3	Administrative overhead	94,994	88,904	- 6.4%	8.38%	10.77%
4	Financial expenses	71,376	62,785	- 12%	5.92%	8.09%
5	Other expenses	1,614	2,968	+ 83.9%	0.28%	0.18%
	Total costs	933,382	1,010,501	+ 8.26%		

Source: Audited Consolidated Financial Statements

2016, total costs only increased by half of that of total revenues. Accordingly, total revenues increased by 16.9% but total costs only increased by 8.3%. Cost management efficiency was improved as most of operational expenses dropped significantly, accounting for a very low proportion compared to previous years. Remarkably, the BOM achieved the objective of reducing the proportion of cost of goods sold to 80% (the proportion accounted for 85.5% in 2015). Specifically:

- The ratio of cost of goods sold to net sales sharply decreased this year, lower than that of the last two years. This was mainly due to reasons as follows:
 - » Revenues in the period mainly came from low-rise houses with lower cost prices compared to apartment projects. As projects were sold quickly, operational costs were not capitalized into projects like previous years (interest expenses, project management costs...).
 - » The Company transferred shares at one of its subsidiaries, Thong Duc Company - the owner of La Sapinette Hotel at the end of 2015. Consequently, the cost of goods sold of hotel operations significantly decreased as this was not considered a profitable business with high cost of goods sold due to high depreciation of assets.
- Nevertheless, proportion of cost of goods sold was still quite high compared to the period from 2013 backwards. The BOM would thus continue their efforts to reduce the proportion to an average rate of 70% -75% in the coming years.
- Thanks to effective restructuring of the Parent Company and its member companies, cost control, streamlining of the operational structure, and focusing on core business activities, the Company saved nearly VND 10 billion for selling and management expenses compared to 2015. Presently, the ratio of management expenses to net revenues decreased from 10.8% in 2015 to 8.4%. The ratio of cost of goods sold to net revenues also decreased from 1.24% to 0.68%. Both proportion of costs of goods sold and management expenses were at the lowest levels in the period from 2010 to present.
- Financial expenses in 2016 also dropped by 12%, equivalent to more than VND 8.6 billion, mainly due to no losses from liquidation of investments and lower costs of provisions compared to last year.

Analysis of financial indicators

No.	INDICATORS	2012	2013	2014	2015	2016
1	LIQUIDITY RATIO					
	Current ratio	2.15	2.05	2.42	2.14	1.63
	Quick ratio	1.07	1.12	1.15	1.53	1.27
2	CAPITAL STRUCTURE/ASSET					
	Total liabilities/Total liabilities and owner's equity	0.36	0.36	0.39	0.45	0.37
	Long-term liabilities/Total liabilities and owner's equity	0.16	0.14	0.17	0.20	0.11
	Interest coverage ratio (EBIT/loan interest)	1.60	1.44	2.04	1.88	3.41
3	OPERATIONAL CAPACITY					
	Total asset turnover	0.09	0.18	0.24	0.36	0.40
	Fixed asset turnover	0.96	2.21	2.48	4.78	5.42
	Receivable turnover	0.45	0.93	0.97	0.96	0.92
	Inventory turnover	0.34	0.60	0.84	1.40	2.56
4	PROFITABILITY					
	Gross profit margin	24.4%	31.6%	17.0%	14.5%	20.0%
	Operating profit margin	11.3%	6.5%	6.0%	4.7%	12.6%
	DUPONT ANALYSIS					
	Net Profit/Profit before tax (Tax burden)	90.3%	81.8%	51.9%	98.9%	79.7%
	× Profit before tax/EBIT (Interest burden)	37.7%	30.4%	50.9%	46.7%	70.7%
	× EBIT/Net revenue	41.1%	19.1%	18.1%	11.3%	18.1%
	= ROS (Net profit margin)	14.0%	4.8%	4.8%	5.2%	10.2%
	× Total asset turnover	0.09	0.18	0.24	0.36	0.40
	= ROA	1.2%	0.9%	1.2%	1.8%	4.1%
	× Total assets/Equity	1.57	1.56	1.63	1.83	1.58
	= ROE	2.0%	1.4%	1.8%	3.2%	6.9%
5	EPS	870	572	728	1,122	1,318
6	Book value	37,548	38,236	39,159	32,970	25,853



Analysis of financial indicators

Liquidity ratios

Although short-term and quick interest coverage ratios in 2016 declined, the ratios remained high and safe at 1.63 and 1.27 respectively. The Company was fully capable of paying due debts.

Decrease of interest coverage ratios in 2016 was mainly due to increase in short-term debts, largely due to increase in capital leverage from related parties.

Operational capacity

In 2016, operating capacity of the Company was rapidly enhanced as most of performance indicators were improved. Noticeably, rapid sales of goods speeded up inventory turnover to 2.56 times, reaching the highest level in the last 5 years. In addition, high revenue growth rate, asset restructuring, and streamlining of the structure also improved asset utilization in general and fixed asset utilization in particular. In general, operational capacity and asset utilization have been improved over years since 2012.

PROFITABILITY INDEX

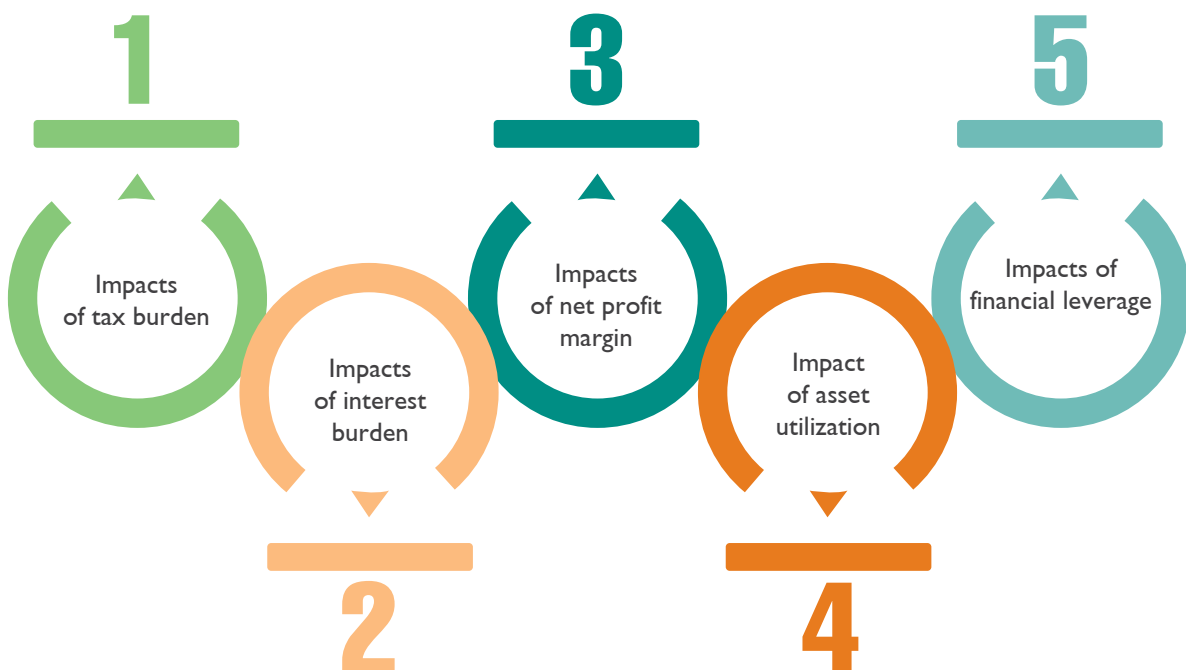
Due to high revenue growth and reduction in cost proportion, most of profitability indicators (ROS, ROA and ROE) in 2016 were double compared to the previous year. The year saw the highest profitability indicator since 2011. Nevertheless, these indicators were still relatively modest compared to some companies in the industry.

Gross profit margin in 2016 was 20% (increased by 5.5% compared to 2015), the highest profit margin over the past 3 years mainly due to reduction of proportion of cost of goods sold. However, this proportion was much lower compared to that in the period from 2013 backwards. This was because during the time when the real estate market was

quiet and consumption was slow, proportion of cost of goods sold was increased due to capitalization of project-related costs (interest, management costs, etc.) into prices. On the other hand, in difficult times, the Company applied a strategy to develop a number of secondary activities to support its core business. As gross profit margin of these activities were relatively low, average cost of goods sold of all business activities was thus increased.

Net business profit margin in 2016 was 12.6% (increased 2.7 times compared to the same period) thanks to efficient management of selling expenses, management expenses, financial expenses as analyzed in the above cost structure section.

Extensive Dupont analysis



1

Impacts of tax burden

In general, except for 2014-2015 when business income tax was fluctuated due to retrospective adjustment of deferred income tax after reverting allowance for decline in value of investments in subsidiaries and associated companies as required by Circular 200, net profit/profit before tax of the Company over the past five years tended to be declined. In 2016, nearly 80% of profit after tax was retained while that of 2012 was more than 90%. This shows that tax burden has increased, affecting the growth rate of ROE.

2

Impacts of interest burden

In general, over the past 5 years, interest burden on profitability of the owner has rapidly decreased year by year and reached a relatively low level. Proportion of “profit before tax/profit before tax and interest” has rapidly increased from 37.7% in 2012 to 70.7% in 2016. This means the Company only has to deduct a small amount of profit for interest payment. Consequently, profitability has been significantly improved.

Rapid decrease of interest burden over the last five years was thanks an appropriate financial restructuring strategy. In difficult times, the Company tried to keep debt proportion to a safe level (average debt proportion was always $\leq 25\%$ of total assets). On the other hand, in periods when interest rate fluctuated, the Company tried to refund and restructure loans to reduce flexible interest rates in accordance with market movements. This is the main reason explaining why profit of the Company was not affected by interest expenses even in the most difficult time of the real estate market from 2011-2013.

3

Impacts of net profit margin

ROS is the ratio of net profit/net revenue to measure ability to control costs. ROS in 2016 reached 10.2% (increased double compared to the previous year). This increase was mainly thanks to effective control of operating costs, success in reduction of proportion of cost of goods sold, operating expenses, and interest expenses as well as liquidation of investments. Consequently, net profit margin of the Company was remarkably improved and considered to be the highest since 2013.

4

Impact of asset utilization

The Company's ROA in 2016 reached 4.1%, 2.3 times more than that of the previous year and much higher than that in the period from 2012-2013. In addition to positive impacts of increase in returns on sales (ROS), increase of ROA also depended on improvement of asset utilization over years. Since 2012, priority has been given to restructuring strategy, organizational streamlining, liquidation of unefficient assets and investments to focus funding on core businesses and improvement of profitability. However, the ROA of the Group was still relatively modest compared to other real estate companies. With its current size, the Company can continue to grow further in order to maximize asset utilization.



5

Impacts of financial leverage

ROE is the ratio of net profit/equity to measure profitability of equity, affected by the ROA and financial leverage ratio. In 2012, the ROE was significantly improved, increasing from 3.2% to 6.9%. However, increase of ROE was lower than increase of ROA, mainly due to impacts of reduction financial leverage. Decrease in financial leverage ratio shows that more equity was used and increase of equity was higher than increase of total assets (in 2016, charter capital increased VND 290 billion after issuance of additional shares to current shareholders). Consequently, ROE slowed down in 2016.

Although 2016 saw the highest ROE over the last five years, the ratio was still relatively low compared to the average rate of 13% in the industry. ROE remained relatively modest due to low net interest margin, asset utilization and financial leverage. In the coming time, the Company will try to find solutions to improve profitability and to balance financial leverage in order to improve efficiency of equity.

CONCLUSION

Business results of Thuduc House Group in 2016 not only saw impressive growth in quantity but also substantial improvement in quality. For the first time, total revenue exceeded VND 1,000 billion while net profit after tax of the Group increased 2.4 times and reached VND 108.3 billion (35% more than planned). Of which, more than 90% of the profit came from core business activities (profit from financial investments and other activities were negligible). Profitability indexes were sharply increased because new projects were all sold in a short period of time. Revenues also increased. Cost control and asset utilization were improved, resulting in increase of EPS from VND 1,122 to VND 1,318 in 2016.

Analysis of asset and capital structure

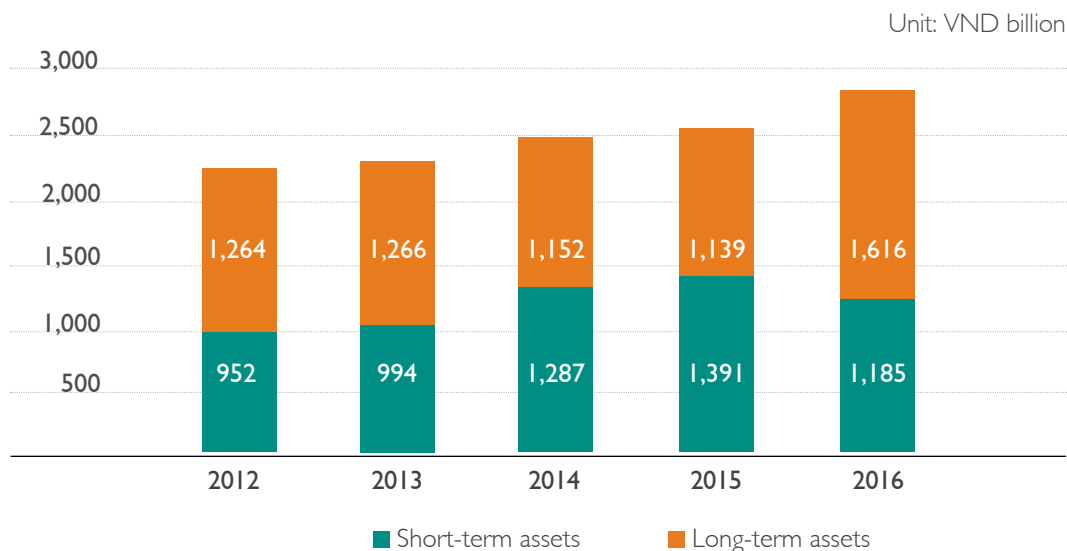
Consolidated balance sheet as of 31 December 2016

Unit: VND million

INDICATORS	2015	2016	Increase/decrease compared to the beginning of the year	
			Value	Rate %
ASSETS				
A. SHORT-TERM ASSETS	1,390,623	1,185,061	(205,562)	- 14.8%
1. Cash and cash equivalents	305,134	172,087	(133,047)	- 43.6%
2. Short-term financial investments	62,921	59,967	(2,954)	- 4.7%
3. Receivables	618,442	690,574	72,132	11.7%
4. Inventory	401,589	260,849	(140,740)	- 35.0%
5. Other current assets	2,537	1,584	(953)	- 37.6%
B. LONG-TERM ASSETS	1,138,704	1,615,565	476,861	41.9%
1. Long-term receivables	509,080	482,200	(26,880)	- 5.3%
2. Fixed assets	91,295	299,917	208,622	228.5%
3. Investment property	67,872	64,590	(3,282)	- 4.8%
4. Long-term financial investments	444,701	753,055	308,354	69.3%
5. Other long-term assets	25,608	15,397	(10,211)	- 39.9%
6. Commercial advantage	148	406	258	174.3%
TOTAL ASSETS	2,529,327	2,800,626	271,299	10.7%
LIABILITIES AND OWNERS' EQUITY				
A. LIABILITIES	1,145,750	1,029,674	(116,076)	- 10.1%
1. Current liabilities	648,460	727,722	79,262	12.2%
2. Long-term liabilities	497,290	301,952	(195,338)	- 39.3%
B. OWNERS' EQUITY	1,383,578	1,770,950	387,372	28.0%
1. Paid-in capital	419,647	709,884	290,237	69.2%
2. Minority interest	-	104,486	104,486	-
TOTAL LIABILITIES AND OWNERS' EQUITY	2,529,328	2,800,624	271,296	10.7%

Source: Audited Consolidated Financial Statements

Asset growth of TDH Group over the years



Asset structure

As of 31 December, 2016, total assets of Thuduc House Group reached VND 2,800 billion, increased by 10.7% (equivalent to VND 271.3 billion) compared to 2015 mainly thanks to rapid growth of long-term assets. After 3 consecutive years of rapid growth, short-term assets in 2016 decreased VND 205.6 billion (decreased by 14.8%) and accounted for 42.3% of total assets while long-term assets sharply increased by VND 476.9 billion (increased by 41.9%) and accounted for 57.7% of total assets.

Rapid growth of long-term assets was mainly thanks to following factors:

- The Company significantly increased investment in fixed assets with more than VND 208 billion, mostly from consolidation of Bach Phu Thinh Co., Ltd. (holding of shares was increased from 49% to 51%, making it a subsidiary). Consequently, total investment value of the Centum Wealth project owned by this company was increased as long-term unfinished business expenses. The Company decided to increase equity in this project as it was expected that the project would be open for sales in 2017 with high profitability.
- Value of long-term financial investments was increased more than VND 308 billion, mainly due to increasing in rate of capital contribution to FIDECO company and preparation for the project on office building and serviced apartment complex at No. 28 Phung Khac Khoan, District 1. This was under an investment strategy to expand scale of projects in Ho Chi Minh City's central Districts approved by the BOD at the end of 2015 to improve investment efficiency and reputation.

Funding for increase of long-term assets mainly came from: Cash flows from transfer of two subsidiaries including Thong Duc and Phuc Thinh Duc at the end of 2015; proceeds from the sale of new projects during the year; increase of equity from issuance of additional shares.

Strong asset movements in 2016 show that after three years of restructuring, streamlining its organizational structure, and liquidating old investments, the Company has restarted to expand investments, moving capital investment for new business opportunities, developing land fund at central Districts. The current asset structure is less flexible. However, this is an important time for the Company to prepare for potential projects for new growth cycle.

In general, asset quality of Thuduc House Group is good. No bad asset is recorded while bad receivables account for a very small proportion. Provision for short-term bad receivables is VND 2.1 billion.



Analysis of asset and capital structure

Capital structure

In 2016, in order to prepare funding for development of new large-scale projects with long-term capital, besides utilizing internal capital from core business activities, liquidation of investments and debt recovery, etc., the Company also increased equity through issuance of additional shares to existing shareholders at the ratio of 2:1 and through reduction of debts (mainly long-term debts).

Accordingly, as of 31 December, 2016, total liabilities was VND 1,029 billion, decreasing by VND 116 billion compared to that of 2015 and accounting for only 36.8% of total capital. This was mainly due to reduction in long-term debts of more than VND 194 billion (decreasing by 43%). Presently, total short-term and long-term loans of the Group only account for 20.4% of total capital. In contrast, equity at the end of 2016 sharply increased by VND 387.4 billion (equivalent to 28%), reaching VND 1,771 billion, accounting for 63.2% of total capital. This was mainly due to issuance of additional shares (charter capital increased by VND 290 billion) and increase of interests of minority shareholders with VND 104 billion from merging of Bach Phu Think Company during the year.

The current capital structure is safe, ensuring stable long-term capital for the Company to develop new project in the new growth cycle, reducing pressure on interest rate risks. However, excessive use of equity will increase the cost of equity, creating pressure on profitability and dividend payment in the future, and thus affecting the ROE.

BUSINESS RESULTS OF SUBSIDIARIES

Significant changes in the list of subsidiaries and associates in 2016

Subsidiaries:

Number of subsidiaries of Thuduc House was increased from 05 to 06 due to increasing in proportion of capital contribution in Bach Phu Thinh Co., Ltd from 49% to 51% since August, 2016.

Number of associated companies of Thuduc House is 06 companies (decreasing 1 company compared to 2015) due to following reasons:

- 100% withdrawal of capital at Gia Dinh Star Investment Joint Stock Company
- Transforming Bach Phu Thinh Co., Ltd. into a subsidiary company
- Increasing in holding of shares of Ho Chi Minh City Foreign Trade Development and Investment (FIDECO) to 43% in December 2016

Business results of subsidiaries

Summary table of business results of subsidiaries as of 31 December 2016

No.	Indicators	Total revenue			Profit after tax		
		2016	Increase/ decrease compared to 2015 (%)	Rate of performance 2015 plan	2016	Increase/ decrease compared to 2015 (%)	Rate of performance 2016 plan
1	Thuduc Agriculture Wholesale Market Co., Ltd	202.44	+ 15.9%	121.0%	24.4	+ 12.7%	187.1%
2	Tam Binh Thu Duc Service Co., Ltd.	4.80	+1.9%	82.5%	0.42	+ 549.4%	100.5%
3	Dong An Binh Pure Ice Co., Ltd.	6.45	+ 21.6%	118.9%	0.61	+55.5%	181.2%
4	Hue Thuduc House Investment JSC	-	-	-	-	-	-
5	Thuduc House Wood Trading	73.41	2015 revenue: 0 VND	734.1%	0.67	2015 PAT: -VND 0.37 bln	83.65%
6	Bach Phu Thinh Co., Ltd	0.77	+57.8%	-	0.18	+321.4%	-

Business results of subsidiaries

Implementing the strategy set out in 2014, in 2016, Thuduc House continued to speed up monitoring, review and improvement of activities of member companies as well as to restructure its organizational structure in order to improve operational efficiency, overcoming losses and ensuring profitability. Business results of subsidiaries were improved in 2016 as no company was loss-making. Business results of member companies are as follows:



THUDUC AGRICULTURE WHOLESALE MARKET CO., LTD

The business operation of Thuduc Agriculture Wholesale Market Co., Ltd. in 2016 remained stable growth and exceeded the plan, helping this Company keep its position as the most efficient subsidiary of Thuduc House Group in the past years. To be specific:

- Total revenue in 2016 reached VND 202.4 billion, increasing by 15.9% compared to the same period and exceeding the plan by 21.04%, of which more than 81% of revenue growth comes from cargo handling and land rental.
- Profit after tax reached VND 24.4 billion, increasing by 12.7% compared to 2014 and exceeding by 87.1% of the plan. (Profit exceeded its high target as the plan for 2016 is only equal to 60% of net profit in 2015).
- In terms of main business activities (trading in agricultural products wholesale market, service provision), profit margin of this segment continued to grow (increased by 3.3% compared to 2015). Both ROA and ROE were increased at very high rates (22% for ROA and 35.4% for ROE).



TAM BINH - THU DUC SERVICES CO., LTD.

- Total revenue gained VND 4.8 billion, increasing by 1.9% compared to 2015 and only reaching 82% of the plan in 2016. This was mainly attributable to industrial hygiene and apartment management (53.1% of the plan) and trucking care (83% of the plan).
- Profit after tax reached VND 417.3 billion, increasing by 6 times compared to 2015 and reaching 100% of the plan in 2016. The Company achieved profit targets while revenue not achieved was mainly due to the Company cut down the cost of goods sold of industrial hygiene + management of the apartment due to personnel reduction. Currently, the Company is managing the TDH - Phuoc Long apartment building.



DONG AN BINH PURE ICE CO., LTD

- Total revenue was VND 6.4 billion, increasing by 21.6% compared to 2015, exceeding 18.9% of 2016 plan. Revenue increased mainly due to good ice business.
- Profit after tax was VND 616 million, increasing 55.5% compared to 2015, exceeding 81.2% of 2016 plan.
- In general, thanks to contract signing with a partner to rent the factory at a flat rate (with profit before tax at VND 60 million per month) and increase in service income (from electric chargers, rents), Dong An Binh Company has substantially increased its revenues, reducing selling and management expenses compared to direct operation. Consequently, profit after tax margin has sharply improved.



HUE - THUDUC HOUSE

HUE THUDUC HOUSE INVESTMENT JSC

Lang Co - Hue Resort Project is currently in investment phase. Therefore, there has been no revenue from the project.



THUDUC HOUSE WOOD TRADING

THUDUC HOUSE WOOD TRADING JSC

- Total revenue of 2016 is VND 73.4 billion, significantly increasing compared to the previous year (no revenue was gained in 2015), 7 times higher than planned.
- Net profit after tax reached VND 671 million (VND 307 million of loss in 2015), achieved 83.6% of the planned profit target. Profit in 2016 has offset cumulative losses and created nearly VND 250 million of accumulated profit.



CENTUM WEALTH

BACH PHU THINH CO., LTD

- Total revenues in 2016 reached VND 766.8 million, increased by 57.8% compared to 2015. Currently, as the project is under the design phase, revenues mainly come from rents (VND 20 million/month in 2015, VND 54 million/month in 2016 and expectedly VND 100 million/month in 2017) and bank interests.
- Profit after tax reached VND 178.8 million, four times higher than that of 2015.
- Although the project has not yet been implemented and generated revenues, the BOM of the Company has flexibly generated temporary revenues to maintain the operating system and to gain profit for the Company without any loss of equity. As of 31 December, 2016, cumulative profit before distribution was VND 702 million.

IMPLEMENTATION OF PROJECT INVESTMENT

Investment in big projects in 2016

No.	Item	Payment in 2016	Note
A	Project investment	267,899,888,553	
1	TDH - Phuoc Long Apartment Building District 9 (*)	78,463,544,088	Completion of construction of frame, roof and other items such as elevators, electricity system, water system, wood floor, fire protection system, etc.
2	TDH Tocontap (*)	73,373,288,375	Payment of land use fees, construction of technical infrastructure
3	Phuoc Long Spring Town 3.7 ha, District 9 (*)	51,971,848,706	Construction of technical infrastructure
4	Binh Chieu Residential Area 4 ha (*)	35,003,787,031	Construction of technical infrastructure
5	Long Hoi Urban Zone (*)	19,964,473,642	Construction of technical infrastructure, paving roads, electricity, water...
6	Others	9,122,946,711	Thuduc Agriculture Wholesale Market project, renovation of Phuong Binh and Truong Tho apartments, etc.
B	Payment in financial investment	437,152,446,885	
7	Buying FDC share	432,552,446,885	Capital contribution for joint ventures in order to jointly implement projects: office building project at No. 28 Phung Khac Khoan, Can Gio Premium Residential Area project
8	Increasing capital contribution at Bach Phu Thinh Co., Ltd	4,600,000,000	Increase of holding of shares at the Company in order to increase equity at Centum Wealth luxury apartment project (it is expected that the project will be implemented in 2017)
	TOTAL	705,052,335,438	

(*): Projects partly funded by capital from issuance of additional shares (April 2016) and partly from use of equity and loans.

Project progress and total disbursement as of 31 December, 2016 (April 2016 Issue)

5 April, 2016 was the last day for offering shares to existing shareholders to mobilize funding for 5 projects of Thuduc House in 2016 under Certificate of Registration of public share offering of the State Securities Commission No. 114/GCN-UBCK on 31 December, 2015 and Decision No. 300/QD-UBCK on 28 March, 2016 on approval of extension of certificate of registration of public share offering. Specifically:

- Name of share: Thuduc Housing Development Corporation
- Type of stock: common stock
- Face value of shares: VND 10,000
- Offering price: VND 12,500 (issued to existing shareholders)
- Number of shares issued: 19,765,363 shares
- Total net mobilized capital: VND 246,759,560,265
- Offer Period: from 21/01/2016 to 05/04/2016

Detailed capital utilization plan:

No.	Name of project	Rate of TDH	Expected disbursements	Purpose of using capital
1	Binh Chieu Residential Area Project (Phase 2)	100%	50,000,000,000 (Expected disbursement in the second quarter of 2016)	In which <ul style="list-style-type: none"> • VND 30 billion in land use fees. • VND 20 billion in infrastructure construction.
2	Commercial Centre and Residential Area Project at Phuoc Long B Ward, District 9, HCMC	66.9%	50,000,000,000 (Expected disbursement in the second quarter of 2016)	In which <ul style="list-style-type: none"> • VND 40 billion in land use fees. • VND 10 billion into the design of apartment and commercial buildings; Complete phase 2 of power system.
3	Residential Area Project at the centre of Ben Luc Town (Phase 2)	65%	50,000,000,000 (Expected disbursement in the second quarter of 2016)	In which <ul style="list-style-type: none"> • VND 15 billion in land use fees. • VND 35 billion in infrastructure construction.
4	TDH - Tocontap Residential Area Project	65%	50,000,000,000 (Expected disbursement in the second quarter of 2016)	In which <ul style="list-style-type: none"> • VND 40 billion in land use fees. • VND 10 billion in infrastructure construction.
5	TDH - Phuoc Long Apartment	100%	46,759,560,265 (Expected disbursement in the second quarter of 2016)	In which <ul style="list-style-type: none"> • VND 10 billion in land use fees. • The rest is for apartment building.
TOTAL			246,759,560,265	

Project progress and total disbursement as of 31 December, 2016

As of 31 December, 2016, according to the Report on utilization of capital from issuance of public shares audited by Vietnam Auditing and Accounting Financial Consulting Services Co. Ltd., (AASCN) (see "Auditor" on page 149): Thuduc House has disbursed a total amount of VND 186.4 billion, equal to 75.5% of the total mobilized capital. Specifically:

No.	Project	The total amount of disbursement
1	Binh Chieu Residential Area Project (Phase 2)	<p>The total amount of disbursement: VND 31,988,413,402 including:</p> <ul style="list-style-type: none"> • VND 20,988,413,402: Infrastructure construction • VND 11,000,000,000: Advance part of land use fee
2	Commercial Centre and Residential Area Project at Phuoc Long B Ward, District 9, HCMC	<p>The total amount of disbursement: VND 50 billion:</p> <ul style="list-style-type: none"> • VND 40 billion in land use fees. • VND 10 billion into the design of apartment and commercial area; Complete phase 2 of power system
3	Residential Area Project at the centre of Ben Luc Town (Phase 2)	<p>The total amount of disbursement: VND 17,247,293,840 (infrastructure construction)</p>
4	TDH - Tocontap Residential Area Project	<p>Payment: VND 50 billion, including:</p> <ul style="list-style-type: none"> • VND 40 billion in land use fees. • VND 10 billion in infrastructure construction.
5	TDH - Phuoc Long Apartment (S-home)	<p>The total amount of disbursement: VND 37,199,724,205, including:</p> <ul style="list-style-type: none"> • VND 10 billion in land use fees • VND 27.2 billion apartment building
	TOTAL	VND186,435,431,447

The remaining amount	Reasons for project delay compared to the plan
VND 18,011,586,598 (expected disbursement in 2017)	As procedures for determination of land clearance compensation as basis for deduction of land use fees to the state budget are still going on, there is no information on exact amount of additional land use fees to be paid. Time for completion of administrative procedures is thus extended due to difficulties caused by policies on compensation deduction.
0 VND	On time
VND 15 billion in land use fees and VND 17.75 billion in infrastructure construction (expected disbursement in 2017)	As compensation agreements with last households are not reached, there is a delay in calculation of land use fees and construction of project infrastructure.
0 VND	On time
VND 9,559,836,060 (apartment building)	This is guarantee deposit of the main contractor until final financial statements are completed. The project has been timely implemented and entirely sold.
VND 60,324,128,818	

Situation of domestic project investment

Progress of implementing projects of Thuduc House (As at 31 December 2016)

Projects using capital mobilized through April 2016 issue

BINH CHIEU RESIDENTIAL AREA PROJECT

(Phase 2) - (TDH: 100%)



- **Location:** Ngo Chi Quoc Street, Binh Chieu Ward, Thu Duc District
- **Owner:** Thuduc Housing Development Corporation
- **Implementation partners:**
 - » Design consultant: Eastern Science and Technology Services and Construction Joint Stock Company;
 - » Project management consultant: Sao Viet Environmental Construction Ltd.
 - » Construction supervision consultant: National General Construction Consulting JSC
 - » Main contractor: Phuc Think Duc Co., Ltd.
- **Land area:** 39,441.9 m²
- **Total investment capital:** VND 595 billion
- **Planning criteria:** Construction density of the whole area $\leq 35\%$, land use coefficient ≤ 1.3 , number of floors: ≤ 5)
- **Scale:** 145 townhouses with garden area of 14,553.3 m²
- **Legal procedures:** Decision on land allocation, Decision on project investment approval, Decision on land use fees at market prices, Decision on approval of 1/500 scale project planning, House sampling design are approved by the Department of Construction.
- **Progress by end of 2016:** Construction of project infrastructure was completed
- **Tentative progress in 2017:** Determination of land clearance compensation for deduction of land use fees to the state budget, completion of financial statements, handing over infrastructure to the Government for management as required, completion of procedures for issuance of Certificate of land use right, ownership of houses and assets attached to the land for the Company, guiding customers on building houses according to approved plan and completion of procedures for issuance of certificates for customers upon meeting requirements.

COMMERCIAL CENTRE AND RESIDENTIAL AREA PROJECT AT PHUOC LONG B WARD, DISTRICT 9, HCMC

(TDH: 66.9%)



- **Location:** 18 Tang Nhon Phu, Phuoc Long B Ward, District 9
- **Owner:** Lien Phuong Textile & Garment Corporation
- **Implementation partners:**
 - » Design consultant: Eastern Science and Technology Services and Construction Joint Stock Company.
 - » Project supervision consultant: National General Construction Consulting JSC
 - » Main contractor: Phong Duc Co., Ltd.
- **Land area:** 37,140 m²



- **Total investment capital:** VND 1,000 billion
- **Planning target:** Construction density of the whole area: $\leq 39\%$, land use ratio of the whole area ≤ 3 ; 95 abutting houses and gardens with total area of 11,578.4 m², land for apartment construction with total area of 8,969.7 m²; commercial centre with total area of 1,778 m²; construction height of the whole area ≤ 14 ;
- **Legal procedures:** Decision on land allocation, Decision on approval of 1/500 scale project planning, Decision on project investment approval, Decision on land use fees at market prices to be paid to the state budget
- **Progress by end of 2016:** Completion of financial obligations with the Government, finalization of project infrastructure, issuance of Certificate of land use right, ownership of houses and assets attached to the land for the Company, completion of financial statements of infrastructure construction for construction units.
- **Tentative progress in 2017:** Handing over infrastructure to the Government for management as required, construction of waste water treatment station for abutting houses, issuance of Certificate of land use right, ownership of houses and assets attached to the land for customers upon meeting requirements.

RESIDENTIAL AREA PROJECT AT THE CENTRE OF BEN LUC TOWN

Phase 2 - (TDH: 65%)



- **Location:** Ben Luc Town, Long An Province
- **Owner:** Pacific Infrastructure Project Development & Investment Corporation
- **Implementation partners:**
 - » Design consultant: Mien Tay Construction Design Consultant Company Limited.
 - » Main contractor: Phong Duc Co., Ltd.
- **Land area:** Area I: 15.25 ha, area II: 5.1 ha
- **Total investment capital:** VND 315 billion
- **Planning target:**
 - » Area I (15.25ha): Abutting lands with total area of 63,013 m² for 424 land plots, 01 commercial and service centre with total area of 2,756 m² and kindergarten with total area of 3,916 m²
 - » Area II (5.1ha): Abutting lands with total area of 13,262 m² for 142 land plots with floor number ≤ 5 , land for education: 03 kindergartens, primary school and secondary school.
- **Legal procedures:**
 - » Area I (15.25ha): Completion of decision on land allocation, approval of 1/500 scale project planning, issuance of Certificate of land use right for the Company for area of which land clearance has been completed, completion of infrastructure construction.
 - » Area II (5.1ha): Waiting for approval of revised 1/500 scale project planning.
- **Progress by end of 2016:**
 - » Area I (15.25ha): Infrastructure construction
 - » Area II (5.1ha): Waiting for approval of revised 1/500 scale project planning
- **Tentative progress in 2017:**
 - » Area I (15.25ha): Continue to complete infrastructure construction
 - » Area II (5.1ha): Continue to complete procedures for approval of revised 1/500 scale project planning and infrastructure design for Area II

TDH - TOCONTAP RESIDENTIAL AREA PROJECT

(TDH: 65%)



- **Location:** 127 Tang Nhon Phu, Phuoc Long B Ward, District 9
- **Owner:** Tocontap Saigon JSC
- **Implementation partners:**
 - » Design consultant: Eastern Science and Technology Services and Construction Joint Stock Company.
 - » Project management consultant: Sao Viet Environment Co., Ltd
 - » Construction supervision consultant: Nation General Construction Consulting JSC
 - » Main contractor: Phuc Thinh Duc Co., Ltd.
- **Land area:** 17,184.1 m²
- **Total investment capital:** VND 480 billion
- **Planning target:** (Construction density of the whole area : ≤ 38.1%, land use ratio of the whole area ≤ 2.28; 40 abutting houses and gardens with total area of 4,690.3 m², land for apartment construction with total area of 3,760 m²; floor height of the whole area : ≤ 15, total floor space of the whole area: 37,604 m²), of which land use ratio of apartments ≤ 5.5 for household purposes: 5, commercial purposes: 0.5, 01 block, 14 floors with total floor space of 22,914.3 m² including basement as follows:
 - » 225 apartments with total area for sales: 14,753.8 m²
 - » Area of commercial centre: 415.5 m²
- **Legal procedures:** Completion of Decision on land allocation, Decision on approval of 1/500 scale planning, Decision on approval of land use fees at market prices, Decision on project investment approval, written approval on infrastructure design, abutting house samples by competent authorities.
- **Progress by end of 2016:** Completion of obligations required by the Government, implementation of infrastructure construction.
- **Tentative progress in 2017:** Issuance of Certificate of land use right, ownership of houses and assets attached to the land for the Company, completion of financial statements for infrastructure construction with construction units, handing over project infrastructure to competent authorities as required, revision of Decision on project investment approval, guiding customers to build abutting houses according to approved samples, completion of designing and application for construction approval, construction of apartments.

TDH - PHUOC LONG APARTMENT

(S-home) - (TDH: 100%)



- **Location:** Phuoc Long B Ward, District 9
- **Owner:** Thuduc Housing Development Corporation
- **Implementation partners:**
 - » Design consultant: TAT & Associates D'Architectura Co., Ltd.
 - » Project management consultant: National General Construction Consulting JSC
 - » Construction supervision consultant: APAVE - Asia Pacific
 - » Main contractor: Saigon Engineering Construction Investment Corporation.
- **Land area:** 3,573 m²
- **Total investment capital:** VND 192 billion
- **Planning target:** construction density: 37%, land use ratio: 5, 01 block, number of floor: 14
- **Gross floor area (GFA):** 18,853 m²
- **Scale:**
 - » 168 apartments, total area for sales: 10,879.2 m²
 - » Area of commercial centre: 373 m²
- **Legal procedures:** Completion of Decision on land allocation, Decision on approval of revised 1/500 scale planning, Decision on project investment approval.
- **Progress by end of 2016:** Completion of project construction for use.
- **Tentative progress in 2017:** Completion of financial statements with construction units, issuance of Certificate of land use right, ownership of houses and assets attached to the land for customers upon meeting requirements.

Other on-going projects

CENTUM WEALTH LUXURY APARTMENT

(TDH: 51%)



- **Location:** Hiep Phu Ward, District 9
- **Owner:** Bach Phu Think Co., Ltd
- **Implementation partners:** Design consultant: CDCo Construction Investment Design Consultancy Corporation
- **Land area:** 11,582 m²
- **Total investment capital:** USD 50 million
- **Planning target:** (Construction density: 35%, land use ratio: 4.8 for household purposes: 4.57, commercial - public service purposes: 0.23, number of block: 01, number of floor: 20)
- **Gross floor area (GFA):** 66,050.8 m²
- **Scale:** 529 units with total area for sales: 37,281.5 m², of which:
 - » 491 apartments, total area for sales: 31,774.4 m²
 - » 10 shop houses, total area for sales: 1,480.2 m²
 - » 18 duplex houses, total area for sales: 2,737.2 m²
 - » 10 garden houses, total area for sales: 1,289.7 m²
 - » Area of commercial centre: 2,097.4 m²
- **Legal procedures:** Completion of Decision on land allocation, approval of 1/500 scale lay-out.
- **Progress by end of 2016:** On-going designing and application for approval of project investment as required.
- **Tentative progress in 2017:** Completion of decision on project investment approval, infrastructure design, construction design, approval of construction, implementation of construction.

TDH - BINH CHIEU APARTMENT (LOT I)

(TDH: 100%)



- **Location:** Binh Chieu Ward, Thu Duc District
- **Owner:** Thuduc Housing Development Corporation
- **Implementation partners:** Design consultant: STOA Co., Ltd.
- **Land area:** 6,748 m²
- **Total investment capital:** VND 228 billion
- **Planning target:** (Base construction density: ≤50%, tower construction density: ≤30%, land use ratio: ≤5, number of block: 01, number of floor: 17)
- **Gross floor area (GFA):** 38,398 m² (including basement)
- **Scale:** 401 apartments, total area for sales: 23,838.66 m²
- **Legal procedures:** Completion of Certificate of land use right for the Company, Decision on project investment approval.
- **Progress by end of 2016:** Completion of Decision on project investment approval, infrastructure construction.
- **Tentative progress in 2017:** Completion of legal procedures for construction approval, estimates of construction works, implementation of construction.

Other on-going projects

TDH - BINH CHIEU APARTMENT (LOT H)

(TDH: 100%)



- **Location:** Binh Chieu Ward, Thu Duc District
- **Owner:** Thuduc Housing Development Corporation
- **Implementation partners:** Design consultant: STOA Co., Ltd.
- **Land area:** 3,754.5 m²
- **Total investment capital:** VND 162 billion
- **Planning target:** (Base construction density: ≤50%, tower construction density: ≤30%, land use ratio: ≤5, number of block: 01, number of floor: 16)
- **Gross floor area (GFA):** 19,857.07 m²
- **Scale:** 16 apartments, total area for sales: 12,946.85 m²
- **Legal procedures:** Completion of Certificate of land use right for the Company, Decision on project investment approval.
- **Progress by end of 2016:** Completion of Decision on project investment approval, infrastructure design.
- **Tentative progress in 2017:** Completion of legal procedures for construction approval, estimates of construction works, implementation of construction.

TDH - PHUC THINH DUC PROJECT

(TDH: 5%)



- **Location:** 146/2 Nam Hoa Street, Phuoc Long A Ward, District 9, HCMC
- **Owner:** Phuc Thinh Duc Co., Ltd
- **Implementation partners:** Design consultant: MAI - ARCHI Co.,Ltd
- **Land area:** 13,609.5m²
- **Total investment capital:** VND 912 billion
- **Planning target:** (Base construction density: 50%, tower construction density: 35%, land use ratio: 5.8, of which for household purposes: 5.3; public service purposes: 0.5, number of block: 02, number of floor: 18)
- **Gross floor area (GFA):** 86,271 m²
- **Scale:**
 - » 935 units (926 apartments + 9 shop houses), total area for sales: 57,333.7 m²
 - » Area of commercial centre: 437 m²
- **Legal procedures:** On-going legal procedures for handing over the project from Lien Phuong Textile & Garment Corporation to Phuc Thinh Duc Investment Co., Ltd.
- **Progress by end of 2016:** On-going designing and application for project investment approval.
- **Tentative progress in 2017:** Continue to complete legal procedures for the project before implementation of construction.

GREEN PEARL HANOI COMPLEX PROJECT

(TDH: 18.39%)



- **Location:** 378 Nguyen Thi Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi City
- **Owner:** Phong Phu - Daewon - Thu Duc Housing Development JSC
- **Implementation partners:**
 - » Design consultant: Concept design: KYTA Co., Ltd; Construction drawing design: Vietnam National Construction Consultants Corporation (VNCC)
 - » Construction supervision consultant: CONICO., JSC
- **Land area:** 28,736.2 m²
- **Total investment capital:** VND 2,396 billion
- **Planning target:**
 - » Area I: Construction of a complex of office, supermarket, garage, apartment, and kindergarten with scale as follows: Land plot area: 10,334 m²; construction density: 46.66%; work height: 21 floors (02-floor basement); land use ratio: 7.05
 - » Area II and Area III: Construction of low-rise houses: land plot area: 12,928.5m²; construction density: 36.66%; work height: 3 floors; land use ratio: 1.09
- **Scale:**
 - » Apartments: 504 units (total area: 46,221 m²)
 - » Shop houses (1st and 2nd Floor): 21 units (total area: 3,444.23 m²)
 - » Commercial area (supermarket, kindergarten, food court, kiosk):
 - > Supermarket: 01 supermarket with total area: 718.59 m²
 - > Kindergarten: 628.29 m²
 - > Food court: 189.00 m²
 - > Kiosk: 54.00 m²
 - > Commercial area: 484.00 m²
- **Office (3rd Floor):** 1,639.82 m²
- **Low-rise houses:** 61 low-rise houses (total area for sales: 7,355 m²)
- **Legal procedures:** Waiting for high-rise building certificate
- **Progress by end of 2016:** On-going civil work of low-rise houses and application for revision of high-rise building planning.
- **Tentative progress in 2017:** Completion of civil work of low-rise houses; application for high-rise building certificate; construction of high-rise buildings; open for sales of apartments.

CANTAVIL - LONG HAI RESORT PROJECT

(TDH: 40%)



- **Location:** Long Hai Town, Long Dien Ward, Ba Ria - Vung Tau Province
- **Owner:** Daewon - Thu Duc Housing Development JSC
- **Implementation partners:** Design consultant: FINKO - IDA Co., Ltd
- **Land area:** 4.5 ha
- **Total investment capital:** USD 20 billion
- **Planning target:** Construction density of the whole area not exceeding 25%, maximum height of 5 floors
- **Gross floor area (GFA):** 28,248m² including areas as follows: hotel apartments (154 condotels); villas (47 units), auxiliary services...
- **Legal procedures:** Certificate of investment extended, 1/500 scale planning approved
- **Progress by end of 2016:** Construction started
- **Tentative progress in 2017:** The project is expected to be completed by end of 2017

Information about some projects to be cooperated for deployment



NAM DINH TEXTILE & GARMENT URBAN AREA PROJECT

(Expected to cooperate with Lien Phuong Textile & Garment Corporation)

- **Location:** 43 To Hieu Street, Nam Dinh City
- **Total investment capital:** VND 412 billion
- **Scale:** After completion, the project will create a close urban area, comprising of 103 villas from 230 - 260 m² of area, 833 townhouses from 70 - 100 m² of area, commercial center, school, hospital, cultural center, sport center, park, and auxiliary works. Total number of apartments: 300 units with area from 42 - 60 m² per unit.



PROJECT OF SERVICE APARTMENT - APARTMENT FOR LEASE - OFFICE FOR LEASE AT 28 PHUNG KHAC KHOAN STREET, DISTRICT I

(Expected to cooperate with FIDECO)

- **Location:** 28 Phung Khac Khoan Street, Da Kao Ward, District I, HCMC
- **Total investment capital:** VND 530 billion
- **Scale:** 2,281.9 m², comprising of 2 lots, to be specific:
 - » Lot 1 (land area: 1,238 m²): Complex area of retail service, office, and service apartment. In which: Area for retail service: 1,127 m²; office for lease: 3,473 m²; service apartment: 3,268 m².
 - » Lot 2 (land area: 1,043.9 m²): Apartment for sales, including 89 apartments with average area of 80 m² /apartment.
- **Project purpose:** To optimize business efficiency at above-mentioned and to be the Company's development orientation. In the AGM 2014, the Annual General Meeting approved the plan to invest and construct the office building at 28 Phung Khac Khoan Street to become a more modern and larger building.

CAN GIO PREMIUM RESIDENTIAL AREA PROJECT

(Expected to cooperate with FIDECO)

- **Location:** Long Hoa Commune, center of Can Gio District (50km far away from HCMC)
- **Scale:** 29,839 hectares, including low-rise housing, premium villas and public area. Expected population: 2,800 - 3,000 people.
- **Project purpose:** To build a modern and peaceful residential area, taking advantages of location and climate of Can Gio District, the only place in HCMC having a biosphere reserve recognized by UNESCO and belonging to the world's biosphere reserve network. With the advantages of a location that is determined to build a key tourist destination as well as the infrastructures in completion progress in Can Gio, Can Gio Premium Residential Area is a potential project, contributing to improve images and lives of the people in Can Gio District.
- **Expected commencement date:** Up to now, the ground leveling - Phase I has been completed and the next procedures are waiting for approval from HCMC People's Committee for deployment.



Investment situation of project in the United States

Project information

- **Form of investment:** Joint venture with a company in USA
- **Company established in USA:** THUDUC HOUSE PROPERTY VENTURES LLC,
- **Investment Certificate** No. 219/BKH-ĐTRNN - Issued on 10 February 2009
- **Address:** 985 Kendall Drive, Suite 342, San Bernardino, CA 92407, USA
- **Tel:** 909 496 8449 | **Fax:** 909 586 9498
Email: ngtn@msn.com
- **Total investment capital of projects abroad:** USD 6,000,000 (six million US Dollar), equivalent to VND 102,000,000,000 (one hundred and two billion Vietnam Dong). Contributed capital to present is USD 3 million.
- **Thuduc House's investment capital abroad is** USD 3,000,000 (three million US Dollar), equivalent to VND 51,000,000,000 (fifty one billion Vietnam Dong)

Business results

- In 2016, acknowledging foreign exchange policy risks under the government of the newly elected president of the United States, the BOD decided to liquidate all four of last houses in the United States. Presently, legal procedures for resolution of the joint venture are implemented in order to get back capital for inward investment in 2017.
- It is estimated that capital received from liquidation of the joint venture (in VND) is still profitable with VND 55.2 billion of principal and VND 59.2 billion of profit. After completion of liquidation procedures of the joint venture in the United States, details will be included in the Annual Report of the following year.



ENVIRONMENTAL AND SOCIAL IMPACT REPORT OF THE COMPANY

Compliance with the laws on environmental protection

Number of times for violating provisions of the laws and regulations on environmental protection: **zero**

Acknowledging that construction works might affect the environment and the community, the Company has issued guidelines and regulations to effectively prevent environmental impacts during construction.

In all bidding documents, requirements on environment protection and maintaining clean and green environment are strictly complied with by the Company with an aim to develop a “green” environment and a healthy and civilized community. All projects are approved by the Department of Environment and Natural Resources in terms of environmental impact reporting. Domestic waste water treatment systems with standard capacity are developed and all domestic waste water are discharged to the common sewerage system at project areas.

Most of works invested by the Company are large-scale construction works. During bidding for construction contractors, the Company always requires application of measures to prevent labour accidents for workers and the community, ensuring ultimate safety throughout construction process. In addition, the Company also implements environmental quality control measures, monitoring and controlling air, water, dust and noise conditions to ensure compliance with standards, implementing safe solutions, and actively dealing with complaints of local people or the public if any.

Number of fines for violating provisions of the laws and regulations on environmental protection: **zero**

Solutions and activities are implemented to ensure compliance with the Law on Environmental Protection

Real estate business

Implement measures to mitigate and deal with pollution during the construction phase; ensure compliance with environmental standards dust, noise, vibration, emissions, waste water, solid wastes and sludge; develop a common drainage system to prevent flooding in the surrounding area. Specifically:

Waste water: Separate the rain water and waste water drainage systems. Domestic waste water is collected and treated in accordance with QCVN 14:2008/BTNMT before being discharged into the environment.

Emissions: Concentration of pollutants in emissions must comply with the national technical regulation QCVN 19:2009/BTNMT, QCVN 20:2009/BTNMT. Air pollutants released into the environment must comply with the national technical regulation QCVN 05:2013/BTNMT.

Waste management: Comply with Decree 59/2007/ND-CP and Circular No. 12/2011/TT-BTNMT. Domestic solid wastes and hazardous wastes are classified, stored, collected and transported in accordance with regulations.

Noise: Fully apply technical and management measures to minimize noise and vibration from construction activities affecting the surrounding environment in accordance with QCVN 26:2010/BTNMT.

Strictly comply with current regulations on drilling, exploitation and use of underground water and filling of unused wells.

Regularly implement environmental monitoring programs for total waste volume and specific pollution parameters of waste water, emissions, domestic solid wastes and hazardous wastes every three months; monitor quality of surrounding air and water every six months and send reports to the Department of Natural Resources and Environment for inspection and monitoring.

Trading in Thuduc Agriculture Wholesale Market

Recently, the Company has successfully implemented the quality management system according to ISO 9001:2008 standards and has been granted ISO 9001:2008 certificate by DNV (Det Norske Veritas). The ISO 9001:2008 certificate will contribute to improve management efficiency and governance, improving confidence of customers in quality of products and services of Thuduc Agromarket.

All counters under management of the Company meet requirements on standard area and are checked to ensure hygiene and sanitation. During transportation, loading and unloading of goods, merchants are given specific and clear instructions on maintaining hygiene and sanitation of their counters in particular and the whole area in general.

In addition, the Company also implements environmental quality control measures, monitoring and controlling air, water, dust and noise conditions to ensure compliance with standards, implementing safe solutions, and actively dealing with complaints of local people or the public if any.

Acknowledging that market operation might have adverse impacts on the environment and the community, the Company has issued guidelines and regulations on effective prevention of impacts on the environment in operation of the market.

SHAREHOLDER STRUCTURE, EQUITY CHANGE

Share:

- Total number of shares: 70,988,381 shares, of which:
 - » Number of ordinary shares: 70,988,381 shares
 - » Number of preferred shares: 0 share
 - » Number of unrestricted shares: 70,988,381 shares
 - » Number of restricted shares: 0 share
- Total number of outstanding shares: 70,988,381 shares
- Total number of treasury shares: 0 share

SHAREHOLDERS STRUCTURE

CATEGORIES	DOMESTIC		FOREIGN		TOTAL	
	Quantity	Rate	Quantity	Rate	Quantity	Rate
Number of shares	42,750,828	60.22%	28,237,553	39.78%	70,988,381	100.00%
Individuals	31,986,609	45.06%	1,118,170	1.58%	33,104,779	46.63%
Institutions	10,764,219	15.16%	27,119,383	38.20%	37,883,602	53.37%
Number of shareholders	4,117	92.77%	321	7.23%	4,438	100.00%
Individuals	4,053	91.32%	277	6.24%	4,330	97.57%
Institutions	64	1.44%	44	0.99%	108	2.43%

Detailed shareholder structure statistics

OBJECT	NUMBER OF SHARES	RATE (%)
I. State shareholder	4,257,990	6.00%
II. Internal shareholder	4,245,708	5.98%
I. Board of Director	3,137,562	4.42%
Of which - Foreign organizations	-	-
- Domestic	3,137,562	4.42%
2. Board of Management	971,657	1.37%
3. Board of Supervisors	66,566	0.09%
4. Chief Accountant	69,923	0.10%
III. Treasury shares	-	-
IV. Labor union	-	-
V. Major shareholders (>5%) (*)	14,447,692	20.35%
Of which - Foreign organizations	10,189,702	14.35%
- Domestic	4,257,990	6.00%
VI. Shareholder is a professional investor who owns <5%	18,298,752	25.78%
Of which - Foreign organizations	16,733,120	23.57%
- Domestic	1,565,632	2.21%
VII. Other shareholders	33,996,229	47.88%
TOTAL	70,988,381	100%

(*): Major shareholders also included the number of shares of the State shareholders.

List of state shareholders, major shareholders, founding shareholders

No.	Name	Address	Number of shares	Rate (%)
A. State Shareholder				
1	Ho Chi Minh City Finance and Investment State-owned Company	33-39 Pasteur, District 1, HCMC	4,257,990	6.00%
TOTAL A			4,257,990	6.00%
B. Major Shareholder				
1	KWE BETEILIGUNGEN AG	1901 Me Linh Point, 2 Ngo Duc Ke, District 1, HCMC, Vietnam	6,381,896	8.99%
2	Ho Chi Minh City Finance and Investment State-owned Company Equity representative: Mr. Le Chi Hieu - Chairman of BOD	33-39 Pasteur, District 1, HCMC	4,257,990	6.00%
3	PXP Vietnam Emerging Equity Fund Limited	6 th Floor, Opera View Building, 161 Dong Khoi, Dist. 1, HCMC, Vietnam	3,807,806	5.36%
Total B			14,447,692	20.35%
C. Founding Shareholders				
1	Pham Dinh Khang	-	-	-
2	Nguyen Huu Tam	2/191 Quarter 1, Linh Chieu Ward, Thu Duc District	10,136	0.01%
3	Nguyen Thi Kim Loan	-	-	-
4	Ho Chi Minh City Finance and Investment State-owned Company	33-39 Pasteur, District 1, HCMC	4,257,990	6.00%
Total C			4,268,126	6.01%
Total			14,457,828	20.37%

(*): Major shareholder also included the number of shares of the State shareholders.

List of internal shareholders

No.	Name	Title	Number of shares	Percentage
1	Le Chi Hieu	Chairman	946,291	1.33%
2	Tran Quang Nghi	Vice Chairman	842,365	1.19%
3	Nguyen Vu Bao Hoang	Member cum General Director	1,281,330	1.80%
4	Le Thanh Liem	BOD member	67,576	0.10%
5	Tran Bao Toan	BOD member	-	-
6	Tran Quang Nhung	Deputy General Director	15,042	0.02%
7	Pham Thi Thanh Binh	Deputy General Director	9,487	0.01%
8	Nguyen Khac Son	Deputy General Director	27,128	0.04%
9	Nguyen Ngoc Truong Chinh	Deputy General Director - Authorized person to disclose information	920,000	1.30%
10	Nguyen Hung Long	Head of Board of Supervisors	27,830	0.04%
11	Thai Bang Au	BOS member	38,736	0.05%
12	Thai Duy Phuong	BOS member	-	-
13	Quan Minh Tuan	Chief Accountant	69,923	0.10%
TOTAL			4,245,708	5.98%

(*): Major shareholders also included the number of shares of the State shareholders.

Charter capital increasing situation in 2016
Issuance of additional public shares

In 2016, the Company completed procedures for issuance of 19.7 million shares to existing shareholders to increase charter capital from VND419 billion to VND617 billion. Specifically:

- Charter capital before issuance: VND419,647,260,000
- Total number of shares to be issued: 20,982,363 shares
- Closing date: 21 January, 2016
- Issuance ratio: 2:1
- Price: VND12,500/share
- Total number of shares successfully issued: 19,765,363 shares
- Successful issuance rate: 94.2%
- Total net proceeds from the offering: VND246.76 billion



- Official transaction date: 12/05/2016
- Charter capital after issuance: VND617,300,890,000
- Completion of procedures for changing the business registration certificate, additional depository registration at VSD; registration for listing of new shares on HOSE and issuance of shares to shareholders whose depository registration was not yet completed (buying shares in the 2nd issuance including: strategic shareholders, employees of the Company).
- Report on use of capital gained from the 1st issuance was sent (every 6 months as from the date of completion of issuance). Accordingly, as of 05 October, 2016, the Company disbursed VND 102.5 billion (accounting for 41.5% of the total net mobilized capital).
 - » Closing date for shareholder list: 14 June, 2016
 - » Issuance ratio: 15% (each shareholder owning 100 shares received 15 additional shares)
 - » Total number of issued shares: 9,258,292 shares
 - » Official transaction date: 14 July, 2016
 - » Charter capital after issuance: VND 709,883,810,000
- Completion of procedures for changing the business registration certificate, depository registration at VSD, changing the listing on HOSE, issuance of sufficient shares to shareholders whose depository registration was not yet completed.

Issuance of shares from equity (15%)

- Completion of issuance of bonus shares to existing shareholders to increase charter capital from VND 617 to 709 billion. Specifically:
 - » Charter capital before issuance: VND 617,300,890,000

Report on changes in treasury shares

- As of 31 December, 2016, number of treasury shares of Thuduc House was zero. In 2016, the Company did not buy or sell any treasury shares.

Other shares

- The Company did not issue any other type of shares.



FINANCIAL ACTIVITIES

Financial Portfolio of Thuduc House (As of 31 December 2016)

List of internal shareholders

No.	Name of issuing organization	Number of holding share			Increase/decrease compared to investment capital	
		From 1/1/2016	To 31/12/2016	Increase / Decrease	Increase / Decrease value (VND billion)	Profitability (+/- %)
I	LISTED SHARE	2,266,292	19,278,007	+ 17,001,715	+ 5.16	+ 1.08%
1	PVI	109,350	109,350	-	- 5.86	- 68.2%
2	SC5	156,942	156,942	-	- 5.88	- 57.5%
3	PPI (*)	2,000,000	2,400,000	+ 400,000	- 18.99	- 78.2%
4	FDC	-	16,611,715	+ 16,611,715	35.89	+ 8.3%
II	LISTED SHARE	6,647,125	7,206,227	+ 559,102	-	-
1	Orient Commercial Bank (*)	3,607,116	4,166,218	+ 559,102	-	-
2	Thua Thien Hue Import Export And Investment JSC	306,000	306,000	-	-	-
3	City Housing Development Real Estate Joint Stock Company	320,000	320,000	-	-	-
4	Hue Homes Construction and Development Joint Stock Company	200,000	200,000	-	-	-
5	Khanh Phu Investment JSC	200,000	200,000	-	-	-
6	Lien Phuong Textile & Garment Corporation - LPTEX	2,014,009	2,014,009	-	-	-

(*) Increase due to stock dividend payment

In 2016, acquisition of 16.6 million of FDC shares brought about a profit of VND 35.9 billion (based on market price as of 31 December, 2016). The profit offset losses from other stocks such as PPI, SC5 and PVI. Notably, in 2016, PPI sharply decreased from VND 5,300 to VND 2,200 per share as the Company faced severe crisis and financial difficulties.

As of 31 December, 2016, total market value of listed shares was VND 480.8 billion, increasing 1.08% compared to principal (equivalent to VND 5.1 billion of profit).

Change in investment in joint ventures, long-term financial investment in the period

Capital transfer

- Transfer of capital of Gia Dinh Star Investment JSC.
- Transfer ratio: 30% of charter capital
- Total value of transfer: VND 66 billion
- Profit: VND 12.3 billion (23% yield)

Capital investment activities

No.	Name of share	Number of shares	Payment
1	FDC (*)	16,611,715	432,552,446,885
2	Bach Phu Thinh Co., Ltd (buy 2% of capital contribution)		4,600,000,000
	TOTAL		437,152,446,885

(*) Provisional profit (31/12/2016) at market price: VND 36 billion (yield 8.3%)

Dividends received during the year

No.	Share	Rate	Plan 2016	Actually received	Implementation rate
A	Cash dividend		1,612,299,000 VND	4,638,386,600 VND	288%
1	SC5	20%	313,884,000 VND	313,884,000 VND	100%
2	PVI	9%	98,415,000 VND	218,700,000 VND	222%
3	PPI	5%	1,200,000,000 VND	-	0%
4	OCB		-	1,874,798,100 VND	-
5	Unimex Hue JSC		-	1,224,000,000 VND	-
6	LPTEXT		-	1,007,004,500 VND	-
B	Stock dividend		760,711 shares	959,102 shares	126%
1	OCB	10%	360,711 shares	559,102 shares	155%
2	PPI	20%	400,000 shares	400,000 shares	100%

In 2016, dividends from financial investment portfolio exceeded the plan. Specifically, actual cash dividends were VND 4.6 billion (exceeding 188% of the plan) while share dividends were 959,102 shares (exceeding 26% of the plan).

Report on payment of principal and interests of convertible bonds

After TDH41029 convertible bonds became mature in November 2013, although the Company widely declared and sent notices to bond holders (for the 3rd time) informing procedures for receiving due principal and interest payment, many bond holders did not complete procedures to receive the payment. Progress of principal payment as of 31 December, 2016:

- Principal paid in 2016: VND 185,500,000
- Cumulative principal paid: VND 196,365,300,000 (96.82%)
- Payable principal: VND 6,444,500,000 (3.18%)
- Number of unpaid bond holders: 605 people

Report on payment of cash dividends

In 2016, the Company completed payment of cash dividends for the 2nd issuance in 2015 (5%) on 27 June 2016 with total paid dividends of VND 30,865,044,500.

Situation of loan - loan payment in 2016

No.	Bank
1	VietinBank - East Saigon Branch
2	VietinBank - HCMC Branch
3	VietinBank - HCMC Branch
4	Phuc Thinh Duc Investment Co., Ltd
5	Vietnam International Trading and Investment Co., Ltd.
6	Phong Phu - Daewon - Thu Duc Housing Development JSC
7	VPBank - HCMC Branch
8	VPBank - HCMC Branch
9	TPBank - Hung Vuong Branch
10	TPBank - Hung Vuong Branch
TOTAL	

	Note	Beginning balance as of 01 January 2016	Repayment of principal	Borrowings during the period	Ending balance as of 31 December 2016
	Short-term	19,930,176,716	25,858,791,500	29,118,374,621	23,189,759,837
	Short-term	18,755,633,271	35,265,207,896	38,165,972,247	21,656,397,622
	Long-term	312,664,829,018	63,086,220,000	6,055,472,019	255,634,081,037
	Short-term	1,500,000,000	1,500,000,000		0
	Short-term	10,000,000,000	10,000,000,000		0
	Short-term	25,000,000,000			25,000,000,000
	Short-term	75,441,515,585	75,441,515,585		0
	Long-term	246,370,000,000	100,810,000,000		145,560,000,000
	Short-term	27,647,394,292	94,335,896,816	160,507,276,611	93,818,774,087
	Long-term	7,000,000,000	1,400,000,000		5,600,000,000
		744,309,548,882	407,697,631,797	233,847,095,498	570,459,012,583

SALES OPERATIONS

Overview of sales activities



According to CBRE's quarterly report highlights for Quarter 4 of 2016 and Ho Chi Minh city's real estate market outlook in 2017, the last quarter of 2016 was very active, especially the apartment market. Specifically, number of apartments sold in the 4th quarter was 11,941 units, increasing by 52% from the previous quarter and increasing by 11% compared to the same period of last year. However, 2016 recorded a total of 35,000 units sold, decreasing 4% compared to 2015.

Main sales activities of Thuduc House were TDH - Phuoc Long, TDH - Truong Tho, TDH - Phuoc Binh, Long Hoi City, Tocontap land plots... Total sales increased by 36% compared to the same period while inventory ratio dropped from 16.6% to just 1.3% in 2016 (only 17 apartments unsold from old projects).



Sales team and distribution system

2016 was a year with many positive signals of real estate market. Therefore, human factors are always paid attention by the Company's leaders in respects of change of thinking and productivity for employees, requiring employees to have motivation and positive working attitude, working under clear plan and objective, solidarity and willingness to bear pressure on sales job. Improving and training market knowledge, sales skills for the employees.

Accordingly, the sale staffs should perform all duties from providing consulting service to clients, signing, tracking and performing contracts, following up debts, etc. until handing over ownership certificate to clients. Besides, the Company always keeps a team of professional staffs working in trading floors to be responsible for consultancy and direct sales.

The distribution network of Thuduc House was mainly located in Ho Chi Minh city area, including real estate trading floors of Thuduc House and associated floors such as EximLand, Ban Viet Land, Bland...

Policies for clients

Thuduc House always keeps its commitment to clients in respects of handing over products on schedule and ensuring product quality. Besides, the Company also offers customer care services with high efficiency such as giving free legal advice to clients, establishing a hotline to answer complaints and questions from clients, guiding and supporting loans for product purchasing via linked banks, operating and managing carefully residential areas after handing over to clients.

Over the last year, the Company continued to maintain policies implemented from previous years, aiming at increasing customer benefits, specifically:

- Flexible sales policies on inventory projects such as TDH - Truong Tho & TDH - Phuoc Binh were warmly welcome by customers, for example, customers only had to pay 60% of the total value to move in the houses, the remaining 40% payment would be made in the following 24 months, or a discount of 15% was applied to customers paying 100% of the total value at once.
- As TDH - Phuoc Long project applied a discount of 2.5% for payment of 70% at once, it was very attractive to customers during project implementation.

Project inventory

Project inventory as of 31 December 2016

No.	Project	Total number of apartment / block	Already sold	Accumulated sold	In stock	Inventory rate
A. Land plot						
1	Binh An	205	0	205	0	0%
2	Tam Binh	267	0	267	0	0%
3	Binh Chieu	470	1	470	0	0%
4	Long Hoi City	247	112	247	0	0%
5	Phuoc Long Spring Town (Phase 1)	38	0	38	0	0%
6	Phuoc Long Spring Town (Phase 2)	57	3	57	0	0%
B. Apartment Building						
1	TDH - Truong Tho	262	12	257	5	1.9%
2	TDH - Phuoc Binh	86	4	76	10	11.6%
3	TDH - Phuoc Long	171	54	169	2	1.2%

OPERATION OF IMPORT-EXPORT DEPARTMENT

- In order to diversify and improve operational efficiency for increasing revenue growth based on available advantages of Thuduc Agriculture Wholesale Market and other associated partners, Thuduc House established the Import and Export Board in 2012. After 4 years of operation, the Board expanded activities in many markets with reputable customers. Implementing the Resolution of the General Meeting of Shareholders on 14 April, 2016, the BOD and the BOM of Thuduc Housing Development Corporation (TDH) signed cooperation contracts with some strong potential partners and customers in order to increase revenues for the Company. Accordingly, on 21 April, 2016 TDH Group and EPCO Co., Ltd. signed a business cooperation contract in import and export of agricultural products (fruits, nutritious nuts...). Although the cooperation has just been implemented for 8 months, it is very effective.
- Thanks to the above-mentioned efforts in 2016, revenues from import and export activities significantly increased. Total revenue of Wood Trading, a subsidiary company, increased from zero in 2015 to more than VND 73 billion.
- For further information on activities of the Import and Export Board, please visit <http://imex.thuducouse.vnn>.



ORGANIZATIONAL STRUCTURE AND HUMAN RESOURCE

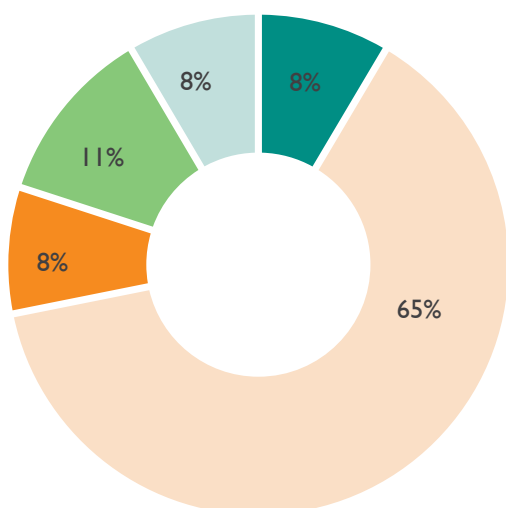
Statistics of personnel

The total number of personnel of Thuduc House Group as of 31 December 2016 was 786 persons, in which:

1	Thuduc House	108
2	Thuduc Agriculture Whosale Market Co., Ltd	575
3	Tam Binh - Thu Duc Service Co., Ltd.	19
4	Hung Vuong Securities Co., Ltd.	67
5	Dong An Binh Pure Ice Co., Ltd.	10
6	Hue - Thuduc House Investment JSC	2
7	Thuduc House Wood Trading JSC	5

In total of 108 employees of Thuduc House, there were 62 males and 46 females:

Classification by qualification	Quantity	Rate
Postgraduate	9	8%
University	70	65%
Vocational college	9	8%
Primary	12	11%
Other labors	8	8%
Classification by age		
Over 30 years old	93	86%
Under 30 years old	15	14%



CLASSIFICATION BY QUALIFICATION

- Postgraduate
- University
- Vocational college
- Primary
- Other labors

ORGANIZATIONAL STRUCTURE AND HUMAN RESOURCE

Labor policy

Total number of employees

108 persons

Average income of employees

18,965

VND Million/Month

Number of employees, average salary for employees

- Total number of employees: 108 persons
- Average income of employees: VND 18,965,843/month

Labor policies on ensuring health, safety and benefits of employees

- Social insurance policy: The Company covers social insurance policy for 100% of employees. Thuduc House has been consecutively honored for its good implementation of social insurance policy from 1997 up to now by HCMC Social Insurance Department.
- Welfare policy: Thuduc House always takes a good care of its employees and protects the rights of employees. Besides always encouraging their staffs to study and improve their thoughts, ethics, lifestyle, behavior, qualification, etc., the Company's leaders combines with many unions to develop helpful policies for employees such as periodical health examination, visiting sick employees and their families, congratulating and presenting gifts to employees on special occasions of birthdays, holidays, International Children's Day and International Women's Day as well as giving notebooks and scholarships to the children of employees at the beginning of new school year. Allowances for male employees when their wives give birth, allowances for male employees on the Father's Day (all male employees) and for employees who used to join the army on the Vietnamese People's Army Day on 22nd December, allowances for employees getting married, allowances for children of employees on International Children's Day on 1st June and during the Mid-Autumn Festival, giving notebooks for children of employees on the occasion of starting of a new school year, awarding children of employees with excellent academic results at the end of each school year...



To diversify the spiritual life of employees, Thuduc House often holds events such as family day, employee festival, sport tournament, etc. for employees and their families to promote their capability and talents as well as participates in musical programs held by the companies with same operating sectors or the partners. Trade Union also cooperates with BOM to organize movements called "clean and beautiful office", "learning and working as President Ho Chi Minh", "obeying traffic safety rules", etc.

Moreover, the Company well implements the works of supporting and helping each other, supporting flood victims and poor people, and financing the learning promotion funds, the Red Cross, and Vu A Dinh scholarship fund. The Company also encourages and supports the employees to participate in cultural and sport activities launched by the departments.



Training

Human resources training and development are very crucial activities of every company. At Thuduc House, the human resources training and development activities are regularly and continuously maintained. The plan of training and developing the human resources has been made and implemented every year. Every year, the company will consolidate the results, evaluate the training activities by the actual performance results of employees who got the training.

Training forms in the Company include:

- Training in-site: Applied to:
 - » Newly recruited person: Training contents include the common rules and policies of the Company and guidance on professional and expertise.
 - » Person who changes position: Training contents include professional guidance and regulations in new position.
 - » During work, the more experienced will share and exchange experience with the less experienced. This work is carried out regularly in every position.
- Internal Training: Training and coaching skills of work are regular training activities of the Company, the training programs mainly focus on training on rules, regulations, procedures, new products and sale skills... for relevant professional body of the Company.
- Outside training: Based on needs of job, employees will be selected to attend in outside courses on:

Leadership skills, management skills, teamwork skills, marketing skills, sales skills... or the Company will invite experts with high qualifications, prestigious reputation to teach employees at the Company such as contract drafting skills, negotiation skills, communication culture with customers, studying laws, new regulations...

In 2016, based on the training plan and program, many employees of TDH were encouraged and facilitated to participate in the short term or long-term training courses related to their professional area and expertise such as: project management, financial management, human resources management, internal control, IT, Marketing, Sales... for sales activities, in addition to knowledge of governance, the Company also facilitates employee to regularly attend additional courses on feng shui knowledge, valuation, business culture... to make better marketing tasks, sales, enhance skills of communication and convincing customers at the highest level. The total cost of training in 2016 was VND 64.800.000.

In particular, following the instructions of SSC on organization of training courses to grant certificate of corporate governance for managers of public companies, the Company held registration of a course on Corporate governance for members of the BOD, BOS and the BOM. In addition to improving quality of corporate governance in public JSC, contributing to enhancing operational efficiency, enhance transparency of market, the course also provides knowledge and skills in corporate governance in accordance with the legal provisions of Vietnam and international standards for members of BOD.



Policy and human resources build-up and development solutions of Thuduc House

Improving and applying human resources management methods:

- Building system of job descriptions for each job.
- Implementing effective performance assessment regularly and have appropriate adjustments.

Develop leaders team on the basis of young and active professionals:

- Implement assessment and planning officers at all levels, additional initiative to strengthen leadership staff as needed.
- Appoint talented people, appropriate to the location management and staff arranged true forte, the capacity of each person.

Take care of living conditions of officials and employees:

- Develop and implement welfare schemes such as comprehensive health care, professional training mode, mode of travel accommodation, gifts for holidays, events, scholarship for kids and gifts for children of employees... to improve life and health of employees, keep talents and motivate, encourage employees to stick with the Company.
- Organize business activities in order to create a dynamic working environment and build a culture of solidarity, towards work efficiency.

MARKETING ACTIVITIES AND BRANDING DEVELOPMENT

Brand Name PR

Increasing Thuduc House brand awareness deeply and widely

A brand with good reputation in the field of real estate, one of the companies that clients mostly trust when purchasing real estate products.

Building good relationships with business community, medias and governments at all levels to continuously maintain and develop good business image, creating a favorable business environment for the Company.

Collaborating regularly with VCCI, Enterprises Association of HCMC, HCMC Real Estate Association, Real Estate Specialized Forums, Real Estate Club... to serve needs of brand marketing, search for partners of joint ventures and associates.

Implement marketing programs, promotion of products for each project and each sales campaign with a reasonable budget and high efficiency.

Actively coordinate with subsidiaries and joint ventures, associates in branding, trade promotion and product marketing.

Building up real estate exchanges and making associates with real estate exchange network in Ho Chi Minh City and the targeted provinces consistent with requirements of each project to support product sales of TDH.

Making associates with strategic banks to offer appropriate financial solutions to each group of clients, on the other hand, to demonstrate that it will accompany clients during the selection of financial solutions and increase possibility of owning house for its client.

Product Marketing

Marketing strategies are based on competitiveness, focusing on 3 factors: Building brand, improving the Company's image; researching market to offer professional products and customer care services; and positioning products for each specific project and improving competitiveness to have competitive options.

Thuduc House speed up market research activities and professional marketing, so as to set up an optimal database, advising management team in directing the development strategy and creating products at reasonable prices to meet customers' demand at various periods.

Advertising company products on popular marketing channels such as websites, social networks, Search Engine Optimization (SEO)... In parallel, we regularly hold events to introduce products to target customers. The above activities have represented our sales efficiency and promoted the Company's prestige.

The Company also paid attention to customer care and after-sales services applied for current and potential customers. The inquiries and claims from customers are promptly and sufficiently responded. We understand that good customer care will help to promote our brand value.



Charity and community activities



The Company always builds and promotes enterprise culture with the motto “Business objectives are associated with social objectives”. The Company also has had practical activities to show its sense of responsibility to the society such as contributing to Vu A Dinh scholarship fund for poor students in mountain area, flood victim supporting fund, “For the poor” fund of Vietnam Fatherland Front Committee, etc. Continuing the message “Happiness from your house”, Thuduc House has supported and co-operated the program “Parenting skills” broadcast on every Friday in HCMC Voice since 2014 to 2017. This is a program to share and get advice from experts about parenting skills, partly supporting and answering the inquiries of the parents.

In addition, Thuduc House focuses on training a team of young intellectuals, supporting in educational programs and innovative research contests, giving scholarship for poor students with good academic achievements or good achievements in scientific research to encourage them to strive further in their studies and help them have opportunities to conquer the peak of knowledge. Some of those programs are “Eureka Prize for Scientific Research”, Youth’s TV program of HCMC Youth Union, etc.

SHAREHOLDER AND PARTNER RELATIONS



Relationship with shareholders

In order to ensure best interests of shareholders, Thuduc House has always paid attention to ensure information transparency through regularly updating important news, reports, information which might have substantial impacts on benefits of shareholders on the Company's website and sending comprehensive reports to competent authorities such as SSC, HOSE, VSD, etc., in order to facilitate easy and timely access to accurate information by shareholders. Noticeably, Thuduc House in cooperation with Vietinbank Securities Company, HOSE, and the press successfully organized the seminar on "Attraction of real estate shares - from the supply and demand market point of view" at the Ho Chi Minh city Stock Exchange on 25 July, 2016 in order to update information, prospect, and long-term business strategy of Thuduc House as well as to promote its shares to investors.

In addition, the Company has a specialized department for investor relation to be willing to receive and respond the investors' questions on the issues related to the Company's activities via phone, email investorrelation@thuduchouse.com or answer & question section on the Company's website.

Domestic and foreign partners

During the year, the International Relation Department organized meetings with major shareholders, securities companies (45 securities companies), domestic and foreign investment funds (25 funds) to answer inquiries on its business operations and financial situation as well as to update new business strategies for investors interested in TDH shares on the listing floor.

During these meetings, the Company also presented slides on its potential projects, mainly focusing on on-going S-home projects, land plot projects to find potential partners for project capital contribution.

INFORMATION TECHNOLOGY (IT)

Keeping a stable and safe network has partly contributed to better serve the works of employees, ensuring smooth working process. The system is always connected and the data is always available, helping provide information, implement transactions with clients, aggregate data and make reports to the managers quickly, effectively and promptly for making necessary decisions.

During the year, the IT Department focused on upgrading websites of Thuduc House Group with new technologies for using on different smart devices by users. The information on website is also regularly updated to partly contribute to brand promotion and product introduction to the clients as well as to provide information to the shareholders and the investors sufficiently and timely. Moreover, the Company ensures information disclosure as regulated.

In addition, the information about the Company's typical activities, projects, products, and client supporting programs are continuously updated on the website of each project and the Company's social network. This is a very effective and economic advertising channel of the Company for product introduction and marketing events for many years.

THE BOARD OF DIRECTORS OF THUDUC HOUSE COMMITS TO ENHANCE RESPONSIBILITIES TO THE COMPANY AND THE SHAREHOLDERS BY ALWAYS ENSURING PUBLICITY, TRANSPARENCY, TIMELY INFORMATION, AND ACCURACY IN ALL ACTIVITIES

The BOD consisted of five members including one executive member and one independent member. Whether implementing their tasks as executive members or part-time members, all members of the BOD tried their best in development of overall strategic orientations and long-term business strategies, monitoring and guiding operation of the BOM in order to achieve the highest investment efficiency and the increasing development of Thuduc House trademark.



EVALUATION OF BUSINESS PERFORMANCE IN 2016

Performance against plan

Despite challenges and instability of the global economy and the Vietnamese economy in 2016, increasing competitiveness, and lower growth rate than expected, the Board of Management successfully overcame many challenges and gained outstanding achievements. 2016 was considered a year of breakthrough in business performance and the 2nd consecutive year of exceeded business results

after recovery from crisis. This was also the first year that the total revenue of the Company exceeded VND 1,000 billion, creating the solid ground for robust growth in the new cycle. Increasing business performance, effective restructuring of the organizational structure, and rapid consumption of new projects at unexpected rates were main reasons for the Company to exceed most of the planned targets. Specifically:

Unit: VND million

Items	Plan in 2016	Achievement in 2016	Achievement in 2015	Achievement in 2016/ plan in 2016	Increase/decrease compared to 2015
Total revenue (*)	1,000,000	1,146,200	980,312	114.62%	+16.9%
Profit before tax	99,037	135,821	46,433	137.14%	+192.5%
Consolidated profit after tax	80,172	108,294	45,937	135.01%	+135.7%
Profit after tax attributable to the shareholders of Parent Company	80,172	108,276	47,101	135.05%	+129.9%

(*) Total revenue includes Net revenue from operating activities + Financial income + Other income

Total consolidated revenue in 2016 increased by 16.9%, equivalent to VND 1,146 billion, nearly 14.2% higher than planned thanks to rapid selling due to selection of appropriate segments for sales (1 S-home project and 2 land plot projects). Consolidated profit after tax also sharply increased 136%, equivalent to VND 108.3 billion. As profit increase was higher than revenue growth rate, profit margin and profitability increased twofold compared to the previous year. Profit quality was also improved thanks to increasing proportion of core business profitability, effective control of costs, liquidation of some assets, and restructuring of the parent company and all subsidiaries. However, profitability and ROE of the Company were not compatible with its capital size and still relatively modest compared to the average levels in the industry. In the coming time, the Board of Management should spend more efforts to create better profits for the Group, especially improvement of business performance, financial efficiency, and effective control of large-scale projects implemented in the year.

Measures for implementation of the business strategy

The BOM successfully implemented strategies set by the BOD at the beginning of the year, resulting in outstanding growth rate, and completely resolving problems of restructuring strategies. Specifically, the BOM carried out activities as follows:

- Refining and selecting appropriate product lines, developing reasonable sales strategies, selecting the right time to sell new projects to the market, 95% of contract signing for 3 new projects; actively applying measures to speed up consumption of inventory projects. Consequently, more than 95% of new projects were sold in the year; inventory projects in previous years decreased from 16% to 1.3% at the end of the year (only 17 apartments in stock, all land plots of old projects were sold).
- Speeding up import and export activities, contacting domestic and foreign partners to increase wholesale, business cooperation in import and export of agricultural products. Import and export activities of Wood Trading, a subsidiary company, sharply increased, creating revenues of more than VND 73 billion (no revenues in 2015).

Total consolidated revenue in 2016

VND **1,146** billion
increased by 16.9% compared to 2015,
exceeding 14.2% of the plan

Consolidated profit after tax in 2016

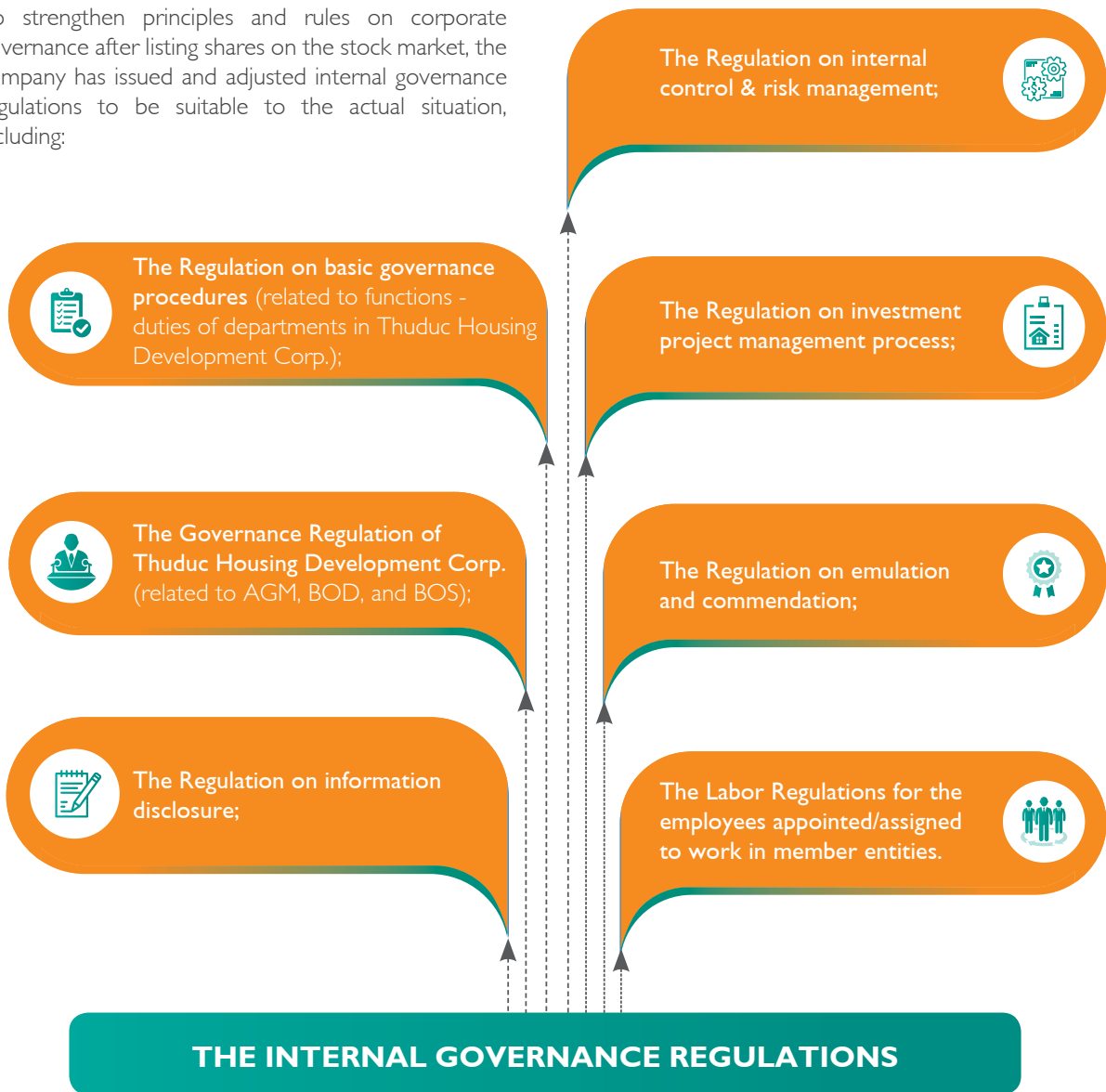
VND **108.3** billion
increased 136% compared to 2015

- Restructuring, liquidating and transferring of some assets, subsidiaries, investments (La Sapinette Hotel, Gia Dinh Star Investment JSC).
- Speeding up search for new land funds and projects in line with strategies of the Board of Directors. Comprehensive cooperation contracts were signed with major partners: FIDECO, Lien Phuong Textile & Garment Corporation, Pavo Capital to prepare resources and long-term capital for future development with a focus on large-scale projects and projects located at central Districts, noticeably, the office-housing apartment-serviced apartment project at 28 Phung Khac Khoan.
- Allocating and balancing capital resources and cash flows for liquidity:
 - » Restructuring capital sources, aiming to reduce debts and increase equity through issuance of additional shares to existing shareholders, prioritizing the use of long-term capital sources for projects.
 - » Strictly controlling and cutting costs, liquidating and transferring some investments, speeding up recovery of debts.
 - » Planning, studying preliminary options for other long-term capital sources: study on establishment of a real estate trust, issuance of bonds...
- Speeding up internal control in order to restructure the organizational structure, supporting and reorganizing loss-making companies. No loss-making company was recorded in 2016.

BOARD OF DIRECTORS' ACTIVITIES

Corporate Governance

To strengthen principles and rules on corporate governance after listing shares on the stock market, the company has issued and adjusted internal governance regulations to be suitable to the actual situation, including:



Above-mentioned documents along with the Company's Charter have created a system of tight internal regulations and adjusted the activities of the Company and related members to ensure efficiency and transparency in the Company's operation, meeting the needs of investors.

Change of BOD members

During the year, the Company elected two additional members of the BOD to reach the number required. Additional members of the BOD were as follows:

1/ Le Thanh Liem

2/ Tran Bao Toan

Meetings and meeting agendas of the BOD:

In 2016, the BOD held 28 meetings. All meetings complied with regulations on calling meetings and composition of participants.

No.	Resolution No.	Date of issuance	Contents
First Quarter of 2016			
1	28	6/1/2016	Divestment at Gia Dinh Star Investment JSC.
2	225	13/1/2016	Appointment of Deputy General Director in charge of finance
3	226	13/1/2016	Change of the equity representative at Thuduc House Wood Trading JSC
4	363	25/1/2016	Receiving the transfer of 6,874,000 shares of Ho Chi Minh City Foreign Trade Development and Investment Joint Stock Company (FIDECO)
5	405	2/2/2016	Approval of collaterals for credit agreement with VPBank
6	409	2/2/2016	Making decision on attendance of the Annual General Meeting of Shareholders for the fiscal year of 2015 and advancing cash dividends in 2015
7	613	2/3/2016	Credit loans at VPBank
8	688	15/03/2016	Credit loans at TPBank
9	747	24/03/2016	Approval of directions on distribution of unsold shares after issuance of additional 20,982,363 shares to existing shareholders in order to increase the charter capital to VND 629,470,890,000.
Second Quarter of 2016			
10	809	4/4/2016	Approval of directions on commitment of using collaterals to warrant shares purchase credit agreement of employees.
11	823	5/4/2016	Regular meetings of the BOD: 1 - Comments on draft agenda of the Annual General Meeting of Shareholders for the fiscal year of 2015: <ul style="list-style-type: none"> • Meeting contents - agenda. • Report on business results in 2015, orientations - targets of 2016. • Contents of the draft annual report 2015. • Preparation of candidates for additional membership of the BOD for the term of 2015 - 2020. • Tentative issues to be approved at the General Meeting of Shareholders. 2 - Other issues: <ul style="list-style-type: none"> • Directions on losing room for foreign ownership of shares.



REPORT FROM THE BOARD OF DIRECTORS

No.	Resolution No.	Date of issuance	Contents
12	847	8/4/2016	Approval of results of share offering, amendment of the charter, change of depository registration and listing of additional shares (issuance of shares to increase charter capital to VND 617,300,089,000).
13	901	19/04/2016	Change of the equity representative at Thua Thien Hue Import, Export, and Investment Joint Stock Company.
14	1047	11/5/2016	Implementation of a plan to issue shares to increase equity (15%) and cash dividend payment for the 2 nd time of 2015 (5%) in compliance with the Resolution of the Annual General Meeting of Shareholders for the fiscal year of 2015 (14 April, 2016).
15	1013	9/5/2016	Change of the equity representative at Tam Binh - Thu Duc Services Co., Ltd., Golden Lotus Securities JSC., City Housing Development Real Estate Business Joint Stock Company.
16	1014	9/5/2016	Proposing VietBank to re-grant credits.
17	1131	26/05/2016	Approval of deadline for final registration of share issuance to increase share capital from equity (15%); date of cash dividend payment for the 2 nd time of 2015 (5%) in compliance with the Resolution of the Annual General Meeting of Shareholders for the fiscal year of 2015.
18	1201	8/6/2016	Approval of selection of financial auditors in 2016
19	1240	15/06/2016	Proposing Vietbank to swap collaterals of VND 25,900,000,000 limit.
Third Quarter of 2016			
20	1490	1/8/2016	Appointment of Deputy Director General in charge of Project Investment
21	1493	1/8/2016	Receiving the transfer of 2% of capital contribution of Bach Phu Thinh Co., Ltd.
Four Quarter of 2016			
22	1869	10/10/2016	Replacement of collaterals at VietinBank
23	2052	14/11/2016	Increase of holding of FIDECO shares to 65%
24	2107	22/11/2016	Directions on investment in the Project at 87-89A Ham Nghi, District I, Ho Chi Minh City
25	1922	19/10/2016	Receiving the transfer of 7.5% of capital contribution of Phuoc Long Pring Town Commercial Centre Project
26	2007	7/11/2016	Increase of credit limits at VietinBank
27	2010	7/11/2016	Credit granting and related issues from Vietnam Prosperity Joint Stock Commercial Bank (VPBank)
28	2305	27/12/2016	Borrowing VND 30 billion from TPBank

BOD's supervision on BOM

All governance and administration activities of the Company are under the close direction and supervision of BOD. The information provision and report to BOD members are done regularly and fully. To be specific:



- General Director regularly reports to BOD on the situation of finance, investment and business of the Company. Based on that, BOD can closely supervise and timely make corrective action to the BOM's activities, especially in the activities of organization, management, administration, capital preservation and project implementation.
- All unusual problems arisen related to the Company's activities are immediately reported to BOD by BOM to handle the situation and timely give direction when necessary.

Change of BOD member

Termination of labour contract for retirement in compliance with the laws:

- Mr. Pham Dinh Khang - Deputy General Director in charge of foreign investment. Termination date: 6 May, 2016

New appointments:

- Mr. Nguyen Ngoc Truong Chinh - Deputy General Director in charge of financial investment. Start date: 13 January, 2016
- Mr. Doan Ngoc Quang - Deputy General Director in charge of project investment. Start date: from 1 August, 2016 to 22 February, 2017

Evaluation on BOM's activities

BOD highly appreciates the efforts of General Director and BOM in effectively implementing the Resolutions of BOD and timely reporting and adjusting the implementation process in compliance with the actual situation and the requirements of BOD.

In addition, the Company has consolidated and built an effective operational structure in line with new mechanism and in conformity with new development stage.

Activities of the BOS

Annually, the BOS have organized regular meetings and provided advice at meetings of the BOD. Main tasks of the BOS were as follows:

- Monitoring rationality and legality in management and administration of business activities, accounting records and financial statements of the Company.
- Appraising annual financial statements of the Company; monitoring specific issues relating to management and administration of the Company's operations and making reports to the General Meeting of Shareholders.

- At meetings of the BOD, members of the BOS expressed opinions and made recommendations on improvement of organization, management, business of the Company; assessing quality of management and operation of member units established or co-founded by the Company to advise the BOD and the BOM when necessary.

Following regulations on corporate governance, the Head of BOS has worked as full-time employee at the Company since 01 August, 2016.



Activities of subcommittees of the Board of Directors

Under the current organizational structure, Thuduc House has just set up an office to assist the BOD (but did not set up subcommittees under the BOD). The office of the BOD has monitored the organization, preparing minutes of meetings of the BOD, the BOS

and the General Meeting of Shareholders, providing financial statistics, copies of minutes of meetings of the BOD and other information to members of the BOD and the BOS as required.

LIST OF INTERNAL SHAREHOLDERS, SHARE OWNERSHIP AND REMUNERATION

At the latest time of closing list (01 March 2017)

No.	Name	Title	Number of share	Percentage (%)	Remuneration, salary, bonus before PIT
1	Le Chi Hieu	Chairman	946,291	1.33%	2,223,982,500 VND
2	Tran Quang Nghi	Vice Chairman	842,365	1.19%	330,000,000 VND
3	Nguyen Vu Bao Hoang	BOD member cum General Director	1,281,330	1.80%	1,502,113,000 VND
4	Le Thanh Liem	BOD member	67,576	0.10%	60,000,000 VND
5	Tran Bao Toan	BOD member	-	-	0
6	Tran Quang Nhuong	Deputy General Director	15,042	0.02%	1,003,482,250 VND
7	Pham Thi Thanh Binh	Deputy General Director	9,487	0.01%	888,220,500 VND
8	Nguyen Khac Son	Deputy General Director	27,128	0.04%	613,718,768 VND
9	Nguyen Ngoc Truong Chinh	Deputy General Director - disclosing information	920,000	1.30%	648,791,292 VND
10	Doan Ngoc Quang ⁽¹⁾	Deputy General Director	0	0%	130,790,000 VND
11	Pham Dinh Khang ⁽²⁾	Deputy General Director	0	0%	307,412,414 VND
11	Nguyen Hung Long	Head of BOS	27,830	0.04%	556,565,000 VND
12	Thai Bang Au	BOS member	38,736	0.05%	122,000,000 VND
13	Thai Duy Phuong	BOS member	-	-	122,000,000 VND
14	Quan Minh Tuan	Chief Accountant	69,923	0.10%	904,256,250 VND
TOTAL			4,245,708	5.98%	

(1) Mr. Doan Ngoc Quang was appointed as Deputy General Director in charge of investment from 01 August 2016 to 22 February 2017

(2) Mr. Pham Dinh Khang resigned as Deputy General Director on 06 May 2017 due to his retirement.

TRANSACTIONS OF INTERNAL SHAREHOLDERS, MAJOR SHAREHOLDERS AND RELEVANT PEOPLE

At the latest time of closing list (01 March 2017)

No.	Name	Relationship with internal/major shareholder
INTERNAL SHAREHOLDERS AND RELATED INDIVIDUALS		
1	Le Chi Hieu	Chairman
2	Tran Quang Nghi	Vice Chairman
3	Nguyen Vu Bao Hoang	BOD member cum General Director
4	Le Thanh Liem	BOD member
5	Tran Quang Nhung	Deputy General Director
6	Pham Thi Thanh Binh	Deputy General Director
7	Nguyen Khac Son	Deputy General Director
8	Nguyen Ngoc Truong Chinh	Deputy General Director
9	Nguyen Hung Long	Head of BOS
10	Thai Bang Au	BOS member
11	FIDECO	Related organization of insiders - General Director Nguyen Vu Bao Hoang
12	DBA-RHINO JSC	Related organization of insiders - BOD member Tran Bao Toan
13	Lien Phuong Textile & Garment Corp.	Related organization of insiders - BOD member Le Thanh Liem
MAJOR SHAREHOLDERS		
1	J.P.Morgan shareholder group	Major shareholder (no longer a major shareholder)
2	Deutsche Bank shareholder group	Major shareholder (no longer a major shareholder)
3	PXP shareholder group	Major shareholder
4	Ho Chi Minh City Finance and Investment State-owned Company	Major shareholder
5	KWE BETEILIGUNGEN AG	Major shareholder

	Number of shares at the beginning (25 February 2016)		Number of shares at the end (01 March 2017)		Reasons of increase/decrease (purchasing, selling, converting, bonus, etc.)
	Number of shares	Rate (%)	Number of shares	Rate (%)	
	777,412	1.85%	946,291	1.33%	Additional issue: 45,450 shares, Bonus 15%: 123,429 shares
	1,482,492	3.53%	842,365	1.19%	Buying by issuing additional: 0 share. Bonus 15%: 109,873 shares. Selling volume: 750,000 shares
	102,800	0.24%	1,281,330	1.80%	Additional issue: 1,011,400 shares. Bonus 15%: 167,130 shares
	58,762	0.140%	67,576	0.10%	Additional issue: 0 share. Bonus 15%: 8,814 shares
	13,080	0.03%	15,042	0.02%	Additional issue: 0 share. Bonus 15%: 1,961 shares
	8,250	0.02%	9,487	0.01%	Additional issue: 0 share. Bonus 15%: 1,237 shares
	34,100	0.08%	27,128	0.04%	Additional issue: 0 share. Selling volume: 10,510 shares. Bonus 15%: 3,538 shares
	0	0%	920,000	1.30%	Additional issue: 800,000 shares. Bonus 15%: 120,000 shares
	24,200	0.06%	27,830	0.04%	Additional issue: 0 share. Bonus 15%: 3,630 shares
	33,684	0.08%	38,736	0.05%	Additional issue: 0 share. Bonus 15%: 5,052 shares
	0	0%	1,142,480	1.609%	Additional issue: 1,600,000 shares. Selling volume: 652,520 shares. Bonus 15%: 195,000 shares
	0	0%	1,900,005	2.677%	Additional issue: 3,200,000 shares. Selling volume: 1,721,570 shares. Bonus 15%: 421,575 shares
	181,500	0.433%	772,225	1.088%	Additional issue: 0 share. Increasing by the merger of Vinatex ITC: 490,000 shares. Bonus 15%: 100,725 shares
	3,305,164	7.88%	2,645,740	3.73%	Additional issue: 0 share. Selling volume: 1,004,520 shares. Bonus 15%: 345,096 shares
	2,299,983	5.48%	127,763	0.18%	Additional issue: 1,148,991 shares. Selling volume: 3,836,140 shares. Bonus 15%: 514,929 shares
	2,424,624	5.78%	3,807,806	5.36%	Additional issue: 1,117,152 shares. Selling volume: 230,640 shares. Bonus 15%: 496,670 shares
	3,702,600	8.82%	4,257,990	6.00%	Additional issue: 0 share. Bonus share 15%: 555,390 shares
	0	0%	6,381,896	8.99%	Buying share: 5,790,155 shares. Bonus share 15%: 591,741 shares



REPORT FROM THE BOARD OF SUPERVISORS

REPORT FROM THE BOARD OF SUPERVISORS

To: the Annual General Meeting of Shareholders of the fiscal year of 2016 of Thuduc Housing Development Corporation.

- Pursuant to the Law on Enterprises No. 68/2014/QH13 dated 26 November, 2014
- Based on functions, tasks and powers of the BOS stipulated in the Charter of Thuduc Housing Development Corporation.
- Based on the 2016 Separate Financial Statements of the Parent Company dated 7 March, 2017 and the consolidated financial statements for 2016 dated 22 March, 2017 audited by PricewaterhouseCoopers Vietnam Limited.
- Based on the practical operation of the Company in 2016.

The BOS would like to report to the Annual General Meeting of Shareholders for the fiscal year 2016 our appraisal results with main contents as follows:

ACTIVITIES OF THE BOS IN 2016

Checking and supervising management and implementation of 2016 revenue and profit plan of 2016 of the BOD and the BOM, checking legality and rationality of business activities in 2016 in compliance with contents issued under the resolution of the Annual General Meeting of Shareholders in the fiscal year of 2016 (14 April, 2016).

Monitoring and supervising issuance of resolutions, decisions of the Board of Directors and the Board of Management.

Checking rationality, legality, honesty and prudence in accounting, making statistics and preparing financial reports, reviewing 6-month, 9-month, and 2016 annual financial statements reviewed and audited by PricewaterhouseCoopers Vietnam Limited.

In 2016, the BOS held meetings to assess accounting and financial activities, business results, management and administration of the Company for the first 6 months, first 9 months and the whole 2016.

MONITORING IMPLEMENTATION OF RESOLUTIONS OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE FISCAL YEAR OF 2015 ON 14 APRIL, 2016 AND DECISIONS OF THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT

- Successfully organizing the Annual General Meeting of Shareholders for the fiscal year of 2015 on 14 April, 2016 at the GEM Convention Centre.
- Effectively issuing shares to increase charter capital from VND 419,647,260,000 to VND 709,883,810,000.
- Selecting PricewaterhouseCoopers Vietnam Limited as auditor for the fiscal year of 2016.
- Making dividend payment of 10% of charter capital to shareholders in accordance with the Resolution of the Annual General Meeting of Shareholders for the fiscal year of 2015.



- The BOM successfully implemented decisions of the BOD such as:
 - » Changing business registration following change of charter capital.
 - » Assigning staffs to engage in management of subsidiaries, associated companies as required by the organizational structure and development.
 - » Implementing decisions on investment, capital mobilization, capital loans, and mortgaged assets in compliance with provisions of the law and the charter of the Company.
 - » Implementing decisions on joint ventures and association with other enterprises.
 - » Properly establishing and using salary, awarding, and welfare funds approved by the General Meeting of Shareholders.

SUPERVISION AND COORDINATION OF MANAGEMENT WORKS OF THE BOS, BOM AND BOD

- Activities of Thuduc Housing Development Corporation fully complied with provisions of the law.
- The BOD and the BOM of Thuduc Housing Development Corporation complied with the law in management of the Company, strictly implementing the Charter approved by the General Meeting of Shareholders and the Regulation on organization and operation of the Company.
- In 2016, the BOD held many meetings, approving 25 meeting minutes, issuing 04 resolutions of the BOD, timely directing the BOM in effective implementation of business activities.
- Coordination between the BOS and the BOD, the BOM was very effective with timely and clear communication during operation of the Company between the BOS and the BOM.

APPRAISAL OF 2016 FINANCIAL STATEMENTS

The BOS reviewed 2016 financial statements prepared by the BOM and audited by PricewaterhouseCooper Vietnam Limited. The BOM agreed with 2016 financial statements as follows:

Consolidated Balance Sheet as of 31 December, 2016

Unit: VND

A. ASSETS		31/12/2016	01/01/2016
100	CURRENT ASSETS	1,185,060,714,338	1,390,623,507,230
110	Cash and cash equivalents	172,086,700,765	305,134,252,578
120	Short-term financial investments	59,966,863,400	62,921,060,022
130	Current receivables	690,574,472,430	618,442,255,459
140	Inventory	260,848,627,765	401,589,418,604
150	Other current assets	1,584,049,978	2,536,520,567
200	Long-term assets	1,615,563,920,787	1,138,704,348,848
210	Long-term receivables	482,199,872,784	509,079,872,620
220	Fixed assets	83,503,497,008	85,309,699,618
230	Investment property	64,589,640,744	67,871,620,968
240	Long-term assets in process	216,413,604,326	5,985,527,881
250	Long-term financial investments	753,055,225,816	444,701,046,120
260	Other long-term assets	15,802,080,109	25,608,267,935
270	TOTAL ASSETS	2,800,624,635,125	2,529,327,856,078
B. LIABILITIES AND OWNER'S EQUITY		31/12/2016	01/01/2016
300	LIABILITIES	1,029,674,292,954	1,145,749,845,783
310	Current liabilities	727,721,968,300	648,459,573,078
330	Long-term liabilities	301,952,324,654	497,290,272,705
400	OWNER'S EQUITY	1,770,950,342,171	1,383,578,010,295
410	Owner's equity	1,770,950,342,171	1,383,578,010,295
411	Paid-in capital	709,883,810,000	419,647,260,000
412	Share premium	352,449,914,963	395,926,904,698
418	Development investment fund	484,239,185,063	482,226,811,584
421	Undistributed profit after tax	119,891,416,582	85,777,034,013
429	Interests of minority shareholders	104,486,015,563	0
440	TOTAL LIABILITIES AND OWNER'S EQUITY	2,800,624,635,125	2,529,327,856,078

Comments

- Preparation of financial statements of the Company complied with provisions of the Law on Accounting, Vietnamese Accounting Standards, and relevant regulations on preparation and presentation of financial statements.
- Tax finalization and deduction of provisions for devaluation of financial investments, and re-entering provisions complied with tax laws and other regulations on tax finalization issued by the Ministry of Finance and the General Department of Taxation.

Total assets and total capital

- Total assets and total capital of the Company as of 31 December, 2016 were VND 2,800,625 million, reaching 110.73% compared to the beginning of the reporting period. Specifically:
 - Short-term assets decreased by 85.22% compared to the beginning of the period.
 - Long-term assets increased by 141.88% compared to the beginning of the period; of which increase of long-term financial investment (into joint ventures, associated companies) was 169.34%.
- Payable debts decreased by 89.87% compared to the beginning of the period
- Equity increased by 128.00% compared to the beginning of the period.

Equity

- **Equity as of 01 January, 2016:**
VND 1,383,578,010,295;
 - » Of which,
Charter capital: VND 419,647,260,000.
Book value: VND 32,970/share
- **Equity as of 31 December, 2016:**
VND 1,770,950,342,171;
 - » Of which,
Charter capital: VND 709,883,810,000.
Book value: VND 24,947/share.
- **Basic earnings per share in 2016 (EPS):**
VND 1,318/share.



Consolidated income statements of the year 2016

Consolidated income statements

Unit: VND million

Items	AGM resolution	Achieved in 2016	Achieved compared to AGM resolution (%)
Total revenue	1,000,000	1,146,200	114.62 %
Total profit before tax	99,038	135,821	137.14 %
Profit after tax	80,172	108,293	135.07 %

Income statements of the Parent Company

Unit: VND million

Items	AGM resolution	Achieved in 2016	Achieved compared to AGM resolution (%)
Total revenue	738,231	875,559	118.60 %
Total profit before tax	98,089	101,680	103.66 %
Profit after tax	79,835	82,693	103.58 %

Comments on income statements

- In 2016, as the real estate market bloomed, sales of land plots and apartments were easier. Value of inventory projects decreased from VND 401,589 million at the beginning of the year to VND 260,848 million by the end of the year, equivalent to 65%.
- Consequently, in 2016, revenues and profits of the Company were as follows:

Consolidated revenue in 2016 were VND 1,146,200; reaching 114.62% of the annual plan. Revenues of the Parent Company were VND 875,559, reaching 118.60% of the annual plan approved by the Annual General Meeting of Shareholders on 14 April, 2016.

- Consolidated profit before tax in 2016 was VND 135,821 million, reaching 137.14% compared to the annual plan. Profit before tax of the parent company was VND 101,680 million, reaching 103.66% compared to the annual plan approved by the Annual General Meeting of Shareholders on 14 April 2016.
- Consolidated profit after tax in 2016 was 108,293 million dong, reaching 135.07% of the annual plan. Profit after tax of the parent company was VND 82,693 million, reaching 103.58% of the annual plan approved by the Annual General Meeting of Shareholders on 14 April 2016.

CONCLUSIONS AND RECOMMENDATIONS

In 2016, the BOS did not observe any extraordinary signs in business activities of the Company. All activities of the Company complied with the Law on Enterprises, Law on Securities, the Charter of the Company, relevant regulations, resolutions of the General Assembly of Shareholders, and resolutions of the BOD. Information disclosure of the Company also strictly complied with relevant regulations applicable to listed companies on the stock exchange.

Business results and accounting data were carefully checked to ensure accuracy and legality of data recording. The BOS would like to make recommendations to the BOD and the BOM as follows:

- Maintaining stability and efficiency of existing business lines, developing projects to maintain and develop the Company;
- Focusing on development of strategic and long-term projects to prepare for the coming real estate markets;
- Improving validity and strict application of sanctions in implementation of regulations, rules of the Company;
- Planning and implementing policies to supplement and improve quality of human resources to meet increasing demands of production and business.

Above is the report on activities of the BOS in 2016 for consideration and approval of the General Assembly of Shareholders.

We would like to wish the Meeting a great success.

On behalf of the Board of Supervisors
Head of BOS



Nguyen Hung Long



*Use every resource
for success spreading*



INFORMATION ABOUT THE AUDIT FIRM

- Name: PricewaterhouseCoopers Vietnam Ltd (PwC Vietnam)
- Office address:

<ul style="list-style-type: none"> » Ho Chi Minh City Office 8th Floor, Saigon Tower 29 Le Duan Street, District I Ho Chi Minh City, Vietnam Tel: (+84 8) 3823 0796 	<ul style="list-style-type: none"> » Hanoi Office 16th Floor, Keangnam Hanoi Landmark Tower 72 Pham Hung Road, Nam Tu Liem District Hanoi, Vietnam Tel: (+84 4) 3946 2246
--	--
- **Operational capacity:**

PwC Vietnam established its offices in Hanoi and Ho Chi Minh City in 1994. PwC Vietnam's expertise team consists of more than 750 Vietnamese and foreigners with a deep understanding of the business environment as well as investment and tax policies and procedures, accountants and consultants in Vietnam. PwC Vietnam has a 100% foreign-owned law firm in Vietnam licensed by the Ministry of Justice with its head office in Ho Chi Minh City and Hanoi branch.
- **Consolidated audit report:**

Mr. Dao Quang Huy (Audit Practising Licence No. 1895 - 2013 - 006 - 1)
- **Thuduc House's Separate audit report:**

Mr. Dao Quang Huy (Audit Practising Licence No. 1895 - 2013 - 006 - 1)



Thuduc Housing Development Corporation

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

Corporate information	137
Statement by General Director	138
Auditor's report	139
Consolidated balance sheet (Form B 01 – DN/HN)	141
Consolidated income statement (Form B 02 – DN/HN)	144
Consolidated cash flow statement (Form B 03 – DN/HN)	145

CORPORATE INFORMATION

Enterprise Registration Certificate	No. 4103000457 dated 15 June 2001 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 19th amendment Business Registration Certificate dated 18 July 2016	
Board of Management	Mr. Le Chi Hieu	Chairman
	Mr. Tran Quang Nghi	Vice Chairman
	Mr. Nguyen Vu Bao Hoang	Member
	Mr. Le Thanh Liem	Member
	Mr. Tran Bao Toan	Member
Board of Supervision	Mr. Nguyen Hung Long	Chief Supervisor
	Mr. Thai Bang Au	Member
	Mr. Thai Duy Phuong	Member
Board of General Directors	Mr. Nguyen Vu Bao Hoang	General Director
	Mr. Tran Quang Nhung	Standing Deputy General Director
	Ms. Pham Thi Thanh Binh	Deputy General Director
	Mr. Nguyen Khac Son	Deputy General Director
	Mr. Pham Dinh Khang	Deputy General Director (resigned 6 May 2016)
	Mr. Nguyen Ngoc Trung Chinh	Deputy General Director
Legal representative	Mr. Nguyen Vu Bao Hoang	General Director Bổ nhiệm ngày 13 tháng 1 năm 2016
Registered office	3 – 5 Pasteur Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam	
Auditor	PricewaterhouseCoopers (Vietnam) Limited	



STATEMENT BY GENERAL DIRECTOR

RESPONSIBILITY OF THE BOARD OF GENERAL DIRECTORS OF THE COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of General Directors of Thuduc Housing Development Corporation (“the Company”) and its subsidiaries (“the Group”) are responsible for preparing the consolidated financial statements of the Group which give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and the results of its consolidated operations and cash flows for the year then ended. In preparing these consolidated financial statements, the Board of General Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of General Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of General Directors is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements (posted fully at [http:// www.thuduchouse.vn](http://www.thuduchouse.vn)) which give a true and fair view of the financial position of the Group as at 31 December 2016 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of General Directors



Nguyen Vu Bao Hoang
General Director

Ho Chi Minh City, SR Vietnam
22 March 2017



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THUDUC HOUSING DEVELOPMENT CORPORATION

We have audited the accompanying consolidated financial statements of Thuduc Housing Development Corporation ("the Company") and its subsidiaries ("the Group") which were prepared on 31 December 2016 and approved by the Board of General Directors on 22 March 2017. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2016, the consolidated income statement, the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, (posted fully at [http:// www.thuduchouse.vn](http://www.thuduchouse.vn)).

The Board of General Directors' Responsibility to the Financial Statements

The Board of General Directors of the Company is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements and for such internal control which management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.



AUDITOR'S REPORT (continued)

Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by another auditor whose audited reports dated 24 March 2016, expressed an unmodified opinion.

For and on behalf of PricewaterhouseCoopers (Vietnam) Limited



Richard Peters

Audit Practising Licence No.
0561 - 2013 - 006 - 1
Authorised signatory

Dao Quang Huy

Audit Practising Licence No.
1895 - 2016 - 006 - 1

Report reference number: HCM5760
Ho Chi Minh City, 22 March 2017

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam, and furthermore their utilisation is not designed for those who are not informed about Vietnamese accounting principles, procedures and practices.

CONSOLIDATED BALANCE SHEET

for the year ended 31 December 2016

Form B 01 – DN/HN

Code	ASSETS	Note	Closing balance VND	Opening balance VND
100	CURRENT ASSETS		1,185,060,714,338	1,390,623,507,230
110	Cash and cash equivalents	4	172,086,700,765	305,134,252,578
111	Cash		156,384,448,876	289,676,438,714
112	Cash equivalents		15,702,251,889	15,457,813,864
120	Short-term financial investments		59,966,863,400	62,921,060,022
121	Trading securities	5	86,705,020,507	86,705,020,507
122	Provision for diminution in value of trading securities	5	(30,738,157,107)	(24,583,960,485)
123	Investments held-to-maturity		4,000,000,000	800,000,000
130	Short-term receivables		690,574,472,430	618,442,255,459
131	Short-term trade accounts receivable	6	181,767,392,754	170,665,612,943
132	Short-term prepayments to suppliers	7	11,688,217,897	51,889,072,641
135	Short-term lending	8(a)	311,468,747,992	334,461,522,171
136	Other short-term receivables	9(a)	187,771,260,784	63,547,194,701
137	Provision for short-term doubtful debts		(2,121,146,997)	(2,121,146,997)
140	Inventories	10	260,848,627,765	401,589,418,604
141	Inventories		260,848,627,765	401,589,418,604
150	Other current assets		1,584,049,978	2,536,520,567
151	Short-term prepaid expenses		648,316,632	1,004,920,001
152	Value Added Tax to be reclaimed		919,898,572	1,497,897,902
153	Other taxes receivable		15,834,774	33,702,664

CONSOLIDATED BALANCE SHEET

for the year ended 31 December 2016 (continued)

Form B 01 – DN/HH

Code	ASSETS (continued)	Note	Closing balance VND	Opening balance VND
200	LONG-TERM ASSETS		1,615,563,920,787	1,138,704,348,848
210	Long-term receivables		482,199,872,784	509,079,872,620
211	Long-term trade accounts receivable		2,983,626,267	13,964,592,329
215	Long-term lending receivables	8(b)	14,900,000,000	14,900,000,000
216	Other long-term receivables	9(b)	464,316,246,517	480,215,280,291
220	Fixed assets		83,503,497,008	85,309,699,618
221	Tangible fixed assets	11(a)	19,784,313,807	18,910,246,423
222	Cost		47,139,640,767	43,843,204,177
223	Accumulated depreciation		(27,355,326,960)	(24,932,957,754)
227	Intangible fixed assets	11(b)	63,719,183,201	66,399,453,195
228	Cost		77,986,953,241	77,744,598,297
229	Accumulated amortisation		(14,267,770,040)	(11,345,145,102)
230	Investment properties	12	64,589,640,744	67,871,620,968
231	Cost		76,862,428,986	76,862,428,986
232	Accumulated depreciation		(12,272,788,242)	(8,990,808,018)
240	Long-term assets in progress		216,413,604,326	5,985,527,881
241	Long-term work in progress	13	210,297,915,184	-
242	Construction in progress		6,115,689,142	5,985,527,881
250	Long-term financial investments	14	753,055,225,816	444,701,046,120
252	Investments in associates, joint ventures		649,526,156,996	403,648,503,120
253	Investments in other entities		103,769,058,620	41,052,543,000
254	Provision for long-term financial investments		(239,989,800)	-
260	Other long-term assets		15,802,080,109	25,756,581,641
261	Long-term prepaid expenses	15	15,396,510,374	23,059,223,781
262	Deferred income tax assets	33	-	2,549,044,154
269	Goodwill	16	405,569,735	148,313,706
270	TOTAL ASSETS		2,800,624,635,125	2,529,327,856,078

CONSOLIDATED BALANCE SHEET

FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

Form B 01 – DN/HN

Code	RESOURCES	Note	Closing balance VND	Opening balance VND
300	LIABILITIES		1,029,674,292,954	1,145,749,845,783
310	Short-term liabilities	17	727,721,968,300	648,459,573,078
311	Short-term trade accounts payable	18	111,651,116,290	94,944,411,394
312	Short-term advances from customers	19	27,330,912,612	47,408,435,061
313	Tax and other payables to the State Budget		13,655,876,123	11,428,554,689
314	Payable to employees	20	14,413,250,375	13,197,764,960
315	Short-term accrued expenses	21(a)	16,986,044,695	12,802,928,415
319	Other short-term payables	22(a)	222,385,888,755	170,032,624,384
320	Short-term borrowings		312,711,523,546	292,299,210,864
322	Bonus and welfare funds		8,587,355,904	6,345,643,311
330	Long-term liabilities		301,952,324,654	497,290,272,705
332	Long-term advances from customers	21(b)	3,538,080,000	4,586,400,000
337	Other long-term payables	22(b)	35,584,957,930	35,748,796,309
338	Long-term borrowings	33	257,747,489,037	452,010,338,018
341	Deferred income tax liabilities		4,210,741,645	4,944,738,378
342	Provision for long-term liabilities		871,056,042	-
400	OWNERS' EQUITY		1,770,950,342,171	1,383,578,010,295
410	Capital and reserves		1,770,950,342,171	1,383,578,010,295
411	Share capital	23, 24	709,883,810,000	419,647,260,000
411a	- Ordinary shares with voting rights		709,883,810,000	419,647,260,000
412	Share premium	24	352,449,914,963	395,926,904,698
418	Investment and development funds	24	484,239,185,063	482,226,811,584
421	Undistributed earnings	24	119,891,416,582	85,777,034,013
421a	- Undistributed post-tax profits accumulated by the end of the previous period		17,115,101,828	41,675,909,231
421b	- Undistributed post-tax profits of the current period		102,776,314,754	44,101,124,782
429	Non-controlling interests	25	104,486,015,563	-
440	TOTAL RESOURCES		2,800,624,635,125	2,529,327,856,078



Le Ngoc Chau
Preparer

22 March 2017



Quan Minh Tuan
Chief Accountant



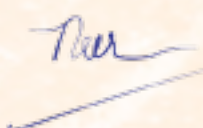

Nguyen Vu Bao Hoang
General Director

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2016

Form B 02 – DN/HN

Code	Note	Year ended 31 December 2016 VND	Year ended 31 December 2015 VND
01	Sales	1,061,089,508,146	885,908,531,554
02	Less deductions	793,969,656	3,532,791,540
10	Net sales	1,060,295,538,490	882,375,740,014
11	Cost of sales	30 848,682,398,202	754,456,325,715
20	Gross profit	211,613,140,288	127,919,414,299
21	Financial income	31 81,301,391,092	90,795,352,407
22	Financial expenses	32 62,784,917,915	71,376,103,027
23	- Including: Interest expense	56,389,081,493	52,988,548,418
24	Profit/(loss) in associates and joint ventures	121,733,801	(495,999,340)
25	Selling expenses	7,162,008,990	10,941,938,679
26	General and administration expenses	88,904,402,653	94,994,157,864
30	Net operating profit	134,184,935,623	40,906,567,796
31	Other income	4,603,202,150	7,140,487,652
32	Other expenses	2,967,532,126	1,613,834,383
40	Net other income	1,635,670,024	5,526,653,269
50	Net accounting profit before tax	135,820,605,647	46,433,221,065
51	Business income tax expenses – current	33 25,711,988,415	15,812,463,691
52	Business income tax expenses – deferred	33 (1,815,047,421)	15,316,310,718
60	Net profit after tax	108,293,569,811	45,937,068,092
	In which:		
61	Net profit after tax attributable to shareholders of the company	108,276,314,754	47,101,124,782
62	Net profit after tax attributable to non-controlling interests	17,255,057	(1,164,056,690)
70	Earnings per share	27 1,318	697
71	Diluted earnings per share	27 1,318	697



Le Ngoc Chau
 Preparer



Quan Minh Tuan
 Chief Accountant




Nguyen Vu Bao Hoang
 General Director

22 March 2017

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2016 (Indirect method)

FINANCIAL STATEMENTS

Form B 03 – DN/HN

Code	Note	Year ended 31 December 2016 VND	Year ended 31 December 2015 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	135,820,605,647	46,433,221,065
	Adjustments for:		
02	Depreciation and amortisation	10,233,359,468	18,540,310,268
03	Provisions	6,394,186,422	4,132,178,807
05	Profits from investing activities	(74,990,674,720)	(89,711,037,316)
06	Interest expense	56,389,081,493	52,988,548,418
08	Operating profits before changes in working capital	133,846,558,310	32,383,221,242
09	Increase in receivables	(99,765,478,528)	(67,961,880,057)
10	Decrease in inventories	140,740,790,839	279,898,214,700
11	Increase in payables	76,335,824,117	153,448,406,249
12	Decrease in prepaid expenses	8,019,316,776	11,795,211,162
13	Decrease in trading securities	-	44,400,000,000
14	Interest paid	(56,626,785,413)	(55,926,861,736)
15	Business income tax paid	(27,632,933,058)	(5,428,408,653)
16	Other receipts from operating activities	1,682,603,545	-
17	Other payments on operating activities	(18,410,882,505)	(9,663,117,113)
20	Net cash inflows from operating activities	158,189,014,083	382,944,785,794
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(5,800,607,165)	(5,748,288,907)
22	Proceeds from disposals of fixed assets	31,818,182	208,065,366
23	Loans granted, purchases of debt instruments of other entities	(317,694,142,556)	(360,240,660,000)
24	Collection of loans, proceeds from sales of debt instruments of other entities	318,559,717,237	74,500,000,000
25	Investments in other entities	(434,353,515,970)	(106,313,338,615)
26	Proceeds from divestment in other entities	101,727,061,487	94,245,033,961
27	Dividends and interest received	25,231,486,422	7,774,854,987
30	Net cash outflows from investing activities	(312,298,182,363)	(295,574,333,208)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2016 (Indirect method - continued)

Form B 03 – DN/HN

Code	Note	Year ended 31 December 2016 VND	Year ended 31 December 2015 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issuance of shares	246,759,560,265	-
33	Proceeds from borrowings	233,847,095,498	787,240,416,356
34	Repayments of borrowings	(407,697,631,797)	(625,735,008,397)
36	Dividends paid	26 (51,847,407,499)	(38,150,420,000)
40	Net cash inflows from financing activities	21,061,616,467	123,354,987,959
50	Net (decrease)/increase in cash and cash equivalents	(133,047,551,813)	210,725,440,545
60	Cash and cash equivalents at beginning of year	4 305,134,252,578	94,408,812,033
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of year	4 172,086,700,765	305,134,252,578



Le Ngoc Chau
Preparer



Quan Minh Tuan
Chief Accountant



Nguyen Vu Bao Hoang
General Director

22 March 2017

NOTES TO THE FINANCIAL STATEMENTS OF 2016

referred to www.hsx.vn or www.thuduchouse.com.

The Separate Financial Statements of Thuduc Housing Development Corporation as at 31 December 2016 audited by PricewaterhouseCoopers Limited (PwC Vietnam) are publicly available at www.thuduchouse.com.



Thuduc Housing Development Corporation
**REPORT ON UTILIZATION OF CAPITAL FROM ISSUANCE OF
PUBLIC SHARES**

For the audited reporting period from 20 April, 2016 to 31 December 2016

Report of the General Director	148
External audit report	150
Report on capital utilization	152
Notes to the Report on capital utilization	153



REPORT ON UTILIZATION OF CAPITAL FROM ISSUANCE OF PUBLIC SHARES

For the audited reporting period from 20 April, 2016 to 31 December, 2016

REPORT OF THE GENERAL DIRECTOR

The Board of General Directors of Thuduc Housing Development Corporation ("the Company") presents its Report together with the Report on utilization of capital from issuance of public shares in compliance with the Certificate of registration of public share issuance issued by the State Security Commission No. 114/GCN-UBCK on 31 December, 2015 and Decision No. 300/QD-UBCK on 28 March, 2016 on approval of extension of certificate of registration of public share issuance..

Overview

Thuduc Housing Development Corporation with international transaction name as Thuduc Housing Development Corporation or Thuduc Housing in brief was changed from a state-owned enterprise, namely Thuduc Housing Development and Industrial Zone Services Company, into a joint stock company under Decision No. 7967/QD-UB CNN on 24 November, 2000 of Ho Chi Minh city People's Committee.

The Company operates under the Certificate of Business Registration of Corporation No. 0302346036 (changed from No. 4103000457), first registration on 15 June, 2001 and the Certificate revised for the 19th time on 18 July, 2016 issued by Ho Chi Minh city Department of Planning and Investment.

Head office: 03-05 Pasteur, Nguyen Thai Binh Ward, District I, HCMC.

Main business activities

Housing management and sales; Construction of housing works, other public and civil works; Production of bricks, tiles, patterned tiles (no production at the head office); Design of housing and civil works for construction of the Company; Project owner for construction and trading in infrastructure of industrial zones and Linh Xuan residential area, electric systems, water supply and drainage systems; Land clearance; Interior and exterior decoration; Investment in construction and trading in infrastructure of industrial zones and residential areas; Trading in goods transport by car; Production and assembly of prefabricated house frames, steel shelves, steel structures, steel bridge beams, beams, braces, towers (no production at the head office); Trading in construction equipment, interior and exterior decoration goods, construction materials, iron, steel, stone, sand and gravel; Gasoline, oil, viscous agent; Sport club activities: tennis courts, swimming pools, football, volleyball, table tennis, basketball, badminton; Hospitality services (no business at the head office); Sales and processing of agricultural products and foodstuff (no processing of fresh food and in compliance with Decision No.64/2009/QD-UBND on 31 July, 2009 and Decision No.79/2009/QD-UBND on 17 October, 2009 of the Ho Chi Minh city People's Committee); Warehouse rental; Trading in goods transport by car; Services: customs clearance, loading and unloading of goods, packaging (except pesticides); Model design; Package printing (except printing of coated metal and printing on fabric, yarn, textile, garment, knitting); Organizing fairs, conferences, seminars and trade exhibitions; Goods on consignment agent; housing business; House, warehouse, office rental; Real estate business; Real estate valuation services, real estate trading services, real estate consultancy services, real estate auction services, real estate advertising services, real estate management services.

The Board of Directors and the Board of Management in the reporting period and by the reporting date:

Board of Directors

Mr. Le Chi Hieu	Chairman
Mr. Tran Quang Nghi	Vice Chairman
Mr. Nguyen Vu Bao Hoang	Member
Mr. Le Thanh Liem	Member
Mr. Tran Bao Toan	Member

Board of Management

Mr. Nguyen Vu Bao Hoang	General Director
Mr. Tran Quang Nhung	Standing Deputy General Director
Ms. Pham Thi Thanh Binh	Deputy General Director
Mr. Nguyen Khac Son	Deputy General Director
Mr. Pham Dinh Khang	Deputy General Director (until 6 May, 2016)
Mr. Nguyen Ngoc Truong Chinh	Deputy General Director (since 13 January, 2016)

Auditor

Nam Viet Auditing and Accounting Financial Consulting Services Co., Ltd. (AASCN) has audited the Report on utilization of capital from issuance of public shares in compliance with the Certificate of registration of public share issuance issued by the State Security Commission No. 114/GCN-UBCK on 31 December, 2015 and Decision No. 300/QD-UBCK on 28 March, 2016 on approval of extension of certificate of registration of public share issuance for the reporting period from 20 April, 2016 to 31 December, 2016.

Declaration of responsibilities of the General Director on the Report on utilization of capital from issuance of public shares

The Board of General Directors is responsible for preparing a report on utilization of capital from issuance of public shares in compliance with the Certificate of registration of public share issuance issued by the State Security Commission No. 114/GCN-UBCK on 31 December, 2015 and Decision No. 300/QD-UBCK on 28 March, 2016 on approval of extension of certificate of registration of public share issuance for the reporting period from 20 April, 2016 to 31 December, 2016 in an honest and logical manner in compliance with Vietnamese accounting standards and relevant regulations.

General Director

NGUYEN VU BAO HOANG
HCMC, 28 February, 2017

No.: 74/KTV

INDEPENDENT AUDITOR'S REPORT

On the Report on utilization of capital mobilized from 20 April, 2016 to 31 December, 2016 from issuance of public shares in compliance with the Certificate of registration of public share issuance issued by the State Security Commission No. 114/GCN-UBCK on 31 December, 2015 and Decision No. 300/QD-UBCK on 28 March, 2016 on approval of extension of certificate of registration of public share issuance of Thuduc Housing Development Corporation.

To: The Board of Directors of Thuduc Housing Development Corporation

We have audited the Report on utilization of capital mobilized as of 31 December, 2016 from issuance of public shares in compliance with the Certificate of registration of public share issuance issued by the State Securities Commission No. 114/GCN-UBCK on 31 December, 2015 and Decision No. 300/QD-UBCK on 28 March, 2016 on approval of extension of certificate of registration of public share issuance of Thuduc Housing Development Corporation (the "Company") and the Notes to the Report on utilization of capital mobilized from 20 April, 2016 to 31 December, 2016 (the "Report on capital utilization") made on 28 February, 2017 and presented from Page 152 to Page 153 as attached.

Responsibilities of the General Director

The Board of General Directors is responsible for preparing and presenting a report on utilization of capital from issuance of public shares to increase charter capital of the Company in compliance with Vietnamese accounting standards, business accounting regimes and relevant regulations and for internal control necessary for preparation and presentation of such report without any material error caused by fraud or omission.

Responsibilities of the Auditor

We are responsible for giving opinions on the Report on capital utilization based on audit results. We have audited the Report in compliance with Vietnamese accounting standards. We are required to comply with ethical standards and code of conduct, planning and performing the audit to inspect whether there is any material error in the Report on capital utilization of the Company or not.

Audit works include completion of procedures to collect audit evidences on statistics and notes to the Report on capital utilization. Audit procedures are selected at the discretion of the Auditor including risk assessment of material errors in financial statements caused by fraud or omission. While conducting risk assessment, the Auditor has reviewed the Company's internal control relating to preparation and presentation of the Report on capital utilization in an honest and logical manner in order to develop appropriate audit procedures in line with the practical situation without giving opinions on efficiency of the Company's internal control. Audit works also include assessment of relevance of applicable accounting policies and rationality of accounting estimates of the Management Board as well as presentation of the overall report on capital utilization.

It is believed that audit evidences are fully and properly collected for our opinions.

Opinions of the Auditor

In our opinions, the Report on utilization of capital mobilized from 20 April, 2016 to 31 December, 2016 has honestly and logically reflected material aspects of utilization of capital mobilized from issuance of public shares in compliance with the Certificate of registration of public share issuance issued by the State Security Commission No. 114/GCN-UBCK on 31 December, 2015 and Decision No. 300/QĐ-UBCK on 28 March, 2016 on approval of extension of certificate of registration of public share issuance of Thuduc Housing Development Corporation in line with capital purposes of issuance of public shares.

Restriction on recipients of the audit report

The audited report on capital utilization is only used for reporting to the State Securities Commission, the Vietnam Securities Depository – Ho Chi Minh city Branch and Ho Chi Minh city Stock Exchange relating to issuance of additional public shares of Thuduc Housing Development Corporation but not for any other purposes or issuance to other parties.

Nam Viet Auditing and Accounting Financial Consulting Services Co., Ltd. (AASCN)

Chairman of the Board of Members

Auditor



Nguyen Thi Lan

Certificate of audit practice registration
No.: 0167-2013-152-1

Nguyen Anh Tuan

Certificate of audit practice registration
No.: 1559-2013-152-1

HCMC, 28 February, 2017

REPORT ON UTILIZATION OF CAPITAL

I. Name of issuer: Thuduc Housing Development Corporation
Address: 3-5 Pasteur, Nguyen Thai Binh, District I, HCMC
Telephone: 08. 391433111 Fax: 08. 39143222

II. Shares to be issued:

1. Name of shares: shares of Thuduc Housing Development Corporation
2. Type of shares: ordinary shares
3. Par value: VND 10,000
4. Issuance price: VND 12,500 (Issuance to existing shareholders)
5. Number of issued shares : VND 19,765,363
6. Total mobilized capital: VND 246,759,560,265
7. Date of issuance: 21 January, 2016
8. Date of issuance ending: 05 April, 2016

III. DETAILED REPORT ON UTILIZATION OF MOBILIZED CAPITAL

Under the plan on issuance of additional shares to existing shareholders of Thuduc Housing Development Corporation in compliance with the Certificate of registration of public share issuance issued by the State Securities Commission No. 114/GCN-UBCK on 31 December, 2015 and Decision No. 300/QD-UBCK on 28 March, 2016 on approval of extension of certificate of registration of public share issuance, purposes of issuance of the shares are to mobilize additional capital for projects.

As of 31 December, 2016, VND 186,435,431,447 from the share issuance was used by the Company. Specifically,

No.	Project name	Plan of using proceeds from share issuance	Total disbursement
1	Binh Chieu Project, Phase 2 (*)	50,000,000,000	31,988,413,402
2	Commercial Centre and Residential Area Project at Phuoc Long B Ward, District 9, HCMC	50,000,000,000	50,000,000,000
3	Residential Area Project at the centre of Ben Luc Town, Phase 2 (**)	50,000,000,000	17,247,293,840
4	TDH – Tocontap Residential Area Project	50,000,000,000	50,000,000,000
5	TDH – Phuoc Long Apartment Project (***)	46,759,560,265	37,199,724,205
TOTAL		246,759,560,265	186,435,431,447

- (*) It is expected that the remaining budget of Binh Chieu Project, Phase 2 will be completely disbursed in 2017.
(**) It is expected that the remaining budget of the Residential Area Project at the centre of Ben Luc Town, Phase 2 will be completely disbursed in 2017.
(***) It is expected that the remaining budget of TDH – Phuoc Long Apartment Project will be completely disbursed in 2017.

Prepared by

Duong Van Trung

Chief Accountant

Quan Minh Tuan

General Director

The stamp is red and circular, containing the text: "M.S.O.N: 0302348038-C.T.C.P", "CÔNG TY CỔ PHẦN PHÁT TRIỂN NHÀ THÙ ĐỨC", and "QUẬN 1 - T.P. HỒ CHÍ MINH".

Nguyen Vu Bao Hoang

HCMC, 28 February, 2017

NOTES TO THE REPORT ON UTILIZATION OF CAPITAL

B03 - DN/HN

Report on utilization of capital mobilized from issuance of public shares in compliance with the Certificate of registration of public share issuance issued by the State Securities Commission No. 114/GCN-UBCK on 31 December, 2015 and Decision No. 300/QD-UBCK on 28 March, 2016 on approval of extension of certificate of registration of public share issuance.

1. Key accounting policies

Report on utilization of capital mobilized from issuance of public shares is presented in Vietnamese dong ("VND") and based on the Report of the General Director of Thuduc Housing Development Corporation.

Accordingly, the Report on utilization of capital and Notes to the Report are attached and are not used by any ineligible party in compliance with accounting principles and practice in Vietnam.

The report on utilization of capital is only used for reporting to the State Securities Commission, the Vietnam Securities Depository – Ho Chi Minh city Branch and Ho Chi Minh city Stock Exchange relating to issuance of additional public shares of Thuduc Housing Development Corporation but not for any other purposes or issuance to other parties.

2. Events after the balance sheet date for reporting on charter capital fluctuations

No material event after the reporting date requires revisions or additional notes.

Prepared by



Duong Van Trung

Chief Accountant



Quan Minh Tuan

General Director



Nguyen Vu Bao Hoang

HCMC, 28 February, 2017



*Refreshing to welcome sunshine
For a bright future*





THANKS TO STABLE AND SUSTAINABLE DEVELOPMENT MOMENTUM, EFFORTS IN IMPROVEMENT OF LEGAL FRAMEWORK AND ADMINISTRATIVE PROCEDURES, SYNCHRONOUS DEVELOPMENT OF INFRASTRUCTURE, ETC., THE REAL ESTATE INDUSTRY STILL STEADILY GROWS, CREATING CONFIDENCE AMONG DOMESTIC AND FOREIGN INVESTORS. ALTHOUGH TPP HAS NOT BEEN APPROVED YET, FOREIGN INVESTMENT TO VIETNAM MAINTAINS HIGH, OF WHICH THE REAL ESTATE SECTOR ACCOUNTS FOR OVER 10% OF THE TOTAL VALUE WITH HO CHI MINH CITY RANKING THE FIRST AMONG OTHER PROVINCES AND CITIES. THEREFORE, WITHDRAWAL OF THE US FROM THIS AGREEMENT WILL NOT SIGNIFICANTLY AFFECT PSYCHOLOGY OF INVESTORS AS THE VIETNAMESE MARKET IS MOVING TOWARDS MORE OPENNESS AND INTEGRATION.



Economic condition has been improved with stable and sustainable GDP and CPI growth rates. Foreign direct investment (FDI) in real estate still accounts for a high proportion of total FDI. Actual demands for houses of the people remains high. Credit granting to real estate has been effectively regulated with significantly decreasing bad debts. Infrastructure and basic services have been properly developed. Policies and laws on real estate are also improved by the Government, creating a legal framework for development of the real estate market and for the Government in signing and joining bilateral and multilateral treaties. However, there are a number of potential threats such as political conditions, impacts of exchange rate fluctuation and environmental factors, concerns over excess supply. In 2017, the real estate market will continue to develop in a stable and sustainable manner. Noticeably, projects benefiting from development of infrastructure and support services are expected to have significant development in the coming time. After a difficult time of the real estate market, real estate companies have learned valuable experiences in business, focusing on exploring the market and offering high-quality products with reasonable prices to meet demands of customers. Consequently, key market segments in the coming time will still be medium segments, meeting actual needs and values of a majority of Vietnamese people with stable prices as customers



of these segments are not only sensitive with prices but also provided with sufficient information for higher quality and facilities. The luxury segment will also be attractive to high-income residents and foreigners.

Young population structure, lifestyle and shopping habits are attractive factors to domestic and foreign investors when investing in the retail market in Vietnam, especially in Ho Chi Minh city with 24/7 convenient stores and e-commerce. The retail space in modern residential areas will rapidly develop in the future. In general, in addition to Thai retailers with prominent M & A activities, Japanese, Korean, Chinese and Western retailers have also considered Vietnam as a potential market.

In 2017, grade A and B offices will continue to be the centre of the office market with significant growth from finance, banking, logistics and information technology with steady price growth.

2017 will also see increase in investment in Vietnamese real estate market from foreign investment funds enter the real estate market in Vietnam through association and receiving accommodation land areas for construction of

luxury housing projects and commercial centre projects, especially acquisition of unfinished projects of partners in order to expand project scale and assets as well as to speed up sales.

While it is expected that the Vietnamese economy in general and the real estate industry in particular will significantly develop after TPP agreement with increase of investors from the US, Korea, Japan, etc., increase in demands for industrial real estate, warehouses, factories or infrastructure development to support the logistics industry will result in increase in demands for office space and apartments. Nevertheless, thanks to stable and sustainable development momentum, efforts in improvement of legal framework and administrative procedures, synchronous development of infrastructure, etc., the real estate industry still steadily grows, creating confidence among domestic and foreign investors. Although TPP has not been approved yet, foreign investment to Vietnam maintains high, of which the real estate sector accounts for over 10% of the total value with Ho Chi Minh city ranking the first among other provinces and cities. Therefore, withdrawal of the US from this agreement will not significantly affect psychology of investors as the Vietnamese market is moving towards more openness and integration.



STRATEGIC OBJECTIVES IN 2017

IN 2017, MAIN OBJECTIVES OF THE BOARD OF MANAGEMENT ARE TO MAKE EVERY EFFORT TO DRIVE THE COMPANY UP; IMPROVING PROFITABILITY AND PERFORMANCE IN LINE WITH ITS POTENTIAL GROWTH.

In 2017, the Company will focus on two core areas including real estate and trade - import and export activities. Specific objectives are as follows:



Real estate development still accounts for a large proportion (60% or more) of the entire structure of the Group, focusing on medium and luxury land plots, offices and serviced apartments for sales or for rent.



Import and export activities: Continue to promote trading in and export of agricultural products based on available source of goods and customers, extending to other types of goods whenever there is business opportunity. Consequently, priority is given to capital preservation, financial safety, business performance, effective management of potential risks, and maximizing investment capital of partners.

Service activities and subsidiaries: Continue to strengthen and enhance competitiveness, increasing labour productivity to meet requirements of assigned tasks. Feasible solutions to overcome difficulties should be applied to companies with low efficiency or losses.



PRIMARY SOLUTIONS TO IMPLEMENT STRATEGIC TARGETS IN 2017

IN ORDER TO ACHIEVE THE ABOVE-MENTIONED OBJECTIVES, IT IS IMPORTANT TO APPLY VARIOUS SOLUTIONS AND COMBINE DIVERSIFIED RESOURCES OF THE COMPANY TO REACH THE GROWTH TARGET.



REAL ESTATE BUSINESS

- Finding land funds for the next 5-10 years through association, auction and direct compensation for implementation of large-scale urban projects in the suburban areas and surrounding provinces of Ho Chi Minh city and Hanoi. For office and serviced apartment segments, priority is given to projects in central Districts such as District 1, 2, 3, focusing on investment in S-home apartment projects with rapid consumption: Binh Chieu Apartment Block I and Block H, Tocontap Apartment; land plots in Binh Chieu 2 area, speeding up the office – housing apartments, serviced apartment project at 28 Phung Khac Khoan.
- Enhancing exploitation and finding partners or tenants for premises and commercial centres in the inventory apartments and office space as well as newly invested projects in 2016.
- Effectively managing projects in compliance with the law, increasing competitiveness through strict management; reducing investment capital and product price, improving relations with customers, and ensuring service quality.
- Further improving efficiency of the real estate trading floor, extensively implementing marketing and PR campaigns to different type of subjects through effective but less costly methods for new projects.
- Focusing on solving problems relating to land use fees, legal procedures, compensation for land clearance of existing projects. At the same time, speeding up completion of legal procedures to promptly implement projects and open for sales in order to meet the planned turnover target.
- Improving capacity in project management and work management in accordance with international practices.

TRADE - IMPORT AND EXPORT

- Actively finding potential partners to sign long-term contracts for some products including fruits, rubber, electronic components, cashew nut...
- Effectively dealing with debts of customers, ensuring capital safety, and avoid losses.



OTHER SOLUTIONS

- Further reviewing and strengthening business of member companies to improve their efficiency, finding opportunities for transfer or withdrawal of ineffective financial investments and joint ventures.
- Maintaining strict management, cost control, risk management, debt management, and internal control. Smoothly implementing ISO, ERP, quality control programs.
- Human resources of different departments should be improved, aiming to strengthen internal unity, productivity, quality, and professional qualification as well as to increase disciplinary awareness and sense of responsibility, etc., for effectively working at the Company; enhancing internal training courses to support each other; increasing exchange of internal information and effective use of shared resources.
- Maintaining a secure financial structure, generating cash flows, and preparing strong capital to implement the business development strategy in the coming year:
 - Restructuring loans with lower interest rates.
 - Enhancing efficiency of capital management.
 - Using additional financial measures from issuance of shares, finding investors for divestment of all or part of some projects, member companies, and joint ventures.
 - Mobilizing more funding for development of potential projects by calling for investment cooperation from national and foreign professional organizations; issuing corporate bonds, researching establishment of real estate trusts upon meeting legal requirements, and raising funds from other sources when necessary such as from foreign investment funds.



BUSINESS PLAN IN 2017

Based on macroeconomic factors of the economy and internal ability of the Company, Thuduc House has developed a business plan for 2017 as follows:

BUSINESS PLAN IN 2017

Consolidated plan targets in 2017

Unit: VND

Items	Group achieved in 2016	Group's plan in 2017	Increase / decrease compared to 2016
Total revenue	1,146,200,131,732	1,357,951,441,541	+ 18.47%
1. Operating revenue	1,060,295,538,490	1,303,021,557,541	+ 22.89%
2. Financial revenue	81,301,391,092	51,884,884,000	- 36.18%
3. Others income	4,603,202,150	3,045,000,000	- 33.85%
Total cost	1,010,501,259,886	1,199,910,911,871	+ 18.74%
Profit before tax	135,820,605,647	158,040,529,670	+ 16.36%
Corporate income tax	27,527,035,836	27,918,733,134	+ 1.42%
Profit after tax	108,293,569,811	130,121,796,536	+ 20.16%

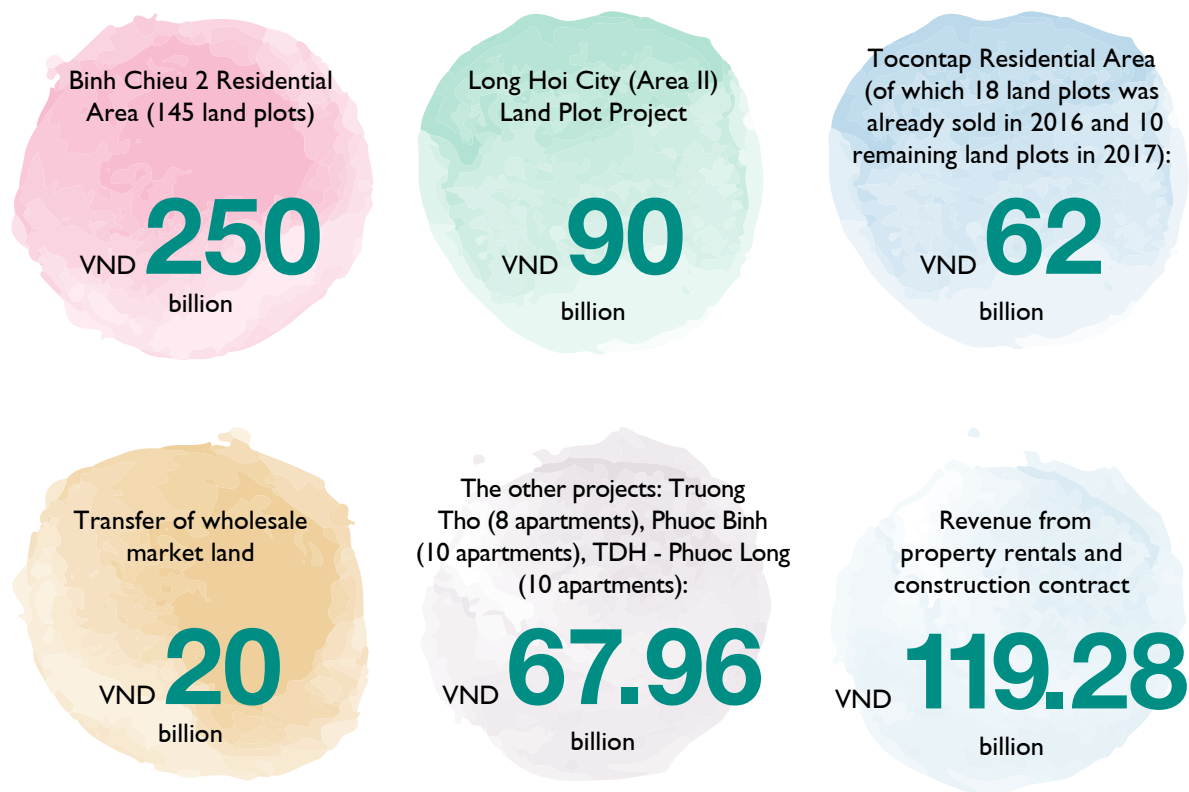
Plan targets of Parent company in 2017

Unit: VND

Items	Group achieved in 2016	Plan in 2017	Increase / decrease compared to 2016
Total revenue	875,559,677,374	1,055,382,164,268	+ 20.54%
1. Operating revenue	796,514,093,494	994,237,280,268	+ 24.82%
• Construction - real estate	474,221,914,457	609,237,280,268	+ 28.47%
• Trading agricultural products & importing and exporting	322,292,179,037	385,000,000,000	+ 19.46%
2. Financial revenue	74,782,344,980	58,144,884,000	- 22.25%
3. Others incomes	4,263,238,900	3,000,000,000	- 29.63%
Total cost	773,879,365,962	932,786,219,271	+ 20.53%
Profit before tax	101,680,311,412	122,595,944,997	+ 20.57%
Corporate income tax	18,987,564,323	20,590,212,199	+ 8.44%
Profit after tax	82,692,747,089	102,005,732,798	+ 23.36%



Expected real estate revenue in 2017 of The Parent Company is mainly from:



KEY PROJECTS IMPLEMENTATION PLAN 2017

1

TDH – Tocontap Residential Area

Finalizing appraisal of costs of land use rights for the authorities, building abutting houses, constructing infrastructure in compliance with the approved planning, designing S-Home product line for apartments, establishing a joint stock company to manage construction and sales of the projects.



2

Phuoc Long Spring town 3,7ha, District 9

Completing procedures for determining costs of land use rights for low-rise and high-rise residential houses, handing over project infrastructure to the authorities for management as required, implementing construction of abutting houses, and granting certificates of land use right to the Company.



3

TDH - Binh Chieu Apartment (Block I)

Applying for construction permit for construction of basement foundation in accordance with the design for S-Home products.



4

TDH - Binh Chieu Apartment (Block H)

Applying for construction permit for construction of basement foundation in accordance with the design for S Home products.



5

Long Hoi - Ben Luc Urban Zone (Long An)

Cooperating with PPI during land clearance compensation, completing construction of project infrastructure.



6

Binh Chieu Residential 4 ha Area (Phase 2)

Preparing procedures for land allocation, agreeing on the model design of abutting houses, agreeing on the infrastructure design with the authorities, finalizing construction of project infrastructure, fulfilling financial obligations to the Government for issuance of certificates of land use right to the Company.



PLAN FOR INVESTMENT PROJECT OVER THE YEAR 2017

Unit: VND million

PROJECT	Expected in 2017
COMPLETED PROJECTS	25,000
384 VO VAN NGAN, BINH THO WARD, THU DUC DISTRICT	4,200
Paying the land rent once for the remaining rental period	4,200
TDH - TRUONG THO APARTMENT BUILDING, THU DUC DISTRICT	800
Maintenance works	800
TDH – PHUOC BINH APARTMENT BUILDING, DISTRICT 9	10,000
Estimated matters arising (land cost, other cost)	10,000
TDH – PHUOC LONG APARTMENT BUILDING (14th floor), DISTRICT 9	10,000
Construction of works + the grant of certificate of land use rights to customers	10,000
ONGOING PROJECTS	122,000
TDH – BINH CHIEU (LOT I + LOT H), THU DUC DISTRICT	47,000
Legal expenses: approval of the 1/500 master plan, approval of investment...	2,000
Completing design + pile joints, constructing basement foundation lot I & H	45,000
BINH CHIEU RESIDENTIAL AREA PHASE 2 – 4 HECTARES, THU DUC DISTRICT	34,000
Cost for technical infrastructure + Material treatment station	8,000
Legal cost for the project: deduction of compensation	3,000
Value of land use rights managed by the State	23,000
CHANH NGHIA RESIDENTIAL AREA, BINH DUONG PROVINCE	41,000
Project legal	1,000
Release compensation	40,000
JOINT VENTURE - AFFILIATE CAPITAL CONTRIBUTION	61,200
BEN LUC LONG AN RESIDENTIAL AREAS (PPI cooperation)	20,000
Increase the rate of cooperation to complete investment in technical infrastructure and complete compensation zone I	20,000
PHUOC LONG SPRING TOWN 3.7 HA, DISTRICT 9	2,200
Investment in wastewater treatment plant	2,200
TDH – TOCONTAP RESIDENTIAL AREA, DISTRICT 9	39,000
Investment in technical Infrastructure	5,000
Construction for apartments	34,000
TOTAL	208,200





THUDUC HOUSING DEVELOPMENT CORPORATION

3 - 5 Pasteur Street, Nguyen Thai Binh Ward, District I, HCMC

Tel: (08) 39 143 111 Fax: (08) 39 143 222

Email: tdh@thuduchouse.com

www.thuduchouse.com

