



DAGON GROUP OF COMPANIES

Diversified Myanmar Conglomerate



**Annual Report
2018 - 2019**



CONTENTS

Chairman Message – 03
Our Company - 04
Vision, Mission and Goals – 05
Our Business Model– 06
Milestones – 07
Key Events – 09
Management Retreat – 12
Construction Retreat – 13
Group Companies – 14
Foreign JVs – 15
Board of Directors – 16
Corporate Governance – 21
Stakeholders Engagement – 22
Board and Board Committees – 23
Risk Management – 25
Succession Planning – 27
Real Estate Business – 28
Construction Business – 29
Wholesale Business – 30
Automobile Business – 31
Hospitality Business - 32
Distribution Business – 33
Health Care Business – 34
Sustainability Report- 35
Corporate Social Responsibility – 43

CHAIRMAN'S MESSAGE

Dear Stakeholders,

New decade of 2020 started off with many challenges, from Global Pandemic COVID 19, acceleration of US-China Trade War and Myanmar Real Estate sector down turn to election year impacted businesses of all sizes and sectors. Greatest disruption came from Global Pandemic COVID 19 which affected our businesses across the board. However, Dagon group is very much resilience due to its diversify investment portfolio.

Hospitality business was hardest hit for us with all the travel restrictions - globally as well as domestic restrictions. Real Estate sector was already slowing down even before the pandemic, this gave us opportunity to reinvent some of the projects in our pipelines to have better preparation and create value for our customers.

We plan to launch new commercial real estate project within this year, targeted towards medium size companies. Our food business, fast moving consumer goods (FMCG) distribution business and logistics businesses are more resilience than other businesses and now almost running at pre COVID levels. Our group distribution company had expanded and move to larger facility in Yangon as well as expecting to open a larger head office for Upper Myanmar in Mandalay this year. Automobile sales have actually grow further thanks to more liberal Government policies to enhance economic recovery and attract FDI into the automotive sector. Another outlet of Toyota Dealership is schedule to open in Taunggyi, Shan State at the end of the year.

We are bullish on Myanmar economy going to be one of the fastest growing economy in the Region post COVID. We have been accelerating our digital transformation in our work place and management systems and transforming our workforce, equipping them with 21st Century skills. Strengthening of Code of Conduct and promoting gender equality and eliminating bribery and corruption is the cornerstone of our human resource development.

We are also reviewing our diversified business portfolio where we can deploy and make best use of Digital Leapfrogging in Myanmar.



Our focus is shifting more towards sustainability and incorporating digital element in every business we do to the extent possible. With the stewardship of competent management teams, Dagon Group as a whole is positioning itself to come out better than ever before in post COVID era to provide valued products and services for our customers.

In this connection, I would like to stress the need to align the issue with the concepts of the AEC (ASEAN Economic Community), UNGC (United Nations Global Compact) and UNMDGs (United Nations Millennium Development Goals).

Among them, UNGC sets a framework for business to contribute to global priorities, such as climate change, water, food, women's empowerment, children's rights, decent jobs, and education. Since 2012 May, a number of Myanmar companies including Dagon International Limited joined the Global Compact after agreeing at a signing ceremony in Yangon to take positive steps for the realization of economic, social and cultural rights in Myanmar.

Let us bravely embrace the opportunities and challenges encountered in this century.

A handwritten signature in blue ink, consisting of a stylized 'U' followed by a horizontal line and a small flourish.

U Win Aung
Chairman, Dagon Group of Companies

The Dagon Group has grown from a single company engaged in trading to a diversified conglomerate comprising 10 subsidiaries 6 Associates Companies including One Public Company & 5 Foreign Joint Ventures operating in 8 business sectors, including construction and engineering, real estate, retail, hospitality, agricultural, logistics, automobile, manufacturing, timber based and petroleum.



Real Estate



Food



Construction & Engineering



Retail & Distribution



Hospitality



Automobile



Agriculture & Plantation



Logistics

The roots of the modern day Dagon Group can be traced back to the Dagon tin factory that was established in 1953 as a manufacturer of tin cans and wire mesh.

Dagon International was the first company in the modern day Dagon Group and was established by the founders, U Win Aung and his wife, Dr Moe Mya Mya, in 1990.

The Dagon Group has, in particular, established a strong reputation in the real estate sector and built up a strong track record of 28 years with various retail, office and residential developments.

The Dagon Group is a pioneer in the modern retail sector in Myanmar, with Dagon Centre 1 being one of the first modern shopping malls in Myanmar when it opened in 2004.

The Dagon Group has to-date built more than 5,000 homes in Myanmar.

Starting with just 5 employees in 1990, the Dagon Group today employs more than 3,000 employees across the different business sectors.

VISION & MISSION

- ❖ DAGON Group to become leading diversify Myanmar conglomerate conducting responsible business that will also contribute advancement of society.
- ❖ Creating and growing learning work place to pass down generation to generation.
- ❖ Conducting business that is sustainable for all stakeholders with integrity and transparency.

At Dagon Group, we believe that every project, regardless of scale and size, deserves our complete attention from creation through to implementation, complemented with proper maintenance and after-care.

3 Underlying Principles :

1. To have good business ethics in every activity we engaged in.
2. To produce or offer products and services which are reliable and of good quality.
3. To create a safe working environment where employers can demonstrate and excel with the responsibility they have taken up.

GOALS

Equipping our staff with 21st Century skills

- Conducting new skills training
- More empowerment in a team work setting
- Create more opportunities for innovation

Gender equality and eliminate pay discrimination

- Increase female ratio in management position
- Similar work to receive similar pay regardless of race, gender or religion. Strict pay scale and evaluation method to be introduced according to skills and qualification.

Digitalization

- Develop new and existing business with IT as a key driver
 - To use IT as a tool for management, collaboration and reporting tools
 - Strengthening standard operating procedures to become more reliant on systems implemented with IT rather than persons

BUSINESS PRIORITIES



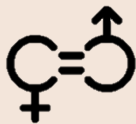
Engaging with and enhancing the wellbeing of our **people** and **helping communities**



Reducing **resource use** and **waste** and being ready for **climate change**



Optimising **off-site construction** and related standardisation, modularisation, mechanisation and design for manufacture and assembly

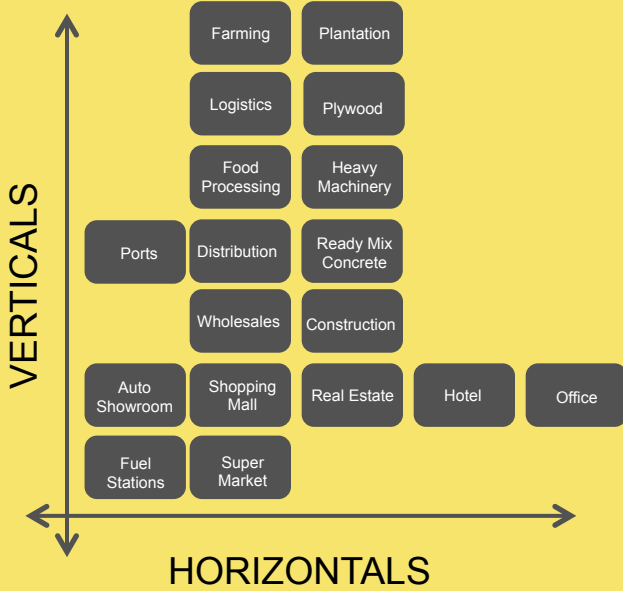


Achieving **gender equality** is **important** for workplaces not only because it is 'fair' and 'the right thing to do,' but because it is also linked to a country's overall economic performance. ... Improved national productivity and economic growth. Increased organisational performance



Continuation of our **digital transformation** journey and adoption of **latest technology** to allow active collaboration of the value chain in digital environment

OUR BUSINESS MODEL



At Dagon Group, we believe that every project, regardless of scale and size, deserves our complete attention from creation through to implementation, complemented with proper maintenance and after-care.

The Dagon Group employs as dynamic management team guided by the “hands-on” leadership of its chairman and executive directors. Recognizing the rapid pace of business environment and new business support systems, the Group is committed to an on-going training and development program to ensure that its people are kept abreast of change.



Real Estate, Engineering & Construction



Automobile Business



Logistics Business



Food Processing Business



Hospitality



Retail and Distribution



Agri and Plantation Business

From a humble beginning into a leading conglomerate with diversified businesses in Myanmar today

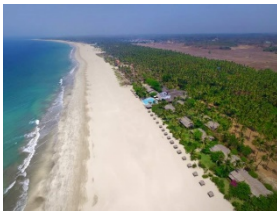
1953
The roots of the modern day Dagon Group can be traced back to the Dagon tin factory which was set up in 1953

The Dagon tin factory was returned to the founders, and started to manufacture paper mill machine parts, agricultural machinery, chain links and tin cans

1981



1996
Dagon Centre 1 were completed which our head offices are located



2000
Diversified into the hospitality business with the Palm Beach Resort Hotel (Ngwe Saung) starting operations

2010
Diversified into the fuel trading business with 3 petrol stations in Yangon starting operations.



1962
Following the nationalization of the Dagon tin factory, the founders started a machinery shop and later engaged in the glass bottle recycling business

1990
Dagon International Limited, the first and flagship company in the modern day Dagon Group, was founded to engage in the trading and construction business and timber extraction following the Government's open door policy



1999
Diversified into the agricultural business with Dagon Agricultural Limited being established



2006
Global Sky started exclusive distributorship of Unicharm products in Myanmar

2012
Acquired the Hlaingtet Factory and established Dagon Food Limited to engage in the food business

- On October 23, 2019, our Chairman U Win Aung to be awarded the Property Guru REAL ESTATE PERSONALITY OF THE YEAR 2019 for his contribution.



- MAEX officially opened Phase 1 of market operations at the Danyingone Fruits and Vegetables Wholesale Market. Construction for the next phase, 1,1, has also commenced.

- Thilawa Global Logistics Warehouse was opened together with JV partners from Japan, Sumitomo and Kamigumi
- Establishment of Myanmar Agro Exchange Public Company Limited.



- Oriental Apex Co., Ltd, (member of Dagon Group) into a joint venture with Thailand's SCG Trading and Japan's Mitsui to market, sell and service Toyota vehicles, and opened a Toyota showroom in Yangon



- Global Woodcraft Industrial Ltd, a joint venture company between the Dagon Group and Woodcraft International Pte Ltd, was established to engage in the manufacture and marketing of wood-based products
- Global Sky started exclusive distributorship of Del Monte products in Myanmar



- Set up a JV between Parkway Healthcare Indo China Pte Ltd., Macondary Holdings Pte Ltd. and AMMK Medicare Co., Ltd. to develop the Parkway hospital in Myanmar
- MAEX launched its Initial Public Offering (IPO) and in the same year was awarded the "Best Special Commercial Development Award" at the Myanmar Property Awards 2017
- Dagon Construction Co.,Ltd was awarded the "Top Construction Company Award" at the Myanmar Builders Awards, 2017
- The MAN Dealer contract for sales of Bus and Trucks was signed between Dagon Machinery and Automotive Ltd., a subsidiary of Dagon International and Singapore Technologies Kinetics Ltd.on 3rd September.



- Awarded 1st prize in the President's Award for excellence in the agriculture sector for seed production at the Ywar Thar Gyi Nursery Seed Production Farm

REAL ESTATE PERSONALITY OF THE YEAR

U WIN AUNG
CHAIRMAN, MYANMAR THILAWA SEZ HOLDINGS



MILESTONE EVENTS: Real Estate Personality of The Year

On October 23, 2019, our Chairman U Win Aung to be awarded the Property Guru REAL ESTATE PERSONALITY OF THE YEAR 2019 for his contribution.

The Property Guru Real Estate Personality of the Year award is only given to an individual who has made a significant impact in the real estate sector and related fields.

This special honour is in recognition of your contributions to Myanmar's industrial development as well as driving economic innovation in the country through your projects at Myanmar Thilawa SEZ Holdings.



MOU between
Dagon International
Ltd and JFE
Engineering
Corporation

KEY EVENTS



The collaborative MOU was signed between Dagon International Ltd and JFE Engineering Corporation for the development and its Utilities of East Dagon Food & Labour Intensive Industrial Zone on 25th June, 2019 at Novotel Hotel.



Dagon International Co Ltd awarded for Condominium Developer License under the Ministry of Construction on 6th April 2019. With the Condominium Developer license, Dagon International will be able to develop condominiums which can be sold to foreigners in the future.



KEY EVENTS



Toyota Mingalar Taunggyi Branch's Ground Breaking Ceremony was held on 21st December, 2019 at Taunggyi.



Mingalar Motors Co Ltd, our joint venture with SCG and Mitsui, broke ground on our 3rd outlet for “Toyota Mingalar” in Taunggyi City, Shan State on 21st December 2019. We have selected to expand in Shan State as it is the biggest state in Myanmar and highest potential growth for future automobile sales. We expected to open towards the end of 2020 with four car display and 5 service bays.



Our Retreats' Objectives

As the country is in the transformational stage, Dagon Group decided to provide the highly investment in the staff capacity to keep up with the change of market trend. Employees are the foundation of any successful business. It's therefore essential that the team is working effectively together. An organizational retreat has a diverse range of benefits, all of which can be powerful methods of enhancing our businesses' success and bringing our teams together. We had 60 of our top management team participated at our annual Retreat.

The Management Retreat 2019 " Building a 21st Century Organization " is organized with the objectives of:

- To get a Good future plan
- To identify capacity gaps and build a good 21st Century Organization
- To implement Innovation and technology in the organization
- To perform more efficiently
- To get excellent development
- To have a better financial performance
- To improve and restructure organization.



Construction Retreat

The Construction Retreat 2019 “ Raising The Bar ” is mainly to develop leadership skills set based on human behavioral management, to build up self-esteem, to possess professionalism, to be responsible and accountable in a workplace and to build an effective and efficient team.

- To engage in a planning process that involves all the major units or contributors {objectives, strategies, implementation plans}
- To create a degree of shared ownership/commitment in key planning issues, or in solutions to organizational problems
- Department leaders to take ownership and accountabilities which links directly with overall business outcomes
- To build a more effective team in an organization
- To take supervision and monitoring of project progress and to identify the process of change for organizational development
- To develop a positive mind-set and create happy, healthy working environment within the organization
- To improve leadership and communication skills within the organization
- To influence the skills of an individual, thus, to improve employee performance
- To have better relationships among new and current employees by transmitting learning and development
- To understand the concept of organizational development and the importance of every employee’s contribution
- To encourage employees in order to perform and contribute their idea’s, skills and performance for shaping the future of organizational development.



Group Companies

No.	Name	SHAREHOLDERS AND COMPANIES	Share Ratio
1.	DAGON INTERNATIONAL LTD.	U WIN AUNG	50%
		DAW MOE MYA MYA	50%
2.	DAGON TIMBER LTD.	U WIN AUNG	83%
		DAW MOE MYA MYA	14%
		U KYAW ZAW AUNG	3%
3.	DAGON RUBBER PLANTATION LTD.	DAGON TIMBER LTD	99.2%
		U MIN SWE OO	0.2%
		U YE HTUT WIN	0.2%
		U KYAW ZAW AUNG	0.2%
		U THURANE AUNG	0.2%
4.	DAGON CONSTRUCTION CO.,LTD.	DAW MYINT MYINT THAUNG	50%
		DAW THIDA THAW	50%
5.	GLOBAL STAR CO.,LTD.	U THURANE AUNG	92.5%
		U KYAW ZAW AUNG	2.5%
		DAW THIDA THAW	2.5%
		DAW MYINT MYINT THAUNG	2.5%
6.	ORIENTAL APEX CO., LTD.	DAW SU MON NAING	98%
		U THET TIN	1%
		U ZAW MIN OO	1%
7.	ORIENTAL APEX SERVICES CO., LTD.	U THET TIN	1%
		U ZAW MIN OO	1%
		DAW SU MON NAING	68%
		ORIENTAL APEX CO.,LTD.	30%
8.	THURIYA ENERGY DEPOT MANAGEMENT CO.,LTD.	U THURANE AUNG	97.8%
		DAW SU MON NAING	0.2%
		DAGON INTENATIONAL LTD.	2%
9.	DAGON FOODS LIMITED.	U THURANE AUNG	48%
		DAW EI HNIN PWINT	48%
10.	DAGON WOODCRAFT INDUSTRIES LTD.	DAGON INTERNATIONAL LTD.	4%
		GLOBAL STAR CO.,LTD.	50%
		WOODCRAFT INTERNATIONAL PTE LTD.	50%
11.	THURIYA POWER CO.,LTD.	DAW SU MON NAING	50%
		U THET TIN	50%
12.	GLOBAL STAR FINANCING CO.,LTD.	GLOBAL STAR CO.,LTD.	71.28%
		DAW MOE MYA MYA	19.64%
		U THURANE AUNG	9.09%
13.	DAGON PRECAST LIMITED.	U THURANE AUNG	60%
		DAGON CONSTRUCTION CO.,LTD.	40%
14.	KYAIKLAT RICE PRODUCTION CO.,LTD	U WIN AUNG	39%
		U THURANE AUNG	39%
		U SAI BA NYAN	5%
		U KYAW ZAW AUNG	5%
		OTHER 7 INDIVIDUALS (1% SHARE EACH)	7%
		OTHER 20 INDIVIDUALS (0.25% SHARE EACH)	5%

No.	Name	SHAREHOLDERS AND COMPANIES	Share Ratio
1.	DAGON AGRICULTURE GROUP LTD.	DAGON INTERNATIONAL LTD	90%
		U HTAY MYINT	4%
		SHWE THA ZIN SYNDICATE LIMITED.	6%
2.	DAGON COMMUNICATION LTD.	DAGON INTERNATIONAL LTD.	80%
		U THURANE AUNG	12%
		DAW EI HNIN PWINT	4%
		DAW EI HNIN KHINE	4%
3.	PALM TREE CO., LTD.	DAGON INTERNATIONAL LTD	99.69%
		DAW EI HNIN PWINT	0.31%
4.	THURIYA ENERGY CO., LTD.	DAGON INTENATIONAL LTD.	82.02%
		U THURANE AUNG	8.99%
		DAW EI HNIN PWINT	8.99%
5.	DAGON MACHINERY & AUTOMOTIVE LTD.	DAGON INTERNATIONAL LTD.	99%
		DAW MOE MYA MYA	1%
6.	DMC MACHINERY LTD.	DAGON INTERNATIONAL LTD.	100%

No.	Name	Number of Shares	%
1	MYANMAR AGRO EXCHANGE PUBLIC CO LTD		
	DAGON INTERNATIONAL LIMITED	935,000	43.21%
	Public Share	1,229,086	56.79%

Foreign Joint Venture

Dagon Group of Companies List of Foreign Joint Venture Companies

No.	Name	Share Holders	Country	Share Ratio	Business Type
1.	GLOBAL WOODCRAFT INDUSTRIES LTD. (GWIL)	WOODCRAFT INTERNATIONAL PTE LTD.	SINGAPORE	50%	MANUFACTURING OF PLYWOOD, VENEER AND OTHER PRODUCTS
		* GLOBAL STAR CO.,LTD.	MYANMAR	50%	
2.	NIPPO ROAD ALLIANCE MYANMAR LTD. (NRAM)	NIPPO CORPORATION	JAPAN	58%	ROAD CONSTRUCTION/ PAVING WORKS AND PRODUCTION OF HOT MIX ASPHALT
		SUNTAC ENGINEERING & CONSTRUCTION CO.,LTD.	MYANMAR	15%	
		DAIICHI SEKISAN UNYU, INC.	JAPAN	5%	
		* DAGON INTERNATIONAL LTD.	MYANMAR	22%	
3.	THILAWA GLOBAL LOGISTICS CO.,LTD. (TGL)	SUMITOMO CORPORATION	JAPAN	51%	LOGISTICS CENTER WAREHOUSE, CUSTOMS INSPECTION AND SERVICES AND BONDED WAREHOUSE INSIDE THILAWA SEZ
		KAMIGUMI (HONG KONG)	JAPAN	20%	
		* DAGON INTERNATIONAL LIMITED	MYANMAR	29%	
4.	MINGALAR MOTORS CO., LTD. (MGM)	SCGT AUTOMOBILE CO., LTD. A JV BETWEEN SCG TRADING CO., LTD. And MITSUI & CO., LTD. (SCG TRADING CO.,LTD. THAILAND 51% + MITSUI & CO., LTD. JAPAN 24%)	THAILAND	75%	SALES AND SERVICE OF TOYOTA AUTOMOBILES (SHOWROOM AND WORKSHOP)
		* OREINTAL APEX CO.,LTD.	MYANMAR	25%	
5.	ANDAMAN ALLIANCE HEALTHCARE LTD. (AAHL)	PARKWAY HEALTHCARE INDO-CHINA PTE LTD.	SINGAPORE	52.00%	OPERATING AND MANAGING THE PARKWAY PRIVATE HOSPITAL
		MACONDARY HOLDINGS PTE LTD.	SINGAPORE	10.50%	
		AMMK MEDICARE CO.,LTD.	MYANMAR	21.50%	
		* GLOBAL STAR CO.,LTD.	MYANMAR	16.00%	

The Dagon Group employs as dynamic management team guided by the “hands-on” leadership of its chairman and executive directors. Recognizing the rapid pace of business environment and new business support systems, the Group is committed to an on-going training and development program to ensure that its people are kept abreast of change.

Chairman of the Board



U Win Aung

U Win Aung is the founder and Chairman of modern Dagon International in 1990. He built the entire group from its ground up with a small office of 5 staff to today’s prominent business groups in Myanmar. He held both positions of Chairman of the Board of Directors and Managing Director/CEO until late 2016 where he transferred the CEO position to U Thurane Aung.

His visionary guidance and restless hard work has enabled the group to grow organically. Not only for his own commercial business, he also made many positive social and development contributions in Myanmar as well as ASEAN Region. He has been actively participating in the development of and promoting the GMS-BF (Greater Mekong Sub-region Business Forum) since 1999 in close cooperation with the UN-ESCAP. He was one of the members of the Business Advisory Council of the UN-ESCAP and of the ASEAN Business Advisory Council (ABAC) from 2013 to 2014. He was assigned chairmanship of the GMS-BF from 2003 to 2004 and again in 2012 to 2014.

He is one of the key initiators and founders of MCEA (Myanmar Construction Entrepreneur Association), MHA (Myanmar Hotelier Association) and the MFCPA (Myanmar Farm Crop Producers’ Association) and MFVP (Myanmar Fruit and Vegetable Producers and Exporters Association).

His most prominent role was President of RUMFCCI (Republic of Union of Myanmar Federation of Chamber of Commerce and Industry) from 2011 to 2016. He had many contributions in the development and strengthening of foreign relations of the UMFCCI with GMS, ACMECS and ASEAN regional chambers and trade associations in many ways, as well as in establishing close working relations with the UN-FAO and ESCAP.

Through his role as UMFCCI President and member of NESAC (National Economic and Social Advisory Council) to the President of Union of Myanmar from 2012 to 2016, he had made positive contribution in every aspect of reforms for businesses, SMEs, farmers, peace process and poverty alleviation in new democratic Myanmar.

Dr Daw Moe Mya Mya

Dr Daw Moe Mya Mya was trained in the Institute of Medicine (1) to become a Medical Doctor after passing with full distinction in all six subjects at High School. She started to work as a General Practitioner in 1984. In 1988-1990, she was a Medical Officer (Research & Training) of WHO Diarrhea Training Unit in Paediatrics Ward, Yangon children Hospital as well as an UN Dispensary Relieving Doctor.



She is a Co-Founder of Dagon International in 1990 and up to date she is the Finance Director of Dagon Group and also the Managing Director of Palm Tree Co., Ltd. She participated in the Customs Clearing Agent Course held by Ministry of Finance & Revenue in 1993 where she was top of her class. Over the years, she had attended Business Planning Course and Operation Management Course organized by MIA/ZDH Partnership Programme for SME promotions. She continued to improve herself and keep pace with the changes in business sector by attending Management Skills for Women in Myanmar Course organized by the British Council in 1997 and International Business Financing Course in 1999 organized by Export Institute of Singapore.

Her attention to detail and discipline has contributed greatly year on year success of Dagon Group. Her resilience and hard work has always been the integral part of growth of the company.

She is not only a businesswoman in a class of her own but she is also a humanitarian. With her medical background, she is always taking personal interest in the well-being of all her employees. She had participated in many social welfare through various Dagon Groups' CSR program. She is also one of the Patrons of International Dhamma Giri Vipassana Association under which 25 regular vipassana meditation centres operating within Myanmar. She also assumed the responsibilities of Chairperson of Ngwe Saung Hotellier Association from 2013 to 2014.



U Thurane Aung (Christopher Aung)

U Thurane Aung came back from United Kingdom with B.A (Hons) in Business Information Management and Finance from University of Westminster to join the family business in 2002.

He worked his way up by learning the business from bottom line as a Project Manager on constructions sites. His ability to navigate the steep learning curve to understand and share the vision of Dagon Group landed him as a CEO of the Group in late 2016. The main focus of U Thurane Aung's role and responsible is for business strategies and expansion plans for all of Dagon Group's businesses. He has experienced and completed several new businesses set up within the Dagon Group as well as negotiating for new joint ventures.



Daw Ei Hnin Pwint (Christabelle Aung)

Daw Ei Hnin Pwint (Christabelle Aung) has been in charge of the Retail and Distribution Section of Dagon Group of Companies for the past decade. She took the helm immediately after coming back from her overseas education in Business Administration from University of Bristol, West of England. She plays a vital role in developing and enhancing that specific sector of the company to make it one of the leaders in the retail industry shopping mall business was entrusted in the care of Christabelle, a task that requires a balance of good taste in fashion and an understanding of the local culture so as to blend the “in trend” and the past bridging the gap between generations thus making it a place to be for the whole family.

She and her team strive to their optimum level to satisfy the evolving change in taste and trends of their valued customers. Her entrepreneurial skills lead her to establishing a chain of supermarket, offering a wide range of products from homegrown as well as multi national quality imported products at reasonable price for the up and coming middle class families. To keep up with the competitiveness of the supply chain a distribution company – Global Sky Co. Ltd., was co founded.

U Kyaw Zaw Aung

U Kyaw Zaw Aung was trained in B.Sc Industrial Chemistry (Hons) at Yangon University. He also received further training in rice milling and rice milling technology in Japan under the Satake Engineering Ltd. He always work in trading business and was head hunted by Dagon International in 1996 to enhance its trading business. Later on, his business responsibility was expanded to cover agriculture business of the Group.



He also sits on the board of two public companies, Myanmar Agribusiness Public Corporation (MAPCO) and United Group of Trading as a representative of Dagon International. He is also active member in NGOs such as an Executive Committee Member of The republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and Myanmar Rice Federation (MRF).



U Phone Phone Naing (Wilson Yang)

U Phone Phone Naing (Wilson Yang) is the Managing Director of the Distribution arm of the Group of Companies, after years in trading business he recognized the development and refinement of the needs and taste of local consumers. His travels and education overseas in B.A Economics from Knox College, Galesburg, Illinois has exposed him to quality products from different countries and has inspired him to bring some back home, thus the start of Global Sky Co Ltd.

Acknowledging the need for more consumer products in the market, Wilson took the task of joining the League of Foreign Companies who have been in the industry for some time (not only in Myanmar) but also in different countries bringing in products from multi national companies. Global Sky has a wide range and continually expanding portfolio from personal hygiene products (from Japan/Thailand) to personal care products (from Philippines), fruit and vegetable drink (from Thailand), food and beverage products (from Philippines/US/Australia/Sri Lanka) and foodstuffs that are locally grown and manufactured.

From trading to importing and to full distribution of FMCG Products catering to the wide range of customer (trade to industry) supplying the needs of different type of customers from the city to the outskirts of the country.



Daw Su Mon Naing

Daw Su Mon Naing is the director within the Dagon Group of Companies and also serves as the Director for several different Foreign Joint Venture companies. She graduated from the University of California San Diego in 2007 with the Bachelor degree in Economics. In 2011, Daw Su Mon Naing has joined the Dagon Group of companies with the director position in Concrete department.

After having worked for Dagon concrete, the management saw the potential in her for managing a new start-up company. Given the opportunity, she has become the Managing Director of Oriental Apex Company Ltd. (OAC): automobile services, in 2012. With the promising future, Daw Su Mon Naing has managed to level up her growth by achieving master degree in Business Administration (MBA) from the University of Thai Chamber of Commerce in 2014. Due to her accumulated experiences and accomplishments, she quickly worked her way up as the Deputy Managing Director of Toyota authorised dealer Mingalar Motors (MGM), Foreign Joint Venture of the Dagon Group of Companies. She also manages the Dagon Machinery & Automotive Ltd. (DMA) which is an authorised dealer of MAN Trucks & Buses as the director.



U Min Swe Oo

U Min Swe Oo worked as an employee in Myanmar Timber Enterprise from 1977 to 1980 while he completed his distant learning degree in Law major at the Yangon University in 1981. He first joined as Administrative Officer at Dagon International Limited in 1991. In 1992, he became a Director in Dagon Timber Limited and supervised timber extraction.

He single handedly built up Dagon Group's timber business from simply buying, sawing and selling of logs to at one point, nationwide extraction and international exports. Now, he is concentrated in more environmentally friendly plantation business and value adding wood industries rather than natural resource extraction.



U Ye Htut Win

U Ye` Htut Win holds a Bachelor degree in Physics from Yangon University. In 1992 he joined as an Administrative Officer in Dagon International shortly after its establishment, before that he was an army captain. His interest and knowledge in mechanics and heavy machinery landed him Director role in Machinery and Equipment department. His training in the Army made him a highly disciplined man and right man for the job.

He also have adjusted skills set for sourcing vehicles and machinery which make him a vital human resource when purchasing and leasing equipment and machinery for the Group's need. At present, he is Managing Director for DMC Machinery Limited.



U Aung Gyi

U Aung Gyi joined Dagon International in 1992 after working as an auditor for 7 years at Office of the Auditor General. He has a Honors degree in Commerce from the Institute of Economics.

He worked his way up to Executive Director in 2005 from an accountant in 1992. By this, you can see he is a hardworking and a high achiever. His understanding of commerce and accounting is key to his success as well as the success of the business he is entrusted with.

His expertise obtained through nationwide logistics while serving in a various positions in the timber department made him an ideal person to put him in charge of fuel distribution. Currently, he is leading Myanmar Agro Exchange Public Limited as its CEO.

Group Code of Conduct

The Dagon Group's code of conduct is contained in our daily activities and supplier terms and conditions. The standards defined are the minimum standards required. A detailed Dagon Group's Code of Conduct is discussed with all stakeholders. Over the years, we have established links with factories, mills and farms we utilize within Myanmar and close countries. Mapping this process is critical to the Group, and the Group feels that an ongoing support of our partners and how we can help affect the lives of their workers in a positive manner. The group will only work with suppliers who are committed to working to our standards and to improving conditions for our shared workforce.

- Our Code of Conduct lays out the following principles for our business operations to which all employees must adhere:
 - to instill a high standard of integrity, ethics and environmental responsibility in all aspects of our business dealings and operations;
 - to abide by the legal and regulatory requirements in the countries where we operate;
 - to observe the rights of our employees and the communities in which we work; and
 - to create the means to make the Code of Conduct an integral part of daily practice.

Dagon Group's Code of Conduct

- 1) Employment is freely chosen. There must be no forced labor, bonded or involuntary
- 2) Freedom of Association and the right to collective bargaining must be respected
- 3) Workers conditions are safe and hygienic
- 4) Child labor shall not be used
- 5) Living wages are paid in line with local laws and for a standard working week, overtime
- 6) A premium rate
- 7) Working hours must not be excessive and must be voluntary
- 8) No discrimination
- 9) Regular employment is provided
- 10) No harsh or inhumane treatment is tolerated
- 11) Health & safety of workers is paramount in all areas of our business, direct or otherwise



Our stakeholders are employees, customers, suppliers, investors, organization and other entities that can affect or be affected by our activities and products. Maintaining an open dialog with our stakeholders is essential to understanding their interests and expectations. DAGON performs specific actions depending on its activity size, location and culture and all sites have regular exchanges with local stakeholders such as local authorities.

Employees

Key Expectations

- Quality
- Health & Safety
- Ethic & Compliance

Engagement Channels

- Seminars, conferences, forums
- Online meetings
- Recognition, awards, contests
- Intranet, internet, news, emails, videos
- Training, workshops
- Employee survey
- Application week

Customers

Key Expectations

- Ethics & Compliance
- Governance
- Quality

Engagement Channels

- Trade show
- Conventions, technical seminars
- Audits and sites visits
- Joint seminars, conferences. Techno days, workshops
- Meetings

Suppliers Key

Expectations

- Health & Safety
- Ethic & Compliance
- Labor and human right

Engagement Channels

- Meeting
- Technological roadshow

Media

Key Expectations

- Company Information
- New service and progress
- Innovation
- Chemicals

Engagement Channels

- Conferences, conventions, meetings
- Press release

Local Partner

Key Expectations

- Ethic & Compliance
- Labor and Human Rights
- Waste & Effluent

Engagement Channels

- Partnerships
- Conferences, conventions, meetings
- Sites visits
- Donations, training, volunteering, local initiatives

National & Local Authorities

National & Local Authorities Key Expectations

- Quality
- Ethic & Compliance
- Health & Safety

Engagement Channels

- Partnerships with municipalities
- Meeting, conferences, seminars
- Annual reports
- Site visits

Industry Associations

Key Expectations

- Governances
- Ethic & Compliance
- Diversity & Inclusion
- Market information

Engagement Channels

- Membership in public- private partnerships, international association
- Meeting, conferences, seminars



Board and Board Committees

BOD Meeting & Attendance

No.	Name	Position	7-Jan-19	30-Jan-19	20-Feb-19	24-Apr-19	17-May-19	20-May-19	18-Jul-19	26-Jul-19	9-Sep-19	25-Nov-19
1	U Win Aung	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Daw Moe Mya Mya	Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	U Thurane Aung	Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Daw Ei Hnin Pwint	Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	U Kyaw Zaw Aung	Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

29th Annual General Meeting Attendance

No.	Name	Position	27-Dec-19	Remark
1	U Win Aung	Chairman	✓	
2	Daw Moe Mya Mya	Director	✓	
3	U Thurane Aung	Director	✓	
4	Daw Ei Hnin Pwint	Director	✓	
5	U Kyaw Zaw Aung	Director	✓	



29th Annual General Meeting Resolution

No.	Matters Discussed	Resolution	Confirm	Objection
1	Reappointment of Existing Directors	The Existing Directors of the Company shall be reappointed.	100%	0%
2	Acceptance of Director's Report	The Director's Report is accepted.	100%	0%
3	Acceptance of Auditor's Report	The Auditor's Report is accepted.	100%	0%
4	Appointment of Auditor for 2019-2020	Khin Su Htay & Associates Ltd shall be appointed as Auditor for 2019-2020	100%	0%
5	To fix the date of 30th General Annual Meeting	The 30th General Annual Meeting shall be held in December 2020	100%	0%



Remuneration Committee

The Remuneration Committee comprises with Daw Ei Hnin Pwint, U Phone Phone Naing, U Kyaw Zaw Aung and U Min Swe Oo. The Committee's principal duties are to determine overall Group remuneration policy, remuneration packages for Executive Directors and Senior Management, the terms of Executive Director service contracts as may be required from time to time, the terms of any performance related and/or long term incentive schemes operated by the Group and awards thereunder and the Committee meets on a regular base.

No.	Name	Position	6-Mar-19	Remark
1	Daw Ei Hnin Pwint	Director	✓	
2	U Phone Phone Naing	Director	✓	
3	U Kyaw Zaw Aung	Director	✓	
4	U Min Swe Oo	Director	✓	
5	U Kyaw Zaw Aung	Director	✓	

Nomination Committee

The nomination committee comprises with U Win Aung, Daw Moe Mya Mya, U Thurane Aung and U Min Swe Oo. The Committee's principal duties are to consider the size, structure and composition of the Board, ensure appropriate succession plans are in place for the Board and senior management and where necessary, consider new appointments to the Board and senior management. Our Nomination Committee is responsible for the CEO having regard to CEO's contribution and performance and deciding whether or not a Directors is able to and has been adequately carrying out his duties on annual basic.

The Committee decides how to evaluate the Board's performance and proposes objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long term Shareholder's value. The Board intends to implement a process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the Nominating Committee is required to abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the Nominating Committee in respect of the assessment of his performance or re-nomination as Director.

The matters delegated to the remit of the Nominations Committee (including Board structure, succession planning and the performance of the Board and senior management) are considered informally by the members of the Committee on ad hoc basis at appropriate times during the year. From time to time, the full Board performs some of the duties of the Nomination Committee.

No.	Name	Position	12-Jun-19	Remark
1	U Win Aung	Chairman	✓	
2	Daw Moe Mya Mya	Director	✓	
3	U Thurane Aung	Director	✓	
4	U Min Swe Oo	Director	✓	










Audit Committee

The Audit Committee currently comprises with U Ye Htut Win and U Aung Gyi. While the Board consider that the composition of the Audit Committee provides the requisite skills and experience, the Board and the Audit Committee considers it is prudent to conduct an continuous review in the financial year currently underway to satisfy itself as to its sectoral competence. The Audit Committee also monitor and review on annual basic that all the Directors, Management Personnel, employees and the implementation are compliance with the company's code of conduct. The Audit Committee meets on a regular base during the financial year.

No.	Name	Position	10-Jul-19	Remark
1	U Ye Htut Win	Director	✓	
2	U Aung Gyi	Director	✓	

Our Board commitment to corporate governance and transparency is proven by our record in Pwint Thit Sar Report by the Myanmar Centre for Responsible Business (**MCRB**) on Transparency in Myanmar Enterprises. In 2019 issued in 2019, the Dagon Group was ranked 8 overall and have manage to maintain in the top ten companies since the report first published. We are on par or even better that many of the public companies in the Country.

Pwint Thit Sa/ Top 10 Transparency in Myanmar Enterprises Ranking

	Rank 2019	Rank 2018	2017	Rank 2016	Rank 2015	Rank 2014
	1	2	No Report was conducted this year	8	4	7
	2	1		1	-	-
	3	5		3	2	3
	3	6		11	7	4
	5	-		-	-	-
	6	7		-	-	-
	7	9		18	-	-
	8	7		10	10	8
	9	22		-	-	-
	10	4		6	9	-

Risk Management

The Audit Committee is ultimately responsible for monitoring the effectiveness and quality of the risk management system across the company.

Due to the nature of its activities, the company has to deal with a range of risks which is significant. Therefore, for the risks, which are particularly relevant at Business Sector level, their management is delegated to the appropriate Business Sector Board.

For the risks which are relevant across the company and which may impact its ability to deliver its strategy, the Audit Committee will ensure that the relevant functions, directors and entities are setting and implementing actions plans to mitigate these risks. When analyzing the company's risks, Audit Committee review the company's material controls and risk management systems. Some of the risks, whose management is critical for safeguarding the company's sustainability.

These risks and uncertainties are not the only issues that Dagon faces; additional risks and uncertainties not presently known to Dagon may also have a material adverse effect on its financial condition or business success. Dagon is not in a position to specify or quantify financial or other risks mentioned herein.

Environmental Risks

Construction Waste Management is an aspect of Sustainable Development, which is fuelled by the growing concern for the effect of man's activities on the environment. The management of Construction processes to reduce, reuse, recycle and effectively dispose of wastes has a serious bearing on the final cost, quality, time and impact of the project on the environment.

Governance and Compliance Risk

According to our Nature of Business, we do need to comply with the following rules and regulations

- Building rules for construction work
- Construction Safety rules
- Environmental protection rule
- Labour law and regulations

There is a risk of litigation, penalties and fines occurrence because of incompliance with the above laws and regulations.

Operational Risks

Increase in raw material prices may affect construction prices of raw material used for the construction of the proposed project, such as ready mixed concrete, steel reinforcement bars, precast components, tiles, concreting sand, cement, steel welded mesh, steel strands, mold steel, stainless steel, aluminum glass, wood and paint, etc. will fluctuate according to the varying levels of supply and demand of these materials.

Payments from clients, purchasers are generally made according to prescribed payment schedules. Delays in payment from purchasers could result in a prolonged time lag between disbursement for operating expenses and the receipts of payments from purchasers, which could adversely affect cash flow of Dagon.

Risk relating to our Indebtedness

We have short-term loans in KBZ Bank and AYA Bank and many incur additional indebtedness, which could adversely affect our financial condition in the case that have to repayment on demand.

Exchange Rate Risk

Dagon is exposed to exchange rate movement. Because our construction materials mostly are imported from overseas and exchange rate fluctuation may have impact on our financial position.

Industry Risks

There are three main risks related to the industry risks.

- Dependence on major customers, particularly the sector which is negatively affected by the goal economic downturn
- Decrease in GDP per capita which may affect the average standard of living as well as the level of product consumption
- Expansion of business coverage area requiring large capital expenditures, which may result in reduction of margins.

Key Management and Personnel Risks

The Company's performance depends, in part or in whole, upon the continued service and performance of key management and key staff of the Company. The loss of any of these key personnel could have a material adverse effect on the Company's business and financial position.

Risks relating to Myanmar

Risks of being affected by political, security, economic and social situations in Myanmar

Risk of uncertainty in the interpretation, application and governance of Myanmar laws and regulations, given the Myanmar legal system is still maturing.

Succession Planning

Dagon Group's establish succession planning through our "Future Leaders Program" which is our flagship management trainee program. The unique program is designed to develop Dagon Group's Future Leaders by providing challenging and purposeful opportunities that accelerate their readiness to take on business leadership roles.



Dagon Group wishes to develop the staffs to become more aware of what their role is and how to become better at what they do. Dagon Group uses consultants and trainers in order to help develop the staffs to become the future leaders of the company and more effective in their roles. In order to get a good understanding of the current levels the staff and to create the training needs analysis, future leaders program is tailor made for each and every one from this, by using the information gathered.

The program encompasses rotations within and across functions in the organization to provide them with an accelerated and well-rounded learning experience. The stages are designed to provide each participant with formal and on-the-job training through exposure to business challenges, mentoring sessions to develop business and functional skills and international exposure early in their careers.

During the program, participants are evaluated against their performance and provided regular feedback and coaching to build on their key strengths and development areas.



Dagon Real Estate is in the final approval stage of developing New East Dagon Industrial Estate located in East Dagon Township, Yangon. We will aim to invite food and labour intensive industries to be located in our international standard industrial estate.



Construction Business

Dagon Construction is fully occupy this year with the starting of Yangon Mandalay Railway rehabilitation project under our main con Tekken Rinki JV with JICA ODA funding. We have our construction teams working on 80 km starting from Bago to Pyuntaza, carrying out works from earthworks, piling, reinforce concrete works of bridges, culverts and stations. We are also continuing building construction works in Danyingone wholesale market.



Our joint venture road paving company, NRAM continue its work in paving Zone B of Thilawa SEZ and paving for car parking in the new Toyota SKD Factory among other projects.



The Special General Meeting and 3rd Annual General Meeting of Myanmar Agro Exchange Public Ltd. was successfully held at the Myanmar Convention Centre (MCC), Mindama Road, Mayangone Township, Yangon on July 20, 2019. A total of (474) shareholders attended the Meeting.



Press Conference for merging the old and new Danyingone market was conducted on 17th June 2019. After 2 years of negotiations, finally the two markets will be merge for the benefit of tenants and consumers. This merger will allow for the further expansion of the wholesale market which Dagon have founded and is a major investor.



Automobile Business



In addition to building of our 3rd Toyota dealership outlet in Shan State. We are set to have exponential growth in our Toyota dealership business with the opening of Toyota SKD factory under construction by Toyota. This will shorten our supply chain with faster delivery and more competitive pricing to our customers .

MAN Truck and Bus business saw a steep competition, however we continue to expand our product range with introduction of MAN front engine coaches for hilly region of Myanmar to get competitive edge.





The palm beach hotel (Ngwe saung)

OASISHOTEL (Nay pyi daw)

Distribution Business



Global Sky Co Ltd, our FMCG distribution arm expanded their warehouse in Mingladone, Yangon and started construction of their new head office for upper Myanmar in Mandalay this year. Another achievement for Global Sky is an award of exclusive distributor for two more products.

Maliban pioneer biscuit manufacturer of Sri Lanka which incorporated over 60 years ago.

Little Treasure produce a range of powdered milk products using premium quality Australian milk.



Health Care Business



Our Joint Venture with Parkway Healthcare Indo-China Pte. Ltd., Macondray Holdings Pte. Ltd. and AMMK Medicare Company Limited, have completed the relocation buildings and now have the site to construct our Phase 1 Development of 100 bedded Hospital.



Dagon Group has a set of core values that define our work ethic and guide our workforce in today's rapidly changing and challenging world. The core values – Safety, Integrity and Excellence – have been incorporated into our Mission and Vision. At Dagon, our ultimate goal is to deliver a high level of quality to our customers. This means not only the quality of our built products and service outcomes, but also in the way they are delivered: reliably, safely and responsibly. We believe we can best deliver the level of quality to which we aspire by concentrating on our three core values.



Real Estate development and construction has an essential role to play in meeting the global challenges posed by population growth, increasing urbanization and resource scarcity. At Dagon Group, we believe that sustainability creates value for our business, our shareholders and society.

As can be seen from our Goals, our way forward is to rely heavily on encouraging creativity, innovation and digital transformation which inspire new ways of thinking, nurturing and working as one without any discrimination among our employees in both pay and gender.

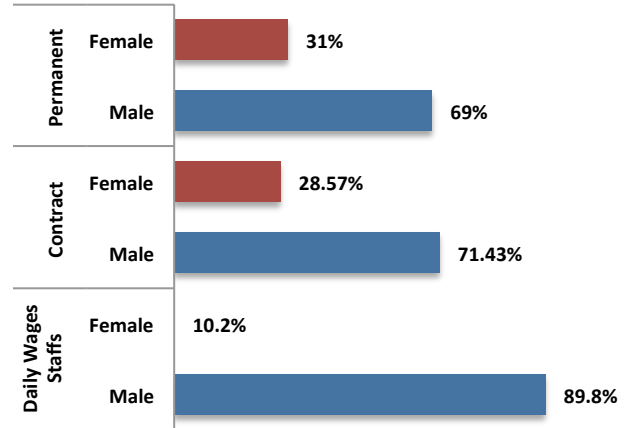
UN GLOBAL COMPACT (UNGC)

With our integrated approach to sustainable development, Dagon Group aims to embrace the UNGC principles. We strive to implement the ten principles of the Global Compact and to use it as a basis for advancing responsible corporate citizenship. We use this opportunity to further push our own ongoing programs and processes in the areas of human rights, labor standards, the environment and anti-corruption. In order to demonstrate our commitment, we publish a yearly Communication of Progress (COP). All our COP reports are available on the Global Compact website.

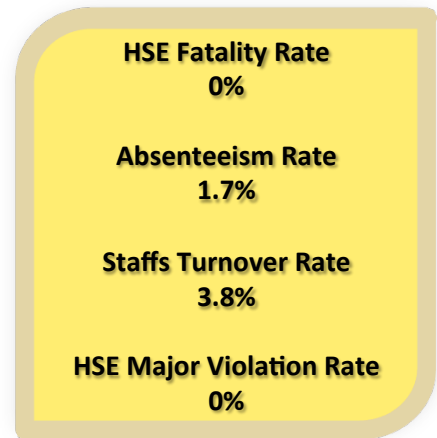
Sustainable Operations: We always look for ways to systematically improve environmental and community outcomes from our facilities' operations while ensuring efficiency, reliability and stakeholder value. Focus areas within Sustainable Operations include safety, GHG emissions and carbon utilization, water, industrial waste and biodiversity.

Our People

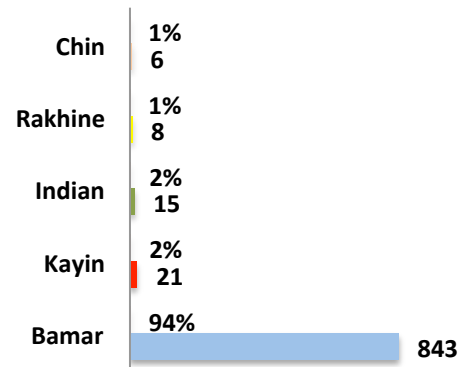
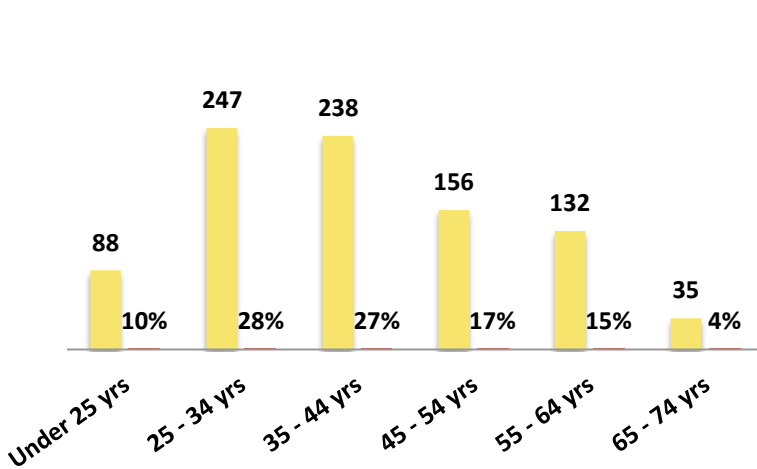
Diversity of Employees by Management Class	2019
Board of Director Level (Total)	10
Male	70%
Female	30%
Under 30 years old	0%
30 - 50 years old	40%
over 50 years old	60%
Senior Management Level (Total)	20
Male	55%
Female	45%
Under 30 years old	0%
30 - 50 years old	10%
over 50 years old	90%
Middle Management Level (Total)	85
Male	71%
Female	29%
Under 30 years old	13%
30 - 50 years old	55%
over 50 years old	32%
Staffs (Total)	787
Male	70%
Female	30%
Under 30 years old	27%
30 - 50 years old	50%
over 50 years old	22%



Employees by Contract Types



Employees by Age Group



Employee's Race & Ethnicity Rate

The focus area of People under our new strategy covers caring for both our employees and the community. Below we highlight some of the many areas where we have been making improvements or driving new initiatives to enhance employees' wellbeing and development, as well other examples of corporate social activities to support local communities.

The group gives full and fair consideration to applications for employment by people who are disabled, to continue whenever possible the development of staff who become disabled and to provide equal opportunities for the career development of disabled employees.

Although adopting more modern methods of management provides solutions to make us a leaner operating model, we will always need skilled people to execute those solutions. Apprenticeships and continuous career and professional development for our people therefore remain essential.

Throughout 2019, Dagon Group have ran 19 courses which involved 440 participants (10% increase over 2018). Enhancing 21st Century Skills competence was one of the focus areas and we ran a total of 19 different internal and external courses for managers and supervisors to be more innovative and collaborative skills.

Identifying talent and investing in our peoples' future will continue to be a key area of focus in 2018-2019. Our expanding network will provide further opportunities for career progression.



FLP PARTICIPANTS' SHARING PROGRAM

21st September 2019 @Mingalar Cinema Hall, Dagon Centre



Work-Life Balance Workshop by Well-Being

March 2019 @Dagon Group Training Hall

Ethical Sourcing

The Group continues to review its policies on ethical sourcing on a regular basis and works with its suppliers to improve conditions in their factories. Our intention is that all business within the Group are compliant with our Group policy and we will continue to work towards this.

Human Rights

The Group endorses the principles set out in the United Nations Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work which seek to ensure safe and fair working conditions on a global scale. Our suppliers are selected upon and contractually committed to the Group on the basis of their adherence to these principles.



Dagon Group's Rainy Season Plantation Ceremony, June 27, 2020 at Naypyitaw.

Environment

The Group embraces its responsibility to manage the impact that its business have on the environment and is committed to carry out its activities with due considerations for the potential environmental impact, both now and in the future.

Whilst we continue to ensure compliance with local government, the Group has undertaken, or invested in, a number of projects and actions to further reduce our environmental footprint. The Group has an Environmental policy which sets out our commitment to reducing pollution and advancing our environmental performance.

We adopted a variety of techniques on the project to reduce environmental impacts, the most significant of which included:

Early installation of a temporary transformer room to reduce the use of diesel generators and minimise noise, exhaust emissions and carbon footprint – approximately 60% reduction in diesel consumption. Adoption of system formwork to reduce timber use and waste – about 500m³ of timber was saved. Use of offsite rebar cut and bend – only 1.9% rebar wastage. Also use rebar waste to man hole covers and other things.

We've provided modular subcontractor offices that can be reused, have standardised parts and design fittings for easy assembly, and require no welding which is a safety benefit. It took just four man days to install six units, as opposed to the three man days it takes to install one traditional corrugated iron-type unit. We also reused concrete pile head as marking posts and re use them fencing pole.



Energy

The Group's core business as a conglomerate encompasses a variety of different segments that eventually embraces each sector. It is our aim to give customers an all-time enjoyable experience working with any subsidiary. However, the Group accepts that all our businesses must be responsible with their respective energy usage and associated carbon emissions. The Group maintains a Carbon Management Program with the following objectives:

- 1) Reduce energy usage in non-trading periods ,
- 2) Reduce energy usage through investment in improved and up-to-date technology ,
- 3) Reduce energy usage through staff awareness and training ,
- 4) Ensure all business activities are aware of their impact on energy consumption
- 5) Ensure that the program applies to all business in all territories
- 6) Purchase energy competitively from sustainable sources wherever possible

Dagon Group practice to reduce the electricity consumption as shutdown the computers if not necessary, choose the right light (LED), unplug idle electronics, turn off some lights and use natural sunlight. As result of this practices, DCSM I & II's 2019 Electricity meter usage units reduced about 8.5% than 2018 usage.

We planned to reduce the electricity usage in 2020 year about 10% than 2019. And for the future, Dagon Group plan to use Greenhouse Gas in some project areas.



Interpersonal Skills Development
Self-Awareness & True Authentic
Self (2 Days Training) October 2019
@Dagon Group Training Hall



Interpersonal Skills Development
Self-Esteem (2 Days Training)
November 2019 @Dagon Group
Training Hall



Interpersonal Skills Development
Team-Work (2 Days Training)
December 2019 @Dagon Group
Training Hall

We continue to run our Future Leader Program Programme in 2018 with its selected 40 high-potential managers and supervisors from all across our business who are engaged and understand business challenges. Future Leader Program training includes English language, leadership, team building, management methods, IT, digitalisation and presentation skills before pitching innovative ideas to our executive committee and further discussions on their career development within the company

We also began a 'Soft skills' series training programme for all employees who have worked in the Group for a minimum of 3 years, covering areas such as influencing, coaching, self-awareness and presentation skills.

The well-being of those who work for us is a key business priority, and in this year we enhanced our paid maternity and paternity leave allowance. We have also provided leave for employees for further education and trainings.

Under our new sustainability strategy, we identified diversity and inclusion (D&I) as an area for more focused effort and in the next year, we will established our first D&I champions who will begun to study issues surrounding gender as a starting point.

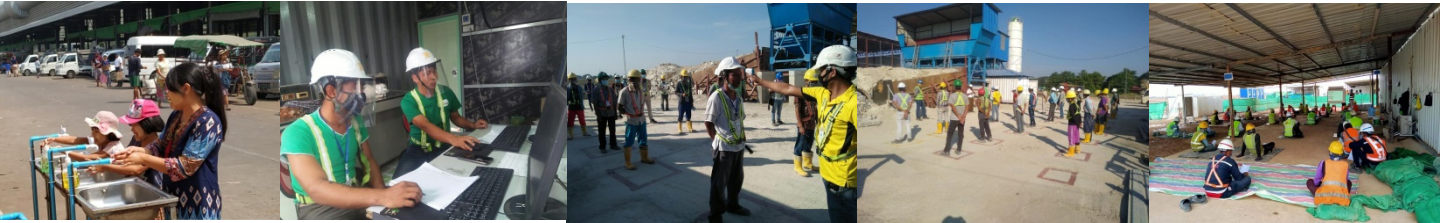
We offer employment conditions that meet or exceed the minimum legislative requirements and accepted conventions and do not use involuntary labour and under aged labour or restrict free movement of our employees. We do not allow discrimination or harassment and provide equal opportunities, with recruitment and career progression based on objective criteria, individual performance and merit. As mentioned in the Zero Harm section, we observe the rights of employees and subcontractors to a safe and healthy work place.

Dagon Sports Day 2019 was held on 2nd February 2019. About 800 Dagon Group employees attended and participated in 44 fun activities and games. We run this Sports Day annually to promote health conscienceness and to build team work.



Health And Safety

Our commitment to continuous health and safety improvement is demonstrated by: 1) The development across the Group of our induction and training programs ensuring every colleague has the competence, understanding and awareness to work safely and at a minimum risk. 2) Safety input into all our locations and investments as from design to opening. Our health and safety team conducts its own audit programs to ensure the highest safety standards are maintained during the construction phase of new existing and new projects 3) The policies and processes review process that is in place, with the aim of implementing best practice in all areas of the Group. With a continuous review of the Management Policy towards Health & Safety.

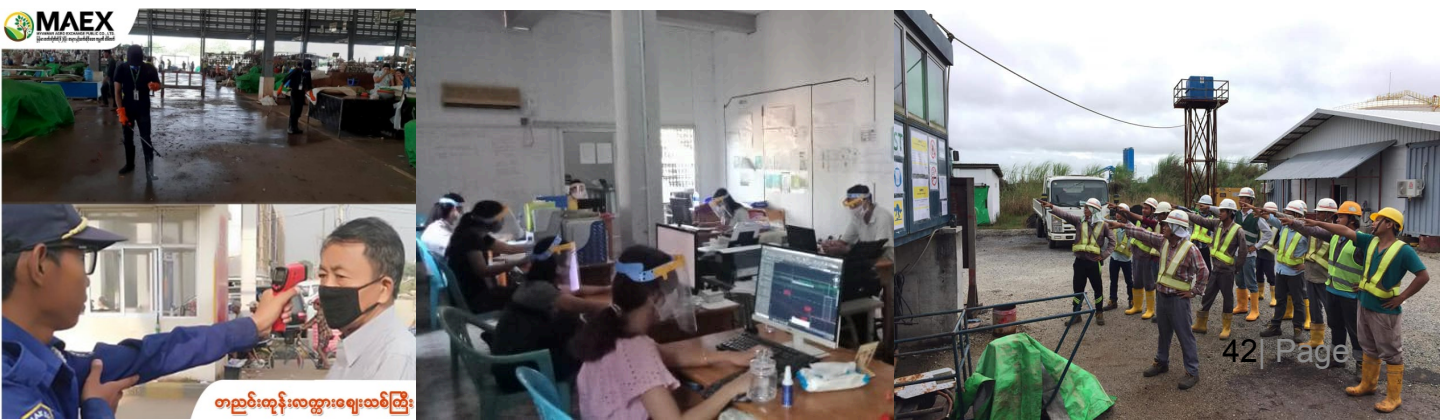


SAFETY – ZERO HARM

Key target for 2025: 25% reduction in the number of accidents on our sites

Objectives	Actions	Target 2025
1. Improve safety on our sites and our methods to reduce the number of accidents	Undertake more modular, standardized and offsite construction to reduce accidents on site and the risk of heatstroke from climate change induced warming. Enhance resilience measures to reduce risks and injuries from increases in extreme weather events.	25% reduction in the number of reportable accidents
2. Achieve zero fatalities	Remove the risk of serious and fatal injuries from our business through modern methods of construction (e.g. offsite, mechanization, and automation), detailed work sequencing, and planning for safe access. Ensure readiness for climate change induced extreme weather events.	Zero
3. Achieve zero permanently disabling injuries		Zero
4. Achieve zero injuries to our workers		Zero
5. Achieve zero injuries to members of the public		Zero

Remarks: It includes both Dagon employees and non-employees for whom we are responsible on our work sites.



Corporate Social Responsibility and Philanthropic Activities

Dagon Group also support various initiatives that are related to community livelihoods, social associations, education, religious, environment and health sectors. Likewise, we ensure that the organizations we support are reputable and trustworthy

Dagon Group spent MMK 333.8 million for FY2018-2019 and FY2019



We donated via Myanmar Construction Entrepreneurs Federation for the development of skill labour together with NSSA (National Skill Standard Authority). Hundreds of skill labour graduate from this academy every year furnishing our construction industry growing needs.



We have also supported other community projects together with MCEF. This year we have donated for the flood victims of Swar area in Bago Region, where we distributed necessary household supplies as immediate needs and later re build them housing for their security.



We sponsored for the Myanmar Licensed Contractor Association, annual general meeting where discussion were made for the development of building contractors in Myanmar in terms of construction standards, level playing field, job creation and many more.





Myanmar Clinical Psychology Consortium

We sponsored Myanmar Clinical Psychology Consortium. MCPC is a volunteer-based group of Myanmar and international mental health professionals and community partners.

The Consortium provides common ground for the psychology, psychiatry, social work, and education communities as well as other supportive entities in Myanmar to move toward the goal of developing well-trained mental health practitioners, educators, supervisors, and other mental professionals and para-professionals. MCPC is a movement.

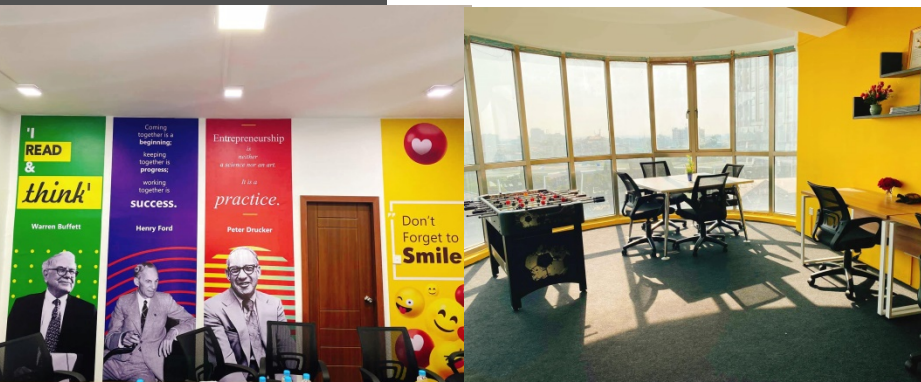
Dagon Group open up our inventories to make use as accommodation for 300 Medical Staffs who have trouble going back to their residences during medial emergency,



We sponsored Yangon Region Young Entrepreneurs Association (YRYEA). YRYEA is a regional association under Myanmar Young Entrepreneurs Association (MYEA) in 2019.

We like their Mission which is: to create a center of excellence resource platform where young entrepreneurs can learn, share and promote innovation, professionalism as well as responsible business practices.

Dagon Group support them by providing office rental with reduced rate with 70% discount of normal rate in Dagon Centre II



Dagon Group's 23rd Kahtein Donation Ceremony on October 19, 2019







Address : 262-264, Pyay Road, Dagon Centre,
#A 06-02/03, Myaynigone, Sanchaung Township,
Yangon 11111, Union of Myanmar.
www.dagon-group.com