



Ho Chi Minh City, 26 November 2020

No.: 25/2020/TTĐH-HĐQT-TCD

PROPOSAL TO SHAREHOLDERS BY THE VOTE THROUGH POSTAL BALLOT

Re: Private placement of bonds to increase the Charter Capital

**To: Shareholders of Transport and Industry Development Investment Joint Stock
Company (TRACODI)**

- Pursuant to the Law No. 68/2014/QH13 passed by the National Assembly of the Socialist Republic of Vietnam on Enterprise on 26 November 2014;
- Pursuant to the Law No. 70/2006/QH11 passed by the National Assembly on 29 June 2006 on Securitie;
- Pursuant to the Law No. 62/2010/QH12 passed by the National Assembly on 24 November 2010 on amending and supplementing a number of articles of Law No. 70/2006/QH11 on Securities;
- Pursuant to Dcree No. 58/2012/NĐ-CP passed by the Government on 20 July 2012 stipulating in detail and guiding the implementation of a number of articles of the securities law and the law amending and supplementing a number of articles of ecurities law;
- Pursuant to Decree No. 60/2015/ND-CP passed by the Government on 26 June 2015 regarding amending and supplementing a number of articles of the Decree No. 58/2012/ND-CP dated July 20, 2012 of the Government on stipulating in details and guiding the implementation of a number of articles of the securities Law and the law amending and supplementing a number of articles of securities;
- Pursuant to Circular No. 162/2015/TT-BTC of ministry of finance on 26 October 2015 regarding guidelines on public offering, stock swap, issuance of additional stocks, repurchase of stocks, sale of treasury stocks and tender offer;
- Pursuant to the Charter of Transport and Industry Development Investment Joint Stock Company (TRACODI) passed by BOD (under Appointment of Proxy of the AGMs on 20 May 2020) on 16 September 2020 (which was amended and supplemented at its 12th session);
- Based on actual situation and business plan 2020 of the Company;

Board of Directors of TRACODI kindly submits to the General Assembly of Shareholders to consider private placement of bonds to increase the Charter Capital in 2020 as follows:

A. COMPANY INFORMATION BEFORE SHARE ISSUANCE

- Registered name in Vietnamese: Công ty Cổ phần Đầu tư Phát triển Công nghiệp và Vận tải.
- Registered name in English: Transport and Industry Development Investment Joint Stock Company.
- Securities symbol: TCD
- Head office: 89 Cach Mang Thang Tam, Ben Thanh Ward, District 1, HCM City
- Tel: (84 28) 38330314 Fax: (84 28) 38330317
- Chartered Capital: VND 472,945,900,000 (In words: Four hundred seventy-two billion nine hundred forty-five million nine hundred thousand dong).
- Number of shares have been issued up to now: 47,294,590
- Number of outstanding shares up to now: 47,294,590
- Number of treasure stock: 0

B. PRIVATE PLACEMENT OF BONDS TO INVESTORS

- 1. Share name:** Transport and Industry Development Investment Joint Stock Company share.
- 2. Securities symbol:** TCD
- 3. Type of share:** Command share
- 4. Face value:** VND 10,000 per share
- 5. Chartered Capital:** VND 472,945,900,000
- 6. Number of outstanding shares:** 47,294,590
- 7. Number of shares offeres:** 35,000,000 (in words: Thirty-five million shares)
- 8. Issuing rate (number of shares expected to issue / number of outstanding shares):** 74%
- 9. Total offering value at par value:** VND 350,000,000,000 (In words: Three hundred fifty billion dong)
- 10. Expected Charter Capital after issuance:** VND 822,945,900,000 (In words: Eight hundred twenty-two billion nine hundred forty-five million nine hundred thousand dong)
- 11. Purpose of issuance:**
 - To enhance capital capacity to be commensurate with existing total assets of the Company;
 - To have working capital for business activities of the Company.
- 12. Form of issuance:** Private placement.

13. Investor's criteria:

Investors have financial capacity or expertise in securities field, they should meet following criteria:

- Commercial banks, foreign bank branches, finance companies, insurance companies, securities companies, fund management companies, investment companies, investment funds, international financial institutions, off-budget

funds, and financial institutions who allow to purchase securities in accordance with relevant laws;

- Companies with charter capital of over VND 100 billion, listing organizations and transaction registration organizations;
- Individuals with securities practicing certificate; and
- Individuals with a securities portfolio value of at least VND 2 billion.

14. Subject of issuance:

Based on the actual business situation of the Company, the investment market in general the Board of Directors select investors who meet our criteria as follows:

- Number of investors: seven (7)
- List of investors:

No.	Investor name	ID/ Business Registration Certificate	Relationship with the Company	No. of shares registered to purchase	Transfer retriCTION period
1	Bamboo Capital JSC	0311315789	Holding company	18,000,000	3 years
2	Helios Service and Investment JSC	0311656651	Partner	9,500,000	1 year
3	Nguyen Ho Nam	024933000	Internal person	3,000,000	3 years
4	Nguyen Thanh Hung	079078013456	Internal person	2,000,000	3 years
5	Le Thi Mai Loan	023477081	Internal person	2,000,000	3 years
6	Nguyen The Tai	022768212	Internal person	250,000	3 years
7	Bui Thanh Lam	031080002380	Internal person	250,000	3 years
	Total:			35,000,000	

15. Price calculation method:

- **Book value as at 30 September 2020 which shown in Q3/2020 Separate and Consolidated Financial Statements:**

$$\begin{aligned}
 &\text{Book value} = \frac{\text{Owner Equity}}{\text{No. of outstanding shares}} \\
 &\text{Book value (Separate Financial Statement)} = \frac{533,419,368,165}{47,294,590} = \text{VND } 11,279 \\
 &\text{Book value (Consolidated Financial Statement)} = \frac{576,651,155,954}{47,294,590} = \text{VND } 12,193
 \end{aligned}$$

- **Face value (market price):** during the period of 5 October 2020 to 30 October 2020, TCD average close price was VND 9,897 over 20 consecutive trading sessions (find date at website: www.hsx.vn).

Pursuant to Article 125 of Law on Enterprise: "The Board of Directors shall make decision on the time, method and offering price of shares. The offering price of shares must not be lower than the market price at the offer time or the latest book value of shares "

To ensure a successful offering, the Board of Directors propose the price to investors is: **VND 10,000 per share.**

16. Total mobilized capital at the estimated selling price: VND 350,000,000,000 đồng.

17. Transfer of rights to buy shares: Transfer of rights to buy shares is not allowed.

18. Transfer restriction: Shares are restricted from transferring for at least 1 year, and the transfer restriction period of each investor shall be detailed in Section 14.

19. Expected issuance time: Q4/2020 – Q1/2021.

20. Handling the number of undistributed shares (if any): The entire number of undistributed shares will be canceled.

21. Plan for the use of capital:

The entire amount of VND 350 billion, expected to be collected from the offering, will be used for purposes as below:

No.	Purpose	Method	Amount (billion dong)	Disbursement time	Note
1	Additional capital to implement King Crown Infinity project under the contract signed with the investor - Gia Khang Trading Service Investment Joint Stock Company	Make payment to subcontractors, suppliers.	350	Q1, Q2 and Q3/2021	The company is working on subcontractors, suppliers.
	Total:		350		

Shareholders authorizes the Board of Directors to build a detailed capital use plan and allows BOD to adjust the capital use plan in accordance with actual business situation. BOD follows procedure of information disclosure in compliance with the laws.

22. Plan to handle in case of insufficient capital:

Shareholders authorized the Board of Directors to self-balance and make decision on the capital again from issuance or propose a plan which based on actual situation of the Company and in accordance with the laws.

C. AMENDMENTS TO THE CHARTER AFTER CAPITAL AGAIN FROM SHARE ISSUANCE

Amend Clause 1 Article 5 of the Charter of the Company after private placement of shares has been done.

D. ADDITIONAL REGISTRATION AND DEPOSITOTY AT VIETNAM SECURITIES DEPOSITORY IN HO CHI MINH CITY AND LISTING ON HOCHIMINH STOCK EXCHANGE

To make additional registration and depository at the Vietnam Securities Depository in Ho Chi Minh City (VSD) and list on the Hochiminh Stock Exchange (HSX) for all of additional ordinary shares issued.

Shareholders authorizes BOD to carry out the necessary procedures at the Vietnam Securities Depository in Ho Chi Minh City (VSD) and list on the Hochiminh Stock Exchange (HSX) in compliance with the laws.

E. AUTHORIZATION

BOD kindly propose shareholders for consideration and approval of the issuance plan and authorization to BOD:

- To choose appropriate time to prepare neccesary documents execute the plan for issuance;
- Implement the plan to use the proceeds from the issuance in corresponding with the purpose, to ensure the interests of the shareholders and the Company; Comply with the laws and report to Shareholders at the nearest General Meeting of Shareholders;
- Adjusting the selling prices in case the offering price is e not appropriate;
- Decide the detailed capital use plan including adjusting the plan of capital use in corresponding with the actual situation of the Company and report to shareholders in the coming AGMs;
- Update the Business Registration Certificate and admend the Charter of the Company after successful issuance;
- In case any changes in the law in relation with private placement, shareholders authorize BOD to amend, supplement the plan and documents in compliance with the laws;
- In addition, during the execution of the issuance plan, shareholders authorize BOD to amend, supplement, complete part of full of the issuance plan in corresponding with actual situation of the Company or under request of state agent to ensure the success and in compliance with the laws to ensure the interest of shareholders;
- Perform other works related to issuance

Kindly submit to shareholders for consideration and approval.

Yours sincerely,

Recipients:

- The AGM;
- Archived: BOD, BS Dept.

**FOR AND ON BEHALF OF BOD
CHAIRMAN**

(signed & sealed)

Nguyen Ho Nam