



Ho Chi Minh City, 4 June 2020

No.: 21/2020/TTĐH-HĐQT-TCD

PROPOSAL

Re: Adjustment to issuance of convertible bonds to strategic investors

To: Shareholders of 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 Securities; 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 the Charter of Transport and Industry Development Investment Joint Stock Company (TRACODI) approved by shareholders on 20 May 2020 (which was amended and supplemented at its 11th session);
- Based on current situation of TRACODI;

On 6 May 2020, the Board of Directors of the Company has collected shareholders' opinions in writing on issuance of convertible bonds to strategic investors and the AGM approved with 86.02% in favor of total voting from shareholders of the Company, **the result has been shown in Resolution No. 02/2020/NQ-DHDCD-TCD dated May 20, 2020.** However, considering the current market situation and the capital needs for running business, the Board of Directors has realized that this time is good time to increase capital from strategic investors for running the business which is expanding quickly. Therefore, the Board of Directors seek for approval from the General Meeting of Shareholders to adjust the plan of convertible bond issuance, which was passed by the AGM through the Resolution No. 02/2020/NQ-DHDCD-TCD dated 20/05/2020. The adjustment is as follows:

1.	The issuer	Transport and Industry Development Investment Joint Stock Company
2.	Name of bond	Transport and Industry Development Investment Joint Stock Company Convertible Bond
3.	Type of bond	Convertible bonds without secured assets may be converted into ordinary shares
4.	Bond code	TCD-CB2020
5.	Method of issue	Bonds are issued separately to strategic investors, which are guaranteed to be less than 100 investors excluding professional

		investors, that prescribed in Decree No. 163/2018/NĐ-CP on December 4, 2018. - Bonds issued will be sold directly to investors
6.	Form of bond	Bonds are issued in the form of book entries
7.	Currency of issue and payment	Vietnam Dong
8.	Face value of a bond	VND 1,000,000 (One million Vietnam Dong) per bond
9.	Total issue value of at the face value	VND 250,000,000,000 (<i>Two hundred fifty billion Vietnam Dong</i>)
10.	Number of shares registered for sale	250,000 (<i>Two hundred fifty thousand bonds</i>)
11.	Interest rate (coupon)	Fixed interested rate up to 6% per year. Authorize BOD to make decision the interested rate in accordance with company situation and the market at the issuance time.
12.	Issue price	100% face value
13.	Purpose of issuance	(i) Increase operating capital of the issuing organization (ii) Invest in projects of the issuing organization
14.	No. of issuance time	One time
15.	Bond Term	3 (three) years from the issue date of a bond. <ul style="list-style-type: none"> • The issue date is the day that collection from bond holders has been done, including handling bonds that are refused to purchase and bonds that have not been registered; • Due date: after 03 (three) years from the Issue Date.
16.	Interest payment term	Once a year Bond interest is paid later, once a year from and including the issue date and/or the first interest calculation date of such interest term to but excluding the first interest calculation date of the next interest term and/or the due date or the other due date to convert a bond; In case a bond holder sends the conversion request before the interest payment date, the bond holder shall not receive the bond interest from the latest interest payment date to the conversion date for the number of bonds registered for conversion; In case the interest payment date, the due date, another due date to convert a bond aren't a working day, the payment/redemption of the bond interest, the conversion of the bond shall be made on the working day next to such day and in such case, the bond will continue to be subject to interest at applicable interest rate of the corresponding interest term until but excluding the payment/redemption and conversion date of such bond.
17.	Time to offer for sale	Expected in 2020 upon the approval from the State Security Commission of Vietnam.

18.	Who allowed to purchase	<p>* Strategic investors</p> <p>* Criteria for selecting buyers:</p> <ul style="list-style-type: none"> - Organizations or individuals, who have strong financial capability, have the same prospect in terms of long-term investment and development strategy of TRACODI; - Minimum bonds to be purchased are 250.000. - Ownership ratio, after converting into shares, shall be in accordance with the laws. - The AGM authorizes to BOD to select suitable investors.
19.	Rights and number of bonds are allowed to convert	<p>After 1 year (one year) from issuance date, bond owners have rights to convert bonds;</p> <p>Maximum 3 (three) years from issuance date, bond owners must convert all issued bonds;</p> <p>At the due date, if the bond owners do not convert or partially their bonds, then the right to perform the rest conversion will be included in the next conversion period.</p> <p>The General Meeting of Shareholders shall authorize the Board of Directors to build conversion plan in details.</p>
20.	Expected conversion price	<p>Conversion price is expected to be at least VND 12,500 par value (Twelfth thousand fifty hundred dong per share);</p> <p>Conversion prices may be adjusted according to the Bond Conditions to reflect the stock dilution. The actual conversion price, which based on agreement between BOD and bond owners, will be decided by the Board of Directors;</p> <p>The General Meeting of Shareholders authorizes the Board of Directors to work with Investors on issues relating to conversion prices, conversion rates and related matters.</p>
21.	Anti-Dilutive Provision	<p>During the period from bond issuance to conversion, to ensure bond owners' interests, the convertible bond price will be adjusted in proportion with TCD shares prices listed on the Stock Exchange in the cases where the issuer:</p> <ul style="list-style-type: none"> (i) Issuance of bonus shares to existing shareholders; (ii) Issuance of shares for existing shareholders at a price is lower than market price at the time of issuance; (iii) Paying share dividends; <p>Conversion price will be adjusted according to the following formula:</p> <p><i>Adjusted conversion price = Conversion price being applied * PRt / PR (t-1)</i>, in which:</p> <p>PR (t-1): Is the transaction price of TCD before the trading day does not enjoy the above rights;</p> <p>PRt: Is the transaction price of TCD at the trading days without the above rights;</p> <p>The conversion price will be adjusted to ensure it will not be lower than the face value.</p>

22.	Conversion ratio	<p>The number of shares received, when converting a bond, will be calculated by the following formula: $S = M/P$</p> <p>In which:</p> <ul style="list-style-type: none"> (i) S: number of shares received when converting 1 bond (ii) M: is the par value of a bond and is VND 1,000,000 (one million dong) (iii) P: conversion price takes effect at the time of conversion <p>Attached to the condition is (a) the total number of shares, that bond owner receives when converting his bonds, will be calculated on the basis of the total bonds used to convert (the request has been sent to the issuer) multiply (x) with conversion rate and if it is not an integer, it is rounded down to the nearest integer and (b) the issuer will not issue shares for the part decimal fraction of shares (if any) and also does not pay any amount for that decimal fraction.</p>
23.	Principle of rounding the number of Convertible shares	<p>When calculating the number of shares that the bond owner has the right to convert, if the result is a decimal number, it will be rounded down to the nearest integer.</p> <p>When calculating the number of shares into which a bond holder is entitled to convert, if the result is a decimal figure, it will be rounded by deleting decimal fraction. The decimal fraction of the number of shares shall be treated as stipulated by Bond conditions.</p> <p>For example: if the number of convertible shares is 8,689.7, it will be rounded into 8.689 shares.</p>
24.	Restriction of bond transfer	<p>TCD Convertible bonds are restricted from transfer 01 (one) year from the Issuing Date. After 1 year from the issue date, bonds are freely transferred;</p> <p>Limit transfer of shares converted from bonds: Unless otherwise stipulated by law, the number of shares converted from this bond is a free transfer of shares.</p>
25.	Conversion conditions for foreign investors	<p>At the time of conversion, foreign investors, who own convertible bonds, are entitled to convert them into shares in accordance with the provisions prescribed in this plan and comply with the current regulations on the foreign investors' ownership ratio in Vietnam;</p> <p>Transport and Industrial Development Investment Joint Stock Company will send a "proposal to block foreign ownership ratio", corresponding to the total amount of converted shares calculated on the basis of complete conversion, to the State Securities Commission to temporarily freeze the remaining ownership ratio in accordance with the regulation on the limit of foreign ownership</p>

26.	Share issuance for bond conversion (if any)	At the conversion time, the Company will issue additional shares for the number of bonds to be converted and will increase its charter capital in proportion to the number of shares issued for the purpose of conversion ("converted shares").
27.	Capital use purpose	<p>The proceeds from the issue are used to invest in the following projects:</p> <ul style="list-style-type: none"> - Solar projects: estimated as VND 50 (fifty) billion; - Infrastructure projects: estimated as VND 50 (fifty) billion; - Real estate projects: estimated as VND 100 (one hundred) billion. - Additional capital to implement construction projects: estimated as VND 50 (fifty) billion. <p>The General Meeting of Shareholders authorizes the BOD to capital to build plan that meets the actual needs of the Company.</p>
28.	Capital for payment of bond principals and interests	Stable revenues come from commercial activities, from distributed earnings from subsidiaries and associated companies, and from projects that invested effectively by the Company ensuring the Company to have sufficient cash to ensure payment of bond interest will be paid in full and in timely manner, upon due date of bond, and to pay other obligations of the Issuer relating to bonds.

Kindly submit to the General Assembly of Shareholders for consideration and approval.

Kind regards,

Recipients:

- Shareholders;
- Archived: BOD, BS Dept.

FOR AND ON BEHALF OF BOD

CHAIRMAN

(signed and sealed)

Nguyen Ho Nam