

**TRANSPORT AND INDUSTRY DEVELOPMENT INVESTMENT
JOINT STOCK COMPANY**



TRACODI

**REPORT ON OPERATION
OF THE BOARD OF DIRECTORS IN 2019
AND ORIENTATIONS OF THE 2020 PLAN**

Ho Chi Minh City, June 2020



Ho Chi Minh City, June 04, 2020

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**REPORT ON OPERATION OF THE BOARD OF DIRECTORS
IN 2019
AND ORIENTATIONS OF THE 2020 PLAN**

To: The Shareholders of TRACODI

The Board of Directors (BOD) of TRACODI would like to report to the General Meeting of Shareholders (GMS) on the performance of the Board of Directors in 2019 and orientations for the 2020 plan with the following contents:

I. ACTIVITIES OF THE BOARD OF DIRECTORS IN 2019:

1.1 Activities:

Carrying out the leadership and direction duties in accordance with the law and the Company's Charter, in 2019, the Board of Directors approved many major guidelines and decided many important issues of the Company in order to implement the targets assigned by the General Meeting of Shareholders. Standing role of the Board of Directors for the term of 2018-2023 has implemented the right and duties assigned by the Annual General Meeting of Shareholders in 2018 approved by Proposal No. 16/2018/TT-HĐQT-TCD dated May 28, 2018 of the Board of Directors. Accordingly, actively promoting and effectively operating the Standing Board of Directors, promptly deciding issues arising in the Company's operations or other matters in periodic or

- The Board of Directors held regular and irregular meetings from time to time to approve timely policies to meet organizational structure, human resources, investment projects, capital contribution, transactions on mobilizing capital, develop action plans, issue governance regulations, internal regulations, etc. ... The meetings of the Board of Directors are organized and conducted in accordance with the Company's Charter. Resolutions and decisions of the Board of Directors are based on the consensus and high consensus of the permanent members of the Board of Directors. During the year, the Board had 27 meetings (including gatherings and consultation) and issued 46 resolutions and decisions.
- Supervising the management and administration of the Board of Directors and the Company's managers through organizing the implementation of the business and production plan in 2019. The supervision of the Executive Board regularly and promptly gave guidelines and orientations to remove difficulties and shortcomings in production and business activities to complete the tasks.
- Directing and supervising the information disclosure to ensure timely and complete according to the provisions of Circular 155/2015/TT-BTC; relations with shareholders, ensuring the rights of all shareholders.

- Directing and supervising the Company's administration on the basis of 04 basic values: High transparency; Accountability; Responsibility and Justice.
- Directing the implementation of social support, sharing responsibility with the local community, especially the localities where the Company has implemented the project.
- Direct and supervise the organization of personnel attending training courses, specialized training to improve their professional qualifications; organize unions, competitions, sports events, and connect all employees of Bamboo Capital Group through activities that enhance the strength of solidarity, both coordinate work and improve spirit life for employees.
- Activities of the Board and members of the Board of Directors are always loyal to the interests of Shareholders and the Company. Performing well the duties and duties in a spirit of responsibility, honesty, prudence and in accordance with the provisions of law and the Company's Charter to ensure that the Company operates efficiently, stably and increasingly.

1.2 Implementation of Resolution of Annual General Meeting of Shareholders 2019:

The BOD has directed the comprehensive and timely implementation of the contents adopted in the Resolution of the Annual General Meeting of Shareholders in 2019, specifically as follows:

- Completing the production and business targets in 2019 approved by the General Meeting of Shareholders (reported in section 1.3 below).
- Profit distribution in 2018, in which the Company paid dividends to shareholders is 15%/charter capital (of which, 5% paid in cash and 10% paid in shares) in accordance with provisions of law.
- Issuing shares under the selection program for employees in the Company (ESOP) Based on the results completed and exceeded the plan for 2018.
- Increasing charter capital The Company's additional 40,721,780,000 VND (Forty billion seven hundred and twenty one thousand seven hundred and eighty VND) due to the issuance of shares to pay the dividends in 2018 to the existing shareholders of TRACODI Company on October 11, 2019 and issue shares under the Company employee selection program (ESOP) to transfer stock ownership on October 28, 2019.
- Selection of Southern Auditing & Accounting Financial Consulting Services Company (AASCS) is the entity that performs the audit of the separate financial statements and the consolidated financial statements for the semi-annual period and for the whole of 2019.
- Promulgating the Company's Charter (amended and supplemented for the 9th time) after the 2019 Annual General Meeting of Shareholders approved the amendments and supplements to some contents and the Company's Charter (amended and supplemented for the 10th time) upon completion of increase of charter capital due to the issuance of shares to pay dividends in 2018 and the issuance of ESOP shares under the selection program for employees in the Company.
- Promulgating the Regulation on Organization structure of the Company (amended and supplemented a number of articles) due to the Company's operating structure

with the core business of building and separating the status quo of the Trade Division under TRACODI Trading & Consulting JSC and assigning, appointing members of the Executive Board in accordance with the new situation.

- Approve decisions on appointment and dismissal of managers under the authority of the Board of Directors: Change Chief Accountant, appoint Director of Infrastructure, Civil and Industrial Construction Division.
- Approving the resolutions to contribute capital to establish Tapiotek JSC, Nong Thon Viet Energy Corporation, TRACODI Trading & Consulting JSC to contribute additional capital due to the increase of charter capital of BCG Land JSC ... and to appoint capital representatives TRACODI's contribution in these companies.
- Approving resolutions on borrowing, transferring shares ... to supplement capital to implement projects, capital for production and business and capital to focus on core activities of the Company.

1.3 Evaluation of the Company's performance in 2019:

Despite facing many difficulties, challenges, fierce competition of the market economy, our country's socio-economy in 2019 takes place in the context of the world economic growth slowdown and potential unpredictable factors, global trade increased more slowly due to changing policies during the US-China trade war. But with the spirit of solidarity, consensus, striving, creative labor, promoting intellectual strength of collective strength, it can be said that 2019 is the 4th consecutive year of remarkable success since after the restructuring period of TRACODI Company. Specifically, the figures on the consolidated results of production and business activities with the following basic criteria:

Unit: Million dong

| No. | Content | Actual 2018 | Plan 2019 | Actual 2019 | Rate % Actual 2019/ Plan 2019 | Rate % Actual 2019/ Actual 2018 |
|-----|--|--------------------------------------|-----------|--------------------------------------|-------------------------------|---------------------------------|
| 1 | Revenue from business activities | 875,265 | 1,053,305 | 1,701,004 | 161.49% | 194.34% |
| 2 | Net profit from production and business activities | 106,124 | 108,373 | 118,048 | 108.93% | 111.24% |
| 3 | Profit before tax | 104,313 | 108,373 | 121,450 | 112.07% | 116.43% |
| 4 | Profit after tax | 81,858 | 86,699 | 94,989 | 109.56% | 116.04% |
| 5 | Dividend distribution | 15% (10% in stock and 5% in cash) | 20% | 16% (11% in stock and 5% in cash) | 80.00% | 107.00% |

In general, all production and business targets in 2019 have exceeded the assigned plan:

- Implemented revenue was 1,701 billion dong, reaching 161% of the 2019 plan and up 94% compared to the performance in 2018. This is a remarkable effort of

construction activities in promoting the construction of real estate projects, renewable energy and commercial business of key products of member companies of Bamboo Capital Group.

- Breaking profit target continues to be the 5th consecutive year of effective operation since the restructuring of the joint stock company. Profit after tax was 95 billion dong, reaching 109% of the plan for 2019 and increase 16% compared to the performance in 2018.
- The 2019 Annual General Meeting of Shareholders has approved the 2019 dividend distribution plan of 20%. As the situation of Covid-19 epidemic became more and more complicated and difficult to evaluate, affecting some business lines of the Company, the Company needed to retain profits to re-operate production and business, conserve capital source; therefore, at the Annual General Meeting of Shareholders in 2020, the Board of Directors submitted a plan for dividend distribution in 2019 of 16%, in which: 11% by stock to increase charter capital to implement major projects in 2020 and 5% in cash. Therefore, if approved by the General Meeting of Shareholders, the dividend distribution target in 2019 will reach 80% compared to the plan in 2019 and increased by 7% compared to Actual in 2018. This is the effort of the Company and we look forward to receiving the support of our Shareholders to overcome the common difficulties together.

The results of the above recognition data show the continuous efforts of TRACODI's managers and employees in the trend of integration, innovation, business improvement towards more professionalism, sustainable development, and affirming the position of TRACODI in Vietnamese market. Achievements of TRACODI and member companies achieved in 2020 include:

1. For the second consecutive year TRACODI was honored in the VNR500 ranking **“Top 500 Vietnamese Biggest Enterprises in 2019”**;
2. The first year TRACODI is ranked 302 in **“Top 500 Vietnam's most profitable businesses in 2019”** (PROFIT500) - Representatives who have achieved impressive business results, have good profitability, and have the potential to become a pillar for the future development of Vietnam's economy.

1.4 Evaluation of the management of the General Director and the management staff of the Company:

- The General Director grasped the resolutions of the Board of Directors and the General Meeting of Shareholders, proposed specific and creative solutions to implement the resolutions and decisions of the General Meeting of Shareholders and the Board of Directors in a timely manner.
- The General Director has operated production and business activities of the Company in strict compliance with the laws and regulations of the Company. The members of the Board of Management have always demonstrated their competence, professional qualifications and responsibility to well perform the assigned tasks.
- The General Director often reports to the Board of Directors on the situation of production and business as well as the situation and other activities of the Company so that the Board of Directors can give timely guidance. Thereby, the

Board of Directors closely supervises the General Director and the management staff in performing the assigned tasks.

- In general, the Board of Management and the Company's managers are a united, cohesive group, helping each other well fulfill the tasks of administration and administration of the Company. Exceeding the planned targets in 2019 is a remarkable result of the Board of Management and the management staff.

1.5 Remuneration and operating expenses of the BOD:

- Remuneration for members of the Board of Directors in 2019 is implemented in accordance with the Resolution passed at the Annual General Meeting of Shareholders in 2019.
- The operational expenses of the Board of Directors are in compliance with the Company's Charter and internal regulations.

II. ORIENTATIONS FOR ACTIVITY PLAN OF THE BOARD OF DIRECTORS IN 2020:

2.1 Forecast of Vietnam's socio-economic situation in 2020:

According to the latest forecast of the International Monetary Fund, under the impact of pneumonia caused by the new strain of Corona virus (Covid-19), the global economy may witness a decline to level 3, 3%, this is also the lowest growth rate of the world economy since 2009 and it is too early to assess the full impact by Covid-19.

The Covid-19 epidemic continues to be complicated, unpredictable, increasingly widespread, prone to outbreaks in many countries and regions around the world and has a strong impact on the global economy. countries for which Vietnam is no exception. According to the Ministry of Planning and Investment, in the case of epidemic control in the second quarter of 2020, the forecast growth is 5.96%, reducing 0.84%. Many groups of industries have been affected, such as: tourism, import and export of goods, transportation, education ... have a strong impact on many aspects of our country's life, economy and society. Facing the above situation, many businesses are facing the risk of bankruptcy or entering the stage of large-scale personnel reduction taking place globally.

Among the aforementioned affected sectors, there are at least 04 areas of operation under the operational potential of TRACODI and its member companies, including: (1) Construction - Stretching the construction schedule; (2) Trade - import-export of goods was delayed; (3) Education and training - activities to send workers to work abroad for a definite time; (4) Freight - passenger transport activities by taxi ...

2.2 Business targets in 2020:

Unit: Million dong

| Targets | Perform 2019 (consolidated) | Plan 2020 (consolidated) | Rate Plan 2020 /Actual 2019 |
|-------------------|--|---|--|
| Net sales | 1,701,004 | 1,923,586 | 113.1% |
| Profit before tax | 121,450 | 126,666 | 104.3% |
| Profit after tax | 94,989 | 101,333 | 106.7% |
| Dividend | 16% | 10%-15% | 67%-94% |

2.3 Operational orientations of the Board of Directors in 2020:

2020 is the year marking the 30th anniversary of the founding of TRACODI Company - considered as an important pivotal year in the journey to continue the history of establishing and developing the TRACODI brand sustainably.

Based on the forecast of the situation of intermingling difficulties and opportunities in production and business activities, right from the beginning of 2020, the Board of Directors and the Board of Management found that it is necessary to make more efforts and efforts in the management and run the Company, thoroughly solve the limitations to bring the TRACODI brand to continue to develop sustainably, ensure efficient business, preserve and develop capital, ensure maximum benefits of shareholders, benefits, good working conditions for employees and positive contributions to the community and society.

Based on the above comments, and based on the centralized operating mechanism from the Parent Company - Bamboo Capital Group, the Board of Directors directs the operation for the Company in 2020 to implement the “dual task” as both preventing and combating Covid-19, while excellently fulfilling the set objectives and tasks, specifically:

1. Absolutely not subjective, neglected, irresponsible in the prevention of Covid-19 epidemic. Comply with all epidemic prevention measures recommended by the Ministry of Health to protect the health of self, family, colleagues and social community.
2. Focusing drastically on the implementation of targets and tasks of production and business in 2020. Each employee is always aware of the ideology, actions, promoting the tradition of solidarity, cooperation with the sense of highest sense of responsibility, striving for 120% of the ability to successfully accomplish goals and tasks on business production.
3. Continuing to strengthen the organizational structure with the core activities at TRACODI is to build works, continued to execute Malibu, King Crown, Solar 100 MWP projects, and deploy new projects such as: Amor Garden, Casa Marina 2, Lavender, attic solar energy, gradually brought TRACODI brand to develop as one of the leading construction companies in Vietnam.
4. Consolidating and developing operations of member companies and associated companies, including:

- TRACODI Labour: Continuing to grow the Japanese market, expanding joint training activities; expand the export direction of German market under the Leipzig program associated with Long An province; Maintain the brand name among the leading businesses in sending workers abroad in Vietnam.
 - ANTRACO Joint Venture Company Limited: Maintaining the development speed, maintaining the ANTRACO brand, affirming the leading position in the Mekong Delta region with a variety of models, high compressive strength, meeting the specifications for the major and key works in the Delta
 - Tapiotek Joint Stock Company: Stabilizing production activities to ensure capacity of over 2,000 tons/month, high quality products, balancing the market share of supply for 50% of the domestic and 50% of foreign countries, anticipating the following business and production opportunities. Covid-19 season.
 - TRACODI Trading & Consulting Joint Stock Company: Focus on trading key products from the common resonance activities in Bamboo Capital Group such as: Tapiotek modified starch, coffee with Dr. Nam brand, Nguyen Hoang exterior wooden furniture, supplying Antraco stone products, providing construction materials, interior and exterior equipment for BCG Land real estate projects, renewable energy equipment for BCG Energy, and many other potential commercial items.
 - BCG Land Joint Stock Company: Striving to be one of the leading real estate businesses in Vietnam, continuing to market the resort product lines in favorable locations throughout Vietnam with outstanding quality, class, most reasonable price, becoming the indispensable choice of customers wishing to own desirable real estate products with the motto "High-class convalescence - Profitable investment".
 - VinaTaxi: Make more efforts to find ways to survive and develop in a new competitive situation, accelerate the rooftop energy project in the factory area of Tan Binh Industrial Park.
5. Focusing on training, coaching, improving business management capacity for the management team at the Company, continuing to apply advanced management tools to suit the requirements of international integration; Striving to bring TRACODI brand to participate in the Quality Sustainability Report and meet international practices according to GRI Standard 2020.
 6. Take care of the physical, cultural and spiritual life for the Company's employees, pay attention to income, benefits and create favorable and cohesive working conditions so that employees have a higher spiritual and cultural life.
 7. In addition to focusing on brand development, TRACODI continues to develop social relationships, share community responsibilities, associate business activities with localities where the Company's project is developed, interested in the local social security and considered it as not only the responsibility of the business but also a long-term survival factor.
 8. Orientation of developing good relationships with investors and shareholders, ensuring the level of annual dividend for shareholders is not lower than 10%. Paying attention to the market capitalization of the company to welcome the Company's shares, the company's stock value soars, creating a high business

value, showing the maximum care and protection of the legal rights of the Shareholders.

9. Organizing emulation activities, making achievements to celebrate the 30th anniversary of the founding of TRACODI Company (October 30, 1990 - October 30, 2020).

Promoting the achievements of 2019, the economy in 2020 is expected to have unpredictable fluctuations, risks and challenges before the situation of Covid-19 disease at the time of reporting is increasingly complicated. complicated, unpredictable ... but the Board of Directors believes that with the confidence of shareholders, investors, customers, the companionship of the staff, the drastic focus orientation of Bamboo Capital Group ... will be a great resource to help the Company overcome challenges, promote all potential and internal resources, ready to seize new opportunities to achieve more results in the path of conquering the peak of TRACODI's 30-year career.

On behalf of the Board of Directors, I would like to express my sincere thanks to all customers and partners for your trust and cooperation with the Company; Thank all employees of the Company for their continuous efforts to contribute to the overall success of the Company; At the same time, I would like to express my sincere thanks to the shareholders who have always accompanied and supported the Board of Directors in the past year so that we can fulfill the tasks assigned by the shareholders.

Wishing you lots of health, happiness and success!

Best regards,

Recipients:

- General Meeting of Shareholders;
- Archive: Board of Directors, Department of Business Cooperation.

**FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS
CHAIRMAN**

(signed & sealed)

Nguyen Ho Nam