

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



**TRACODI**

**REPORT  
PRODUCTION AND BUSINESS  
ACTIVITIES IN 2021 SUMMARY AND  
BUSINESS PLAN  
IMPLEMENTATION IN 2022**

*Ho Chi Minh City, March 2022*

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



**TRACODI**

**Socialist Republic of Vietnam  
Independence-Liberty-Happiness**

*Ho Chi Minh City, March 24, 2022*

No: **01/BCĐH-HĐQT-TCD**

**PRODUCTION AND BUSINESS ACTIVITIES IN 2021  
SUMMARY AND BUSINESS PLAN IMPLEMENTATION IN  
2022 REPORT**

**PART I  
REPORT AND EVALUATION OF PRODUCTION AND BUSINESS  
ACTIVITIES IN 2021**

**I. MACROECONOMIC DEVELOPMENTS IN 2021:**

In 2021, the COVID-19 pandemic continues to immensely affect the production and business activities of every country in the world. In Vietnam, the COVID-19 outbreak from the end of April 2021 with the new dangerous rapidly spreading variant has brought baneful influence to people's lives, safety and socio-economic development. In this context, Vietnam has gradually overcome this challenging period thanks to the unified leadership and the fierce direction of the Government, the consensus of all levels, branches and localities, the support, sharing and active participation of the business community.

Some outstanding indicators of Vietnam's economy achieved in the past year are as follows:

**1.1 Gross domestic product (GDP) increased by 2.58%:**

According to the General Statistics Office, gross domestic product (GDP) in 2021 is estimated to increase by 2.58% compared to the same period in 2020. In particular, the first quarter (Q1) increased by 4.72%; Q2 increased by 6.73%; Q3 decreased by 6.02%; Q4 increased by 5.22%. In the context of the pandemic severely affecting all sectors of the economy, especially in Q3 of the year, key economic localities must implement prolonged social distancing. Therefore, GDP in 2021 is estimated to increase by 2.58% which is a great success of Vietnam in disease prevention, and business production maintenance.

**1.2 Agriculture:**

In 2021, the agricultural sector will continue to play the role as a "pedestal" of the economy. During the pandemic, there were times when the supply chain and consumption of agricultural products were broken, the agricultural, forestry and fishery sectors maintained a decent growth rate, reaching 2.9%, contributing 13.97% to the growth rate of total added value of the economy. In particular, the development of the agricultural sector, which has made an important contribution to agricultural exports in 2021, reached 48.6 billion USD (up 14.9% compared to 2020), breaking

all previous records. In 2021, there will continue to be 10 key commodity groups of the agricultural sector with export turnover of over 1 billion USD.

### **1.3 Industry:**

In general, in 2021, the value added to the industry increased by 4.82% compared to 2020, of which the processing and manufacturing industry increased by 6.37%. The consumption index of the entire processing and manufacturing industry increased by 4.5%. The inventory index of the whole processing and manufacturing industry increased by 21.9%.

### **1.4 Activities of commodities and services:**

In 2021, the total retail sales of commodities and consumer services revenue is estimated at over VND 4,789 trillion, down 3.8% compared to the previous year, if excluding the price factor decreased by 6.2% (3% in 2020). The passenger transport reached over 2,387 million, down 33% compared to 2020 and rotating 94.7 billion passengers, down 42%. Cargo transport is estimated at 1,620 million tons, down 8.7% compared to 2020 and rotating 333.4 billion tons, down 1.8%. International travellers to Vietnam in 2021 are estimated to reach 157.3 thousand people, down 95.9% compared to the previous year.

### **1.5 Development investment:**

The investment capital of the whole society implemented at the current price in 2021 is estimated at VND 2,892 trillion, an increase of 3.2% compared to 2020. Although this is the lowest increase in many years, it is a positive result during the covid-19 pandemic. The total foreign investment registered in Vietnam as of December 20, 2021 reached 31.15 billion USD, an increase of 9.2% compared to 2020, indicating that foreign investors continue to believe in the Vietnamese investment environment. Vietnam's investment abroad in 2021 has 61 projects newly granted investment certificates with a total capital of 409 million USD, an increase of 28.6% compared to 2020.

### **1.6 Export and import of commodities and services:**

In 2021, Vietnam's import and export turnover has reached a new record with a total value of 668.5 billion USD, up 22.6% compared to 2020, in which the export turnover of commodities is estimated at 336.25 billion USD (up 19% compared to 2020), the import turnover of commodities is estimated at 332.25 billion USD (up 26.5% compared to 2020), continue to be a bright spot in Vietnam's economic picture, exporting for the whole year is estimated at 4 billion USD. This bright spot of foreign trade in 2021 is the result of the efforts of enterprises and the seizing opportunities from trade agreements (FTAs) effectively utilized by Vietnamese enterprises.

### **1.7 Digital economic development:**

Digital economic development is considered a highlight of Vietnam's economy in 2021. In the event of the pandemic outbreak, all activities on social security, health care, supply of essential goods, education and training, the maintenance of production and supply chain of goods between localities, domestically and abroad, are activated and carried out through digital transformation and digital economy. In 2021, according to the Ministry of Planning and Investment, the scale of Vietnam's digital economy is estimated at 21 billion USD, an increase of 31% compared to 2020. It is forecasted that by 2025 it will reach 57 billion USD, rising to the 2nd position in the region (only less than Indonesia).

## **1.8 Operations of enterprises:**

In 2021, the outbreak of the fourth wave of COVID-19 along with prolonged lockdown and social distancing has negatively impacted the number of enterprises. The total number of enterprises entering and re-entering the market in the year reached nearly 160,000 enterprises, down 10.7% compared to 2020. Nearly 120,000 enterprises withdrew from the market, an increase of 17.8%, the majority of which were enterprises established under 5 years or small capital scale. The timely promulgation and implementation of Resolution No. 128/NQ-CP dated October 11, 2021 has made an important contribution to restoring production and promoting the market, gradually creating trust for enterprises.

## **1.9 Revenue and expenditure of State budget:**

According to the Report of the General Statistics Office on December 29, 2021, the total state budget revenue estimated in 2021 reached VND 1,523.4 trillion, equal to 113.4% of the annual forecast (up VND 180.1 trillion). The total state budget expenditure in 2021 is estimated at VND 1,839 trillion, exceeding the forecast, focusing on prioritizing covid-19 prevention and control, overcoming natural disasters, ensuring national defense and security and supporting people in difficulty due to the effects of the epidemic.

## **1.10 Consumer Price Index, Monetary Policy:**

The U.S. Dollar and Gold Price Index (CPI) in 2021 increased by 1.84% compared to 2020. This is the lowest increase since 2016. The 12-month core inflation rose 0.81 percent. The price of gold and the U.S. dollar in Vietnam and in the world fluctuated in opposite directions. The average gold price index in 2021 increased by 8.67% compared to 2020. The average US dollar price index in 2021 decreased by 0.97% compared to 2020. Monetary policy maintains a state of controlled easing, with respective credit growth of 12%-13%,.

## **1.11 The stock market recovered quickly:**

In 2021, according to statistics of the State Securities Commission, by the end of the Q3, the total market scale reached over VND 7.66 million, equivalent to 133.83% of GDP with 2,133 enterprises listed and registered for trading, Vietnam stock market is considered one of the 10 securities markets with resistance to the Covid-19 pandemic and the best recovery in the world. Vn-Index still successfully broke the threshold of 1,500 points - a record in more than 2 decades of Vietnam stock market.

## **I. ASSESSMENT OF BUSINESS PERFORMANCE IN 2021:**

From the beginning of 2021, the covid-19 epidemic has been complicated but the government still has good control. However, in Q2/ 2021, the fourth wave occurred with many outbreaks that have affected economic activities in general and construction activities in particular. All sectors from central to local levels have to perform the "dual task" of both preventing covid-19 and restoring and developing the economy. Construction enterprises are not out of this category and TRACODI is no exception.

Throughout 2021, in spite of the epidemic, TRACODI still maintains construction activities and stable revenue sources, estimated impressive revenues and profits according to the plan submitted to the General Meeting of Shareholders. The force is

still focusing on 4 main areas: infrastructure construction, agricultural product export and trade, mining and processing of construction stones and labor export.

Regarding the business performance in 2021, revenue did not exceed the plan set by the Board of Directors, but the profit growth was quite good. Specifically, net revenue and profit before tax in 2021 was VND3,111.8 billion and VND372.8 billion, respectively, reaching 97.1% and 108.8% of the annual plan. Based on the approved production and business plan, the results of production and business activities in 2021 are as follows:

### 1.1 TRACODI's individual business performance for 2021:

*Unit: Million VND*

No.	Target	Plan 2021	Implement 2021	Percentage (I/P)
<b>1</b>	<b>Net Revenue</b>	<b>2.533.252</b>	<b>2.534.921</b>	<b>100,07%</b>
2	Cost of goods sold	2.297.453	2.357.477	102,61%
3	Gross profit	235.799	177.443	75,25%
4	Financial income	230.000	391.207	170,09%
5	Financial expenses	170.000	302.159	177,74%
6	Selling expenses	-	-	0,00%
7	Enterprise Cost Management	77.702	71.325	91,79%
8	Net profit from operating activities	218.097	195.166	89,49%
9	Other profits	2.300	2.941	127,88%
<b>10</b>	<b>Total profit before tax</b>	<b>220.397</b>	<b>198.107</b>	<b>89,89%</b>
<b>11</b>	<b>Profit after tax</b>	<b>180.318</b>	<b>179.984</b>	<b>99,81%</b>

### 1.2 Consolidated business performance in 2021:

*Unit: Million VND*

No.	Target	Plan 2021	Implement 2021	Percentage (I/P)
<b>1</b>	<b>Net Revenue</b>	<b>3.203.484</b>	<b>3.111.846</b>	<b>97,1%</b>
2	Cost of goods sold	2.759.098	2.731.576	99,0%
3	Gross profit	444.386	380.271	85,6%
4	Financial income	210.005	374.926	178,5%
5	Financial expenses	173.229	299.060	172,6%
6	Profit and loss in associates	45.000	112.901	250,9%
7	Selling expenses	52.793	69.999	132,6%
8	Enterprise Cost Management	133.108	127.757	96,0%
9	Net profit from operating activities	340.260	371.281	109,1%
10	Other profits	<b>2.320</b>	<b>1.588</b>	<b>68,5%</b>
<b>11</b>	<b>Total profit before tax</b>	<b>342.580</b>	<b>372.869</b>	<b>108,8%</b>

<b>12</b>	<b>Profit after tax</b>	<b>280.164</b>	<b>335.630</b>	<b>119,8%</b>
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### 1.3 Revenue contributions by business activities in 2021:

*Unit: Million VND*

No.	Targets	Implement 2020	Implement 2021	Plan 2021	Percentage (I/P)	Proportion Implement 2021
1	Commercial business	223.713	12.503	24.833	50,35%	0,4%
2	Construction and real estate projects	1.891.612	2.536.746	2.533.252	100,14%	81,5%
3	Labor export and training	11.078	7.785	12.304	63,27%	0,3%
4	Quarrying	650.900	554.812	633.095	87,63%	17,8%
5	Other	75	-	-		0,0%
<b>I</b>	<b>Total net sales</b>	<b>2.852.633</b>	<b>3.111.846</b>	<b>3.203.484</b>	<b>97,14%</b>	<b>100,00%</b>
<b>II</b>	<b>Profit after tax</b>	<b>146.747</b>	<b>335.630</b>	<b>280.164</b>	<b>119,80%</b>	

In the context of the Covid-19 pandemic outbreak and many challenges in Ho Chi Minh City, TRACODI still strives to maintain production and business activities and achieve stable revenue. Net revenue achieved VND 3,111.8 billion in consolidated revenue; profit before tax of more than VND 372.8 billion; consolidated after-tax profit of more than VND335.6 billion, reaching 119.8% compared to customers in 2021 and successfully completing the profit after tax target for the whole year 2021. Revenue increased sharply due to the following main reasons:

Revenue in 2021 increased drastically mainly from the construction segment (construction of real estate projects, rooftop energy and solar power plants), contributing VND2,536 billion, reaching 100.14% of the plan. In 2021, the joint venture in Antraco contributed VND554 billion to revenue, equivalent to 87.63% of the plan. The trade and labor export segments had revenues of VND12.5 billion and VND7.8 billion in early 2021, respectively, of 50.35% and 63.27% of the 2021 plan. After-tax profit grew rapidly compared to 2021 thanks to improved gross profit margin, decrease of sales cost and profits from financial activities and joint ventures.

### III. DETAILED REPORT OF OPERATIONS ARRAYS:

#### 3.1 Construction and real estate projects:

Construction is positioned as the core industry of TRACODI in the advantage of implementing real estate construction works and renewable energy from projects under Bamboo Capital Group. Specifically, construction revenue has been recorded from the ongoing real estate projects, attic energy and solar power plants.

Year 2021, starting from the end of Q2, was considered moderately quiet due to the impacts of Covid-19. The implementation of the projects is affected by the state's quarantine measures. However, TRACODI continues to complete the acceptance test of the revenue record of VNECO - Vinh Long Solar Power Plant 49.3 MWP, Phu My Solar Power Plant 330 MWP - Binh Dinh, Solar Rooftop projects in some items of Malibu project in Quang Nam, Amor, King Crown Villas and King Crown Infinity project in Ho Chi Minh City. At the same time, the company implements ongoing projects and phased acceptance test such as Amor Garden Villas, Casa Mui Ne, HoiAn D'or project, attic energy, etc. It can be said that throughout 2021, TRACODI continues to take advantage of projects invested by the parent company - Bamboo Capital Joint Stock Company (BCG), thereby gradually improving the project construction management capacity.

Gross profit from construction and installation activities in 2021 contributed VND 2,536.74 billion to 100.14% compared to the individual plan and contributed VND180 billion in profit after tax.

### **3.2 Trading operations at TRACODI Trading Joint Stock Company:**

In 2021, before the impact of pandemic outbreak in the area of operation, the company's main product export activities were difficult, leading to the failure to meet the expected revenue plan targets. Specifically, commercial activities contributed only VND12.5 billion to reach 50.35% of the assigned target of VND 24.8 billion. Export activities in the year mainly focused on maintaining the export of key products: tapioca starch, coffee and outdoor furniture. In terms of projects, TRACODI Trading mainly supports procurement for the Group's ongoing projects, signing bidding packages for construction, construction materials, interior decoration and some furniture products provided for real estate projects by TRACODI as general contractor.

In 2021, TRACODI Trading has successfully exported 20 containers of finished furniture products to German market as well as has tested the first shipments to Russian and Hong Kong markets. Regarding Agriculture, 2021 is an extremely challenging year for finding partners in the situation that the F&B/retail industry minimizes its operation scale, as well as special domestic and foreign markets exhibitions and fairs for the agricultural product industry have been canceled. TRACODI Trading focuses on developing the domestic supply of quality products and cooperating with markets that have controlled the Covid situation.

### **3.3 Mining operations at Antraco Joint Venture Company:**

In 2021, Antraco's revenue reached VND554.81 billion (Plan VND633 billion) reaching 87.63% of annual plan, profit after tax VND 47.6 billion (Plan 45 billion), reaching 105.76% of annual plan. The main reasons for the failure of revenue targets are due to the strong and prolonged outbreak of Covid-19 in the Mekong Delta region, the social distancing under Directive 16 from July 19, 2021 in 19 southern provinces including An Giang province has greatly affected ANTRACO's production activities and business in the last 6 months of 2021.

In the face of that situation, ANTRACO was forced to reduce its operating capacity to 30% compared to the past as an effective solution in realizing the dual goal of maintaining and stabilizing production activities while ensuring the best prevention of

the epidemic. Besides, the main consumer market of ANTRACO is the Mekong Delta region. However, when the outbreak of Covid - 19 has greatly affected the construction of works especially key works in the area, many of these have been suspended due to local focus on epidemic prevention and control. Thereby, the sharp decrease in demand for construction stone products is the main reason why ANTRACO's sales revenue plummeted in the last 6 months of 2021. Another reason for the decrease in revenue of ANTRACO Company in 2021 is due to changes in the structure of consumed stone products. Due to the reduction in water transport revenue through the consumption market of ANTRACO in 2021 concentrated mainly in traditional markets such as An Giang; Kien Giang; Dong Thap; Can Tho; Vinh Long..., sharp declines in new far markets such as Long An; Tien Giang; Ben Tre; Tra Vinh...; this reduces the revenue from waterway operations (revenue from the transport and delivery activities). This is considered one of the main reasons for the decrease in revenue. Nevertheless, the company's profit in 2021 still reached and exceeded the plan. This happened due to the adjustment of the selling price of construction stone items during the year, while increasing the production of stone of high-end segments such as centrifugal stones, resulting in a significantly improved profit margin compared to the plan (the planned gross profit margin was 25% while the implementation was 32%).

#### **3.4 Labor export activities at TRACODI Labor Export Joint Stock Company:**

Labor export activities are severely and directly affected by the Covid-19 outbreak from the beginning of the year and complicated developments in the Q2 of 2021. Japan is the key market of TRACODI's export activities and in the end of 2020, it is also one of the most extremely impacted countries from the epidemic. Labor export revenue in 2021 was VND 7.7 billion, 63.27% compared to the plan, profit after tax decreased by 269% compared to the plan.

In the face of difficulties in 2021, the company has focused on cutting costs, maintaining the task of creating reserve labor for timing supply of necessary orders when partners reopen their operation. To implement the direction of the People's Committee of Ho Chi Minh City from May 10, 2021, the company suspended direct training activities at TRACODI Training Center and sent trainees to study online. In 2021, the total number of employees who have been selected online by Japanese trade unions and employers is 95 workers.

#### **3.5 Passenger transport operation at Vinataxi Joint Venture Company::**

Vinataxi's business operation from the end of 2020 to now have been affected by the Covid-19 situation, which significantly reduced passenger traffic as Vinataxi's business segment mainly fixed parking spots such as airports, hospitals and bus terminals. In addition, it is also directly influenced by the type of technology taxi business that has entered the Vietnamese market in recent years such as Grab Taxi. 2021 is a difficult year for transport business units due to the situation of Covid-19 outbreak and no remission in the active area, this is the most difficult time for Vinataxi since its establishment.

#### **3.6 Production and business operation at BCG Land Joint Stock Company:**

TRACODI is a shareholder contributing capital and owns 36.7% of shares in BCG Land Joint Stock Company. BCG Land's business activities in 2021 achieved impressive results despite the covid-19 epidemic situation. The projects developed by



BCG Land have created a brand reputation and the product line is well accepted by the market. Specifically, in 2021, the company has completed the delivery of houses and recorded revenue for the King Crown Village project in the low-rise area (District 2 – HCMC); construction of new projects such as Casa Marina Premium, D'or (Con Bap – Hoi An), King Crown Infinity Thu Duc, Casa Mui Ne (Phan Thiet City), Amor Riverside (Binh Chanh – HCMC).

BCG Land has completed the revenue target of VND 2,036 billion (sales revenue + financial revenue) and profit after tax reached VND 683 billion. In 2021, BCG Land's General Meeting of Shareholders issued Resolution about temporarily distributing profits in 2021 of VND180 billion, of which TRACODI was distributed VND 66.06 billion. It is expected that in the beginning of the Q2/2022, the profit will be distributed in the last 6 months of year 2021.

### **3.7 Business Operation of Life Purity Clean Water Joint Stock Company:**

Currently, Life Purity has completed the pilot implementation of 2 domestic clean water treatment stations as demonstration models in Ben Tre. However, due to the prolonged and unresolved Covid-19 epidemic situation nationwide, leading to the isolation between localities where the disease spreads, this is the biggest difficulty to test the demonstration model after successful implementation to report to local departments for the Company to implement the development of this technology at Ben Tre in particular and the Mekong Delta areas in general, applied in clean water treatment areas for living and industrial wastewater treatment.

### **3.8 Establishment of TCD Plus Joint Stock Company:**

On November 24, 2021, the resolution No. 61/2021/NQ-HQT-TCD of TRACODI's board of directors on the capital contribution of VND200 billion was approved to establish TCD Plus Joint Stock Company. This is a company established with the main activity of managing BOT fee collection, implementing the transport infrastructure project that TRACODI is aiming to be a core business in its development plan for the next 3 years. It is expected that the company will obtain a license and operate in January 2022.

### **3.9 Other noticeable activities during the year:**

- Successfully organized the Annual General Meeting of Shareholders in 2021 in the spirit of openness and transparency although at the time of the meeting, it was near the peak of the Covid-19 outbreak.
- Information disclosure activities: regularly and timely update the operating news of the parent company and its member companies on the website, provide information reflecting the value of the business in an accurate way and assist investors and shareholders understand more deeply about the company's operations.
- Published information in accordance with regulations, respond to questions of investors interested in the company's operations.
- Actively participated in seminars and training programs of the State Securities Commission, the Stock Exchange and VCCI to improve the company's governance.

- Collaborated with the Committee on Training, Commendation, Discipline, Sports, Culture and Life and the Steering Committee for Covid-19 Prevention of Bamboo Capital Group to successfully organize the vaccination of all employees to help protect the Group's employees safely during the pandemic.
- Built the image, prestige and brand of TRACODI for regulatory agencies, partners, financial institutions and investors in Vietnam as well as abroad. Maintained the company's brand and reputation in the investor community. Specifically, in 2021, TRACODI achieved some of the following titles:
- Transport And Industry Development Investment Joint Stock Company (TRACODI) has been excellently ranked 386th in the "Top 500 most profitable private enterprises in Vietnam" (PROFIT500). In addition, the efforts of TRACODI's Board of Directors and employees have also been recognized by the prestigious awards that the Company has achieved in 2021 such as the fourth consecutive year of being in the "Top 500 largest enterprises in Vietnam", "Top 50 best growth enterprises in Vietnam".
- The award "Top 500 best profitable private enterprises in Vietnam 2021" is a remarkable achievement, proving the right vision, business strategy and efforts of the management and staff of TRACODI.

#### **Social welfare work , activities for the community :**

- Active in social security work, social responsibility implementation, contributing to improving TRACODI's position and brand. Specifically, in 2021, TRACODI has accompanied BCG Parent Company through BCG foundation to participate in specific community contributions: Tracodi staff supported 1 day's salary to donate more than VND1 billion to the Vietnam Covid-19 Vaccine Fund.
- Community activities: In November 2021, TRACODI cooperated with the Humanitarian Blood Donation Center to organize blood donation from TRACODI employees, donating agricultural products to SOS Village and people in difficulty in Ho Chi Minh City during the Covid pandemic, donating masks, life jackets for fishermen nationwide, supporting Dak Nong Startup Fund ...

#### **IV. INNOVATION AND IMPROVEMENT OF ORGANIZATION AND MANAGEMENT IN BUSINESS OPERATION:**

The Executive Board has thoroughly fulfilled the tasks assigned by the Board of Directors to restructure the company's operations in a new strategic direction. In the past year, in addition to actively performing the tasks of executive management and production and business, the Executive Board has also made improvements in the structure of the construction management apparatus, cost management regulations and finances to bring high productivity and efficiency to the Company.

##### **4.1 The management of the construction apparatus as general contractor:**

- Reorganizing the operating structure apparatus: in the direction of construction management divided into specialized construction areas: civil, industrial, transport infrastructure construction, cost management and independent separation contracts, organizing the construction command apparatus

- Promulgating internal coordination processes and regulations to strengthen the management and supervision of the construction organization apparatus at the site and the operating apparatus at the headquarters
- Creating a system to decentralize executive power in the Executive Board flexibly and assign powers and responsibilities to members of the Executive Board according to the assigned arrays to promote the ability to create, innovate and make quick decisions

#### **4.2 Human resources, training, legal and welfare:**

- The company focuses on strengthening high-quality human resources, attracting experienced personnel through improving the salary policy regime, remuneration regime, increasing the welfare of employees to ensure that it is really the driving force for effective business and market practices. Specifically, the Company has purchased AON health insurance for employees in addition to the compulsory health insurance, ESOP stock mechanism, KPI reward assessment ...
- Training: due to the covid-19 epidemic in 2021 and social distancing, the Company in conjunction with the Life Committee could only organize the Change Management Training course for the management level of the Company in December 2021.
- The emulation of rewards is carried out in accordance with the general guidelines and regulations issued from the Group in the direction of diversity, encouraging collectives and individuals to successfully complete tasks in all fields. Every year, the Company organizes a meeting to evaluate and vote for employees and has a regime to reward achievements for employees at the end of the year.
- In order to improve the capacity of the General Contractor of Construction, in 2022 the Company has also carried out procedures to upgrade the certificate of capacity for construction of industrial works, renewable energy industry from Level II to Level I.

**CONCLUSION** : *In general, 2021 is a year with many difficult changes in the macro economy due to the impact of the Covid-19 pandemic, but with flexibility and drastic orientation from the Board of Directors, as well as the determination of TRACODI employees, it has made an unexpected success with good growth in business and financial targets, creating a foundation for the Company to continue to overcome the challenges in the next year, and respond to the complicated protraction of the Covid-19 epidemic.*

## **PART 2**

### **BUSINESS PLAN AND DIRECTION OF THE ACTION PLAN IN 2022**

#### **I. GENERAL PERCEPTION**

After a year full of challenges due to the unpredictable development of the global covid-19 pandemic, welcoming Vietnam's economy in the New Year 2022 is a series of opportunities and challenges due to new viral strains of Covid-19 with complicated developments that have not stopped. With the great openness and the deepening of international economic integration process, Vietnam's economy will be

affected in many aspects by increasingly complex and unpredictable international economic developments.

The government set a target for 2022: "Recovery and sustainable development" and a comprehensive assessment of the issues being posed, thereby developing and promulgating policies to support the economy to return to a new normal state soon, not "missing the rhythm" of the world's recovery and development trend.

The first months of 2021 are also the time of covid-19 outbreak in Vietnam. At the time of reporting and developing a business plan for the Company in 2021, the Covid-19 epidemic continues to be complicated and unpredictable in many countries and territories around the world, leading to negative impacts on the global economy that Vietnam is no exception. Many domestic and foreign enterprises have to stop operations, face the risk of bankruptcy or enter a period of large-scale staff reductions, forecasting a global economic slowdown and shifting business models is inevitable.

On the basis of the strategic vision orientation of the Board of Directors, from the results achieved over the years and the current actual situation, TRACODI will focus resources to promote strong growth, affirming its position as a leading general contractor in Vietnam in areas ranging from civil construction, industrial construction to transport infrastructure construction. In addition, it is also impossible to underestimate the promotion and seek opportunities to develop traditional areas such as export trade, labor export and quarrying.

## II. PRODUCTION AND BUSINESS PLAN IN 2022 AND PERIOD OF 2022 -2025:

### 2.1 Financial indicators in 2022:

*Unit: Million VND*

	<b>Targets</b>	<b>Implementation 2021</b>	<b>Plan 2022</b>	<b>Increase /decrease ratio compared to 2021</b>
<b>I. Net Revenue</b>				
1	Consolidation of the whole company	3.111,846	4.431.100	42.39%
2	Holding company	2,534,921	3,700,000	45.96%
<b>II. Profit after tax</b>				
1	Consolidation of the whole company	335.630	507.438	51,19%
2	Holding company	179,984	423.200	135,13%
<b>III. Equity</b>				
1	Consolidation of the whole company	1,269,466	6.222.222	390,15%
2	Holding company	1,048,191	5,995.215	471.96%
<b>IV. Ratio of profit after tax / Net sales</b>				
1	Consolidation of the whole company	10.79%	11,45%	
2	Holding company	7.10%	11,44%	
<b>V. Profit after tax/Equity ratio</b>				
1	Consolidation of the whole company	26.44%	8,33%	
2	Holding company	17.17%	7,06%	
<b>VI. Dividends</b>				
			10%	Greater or equal 10%

## 2.2 Consolidated business plan in 2022:

*Unit : Million VND*

No.	Targets	Implementation 2021	Plan 2022	Percentage (P/I)
1	<b>Net Revenue</b>	<b>3.111,846</b>	<b>4.431.100</b>	<b>142.39%</b>
2	Cost of goods sold	2,731.576	3,967.831	145.26%
3	Gross profit	380.271	463,270	121.83%
4	<b>Total profit before tax</b>	<b>372.870</b>	<b>626.800</b>	<b>168,10%</b>
5	<b>Profit after tax</b>	<b>335.630</b>	<b>507.438</b>	<b>151,19%</b>

## 2.3 Revenue plan in 2022 by activity segments:

*Unit : Million VND*

No.	Targets	Implementation 2021	Plan 2022	Percentage (P/I)	Ratio in 2022
1	Commercial business	12.503	85.601	684.6%	1.9%
2	Infrastructure construction, real estate projects	2,536.746	3,700,000	145.9%	83.5%
3	Labor export and training	7,785	12,405	159.3%	0.3%
4	Antraco stone mining	554.812	633.095	114.1 %	14.3%
<b>I</b>	<b>Total net sales</b>	<b>3.111,846</b>	<b>4.431.100</b>	<b>142.4%</b>	<b>100.0%</b>
<b>II</b>	<b>Profit after tax</b>	<b>335.630</b>	<b>507.438</b>	<b>151,2%</b>	<b>100.00%</b>

## 2.4 Plan to increase capital to supplement business capital for the period 2021-2022:

- a. At the end of 2021, the Company has issued shares to existing shareholders at the ratio of 1:1, approved by the Securities Commission, and will be completed in January 2022, the Charter Capital of TRACODI will be: VND1,744 billion at the time.

Number of shares registered for offering: 87,209,152 shares

Total offering value (according to nominal value): VND872,091,520,000

Offer price: VND10,000 /share

Distribution method: offering to existing shareholders at the right exercise ratio 1:1.

- b. Number of shares being offered for private sale to investors: 50,000,000 shares, with the selling price of VND20,000 /share, expected income from this issuance is VND1,000 billion.
- c. Converting 250 billion of bonds into shares (Q2/2022), the conversion price is expected to be VND12,500 /share.

Capital after conversion to Q2/ 2022 is expected to be VND2,444,186,390,000

- d. The 2021 dividend is 10%: (5% shares + 5% cash). Number of shares to be issued to pay dividends in 2021: 12,220,915 shares.
- e. Number of shares expected to be issued under the ESOP employee selection program in the Company: 1,600,000 shares.
- f. Expected number of shares to be issued to existing shareholders is 258,239,219 shares. ( It is expected to issue capital increase for existing shareholders 1:1 in the Q3/ 2022).

Charter capital as of December 31, 2022 is expected to be **VND5,164,784,380,000.**

## 2.5. Forecast of business targets for the period of 2022-2026:

*Unit: Million VND*

No.	Term	Imp 2020	Imp 2021	2022	2023	2024	2025	2026
1	<b>Net Revenue</b>	<b>2,852,633</b>	<b>3,111,846</b>	<b>4,431.100</b>	<b>5,095.766</b>	<b>5,860.130</b>	<b>6,797.751</b>	<b>7,885.391</b>
2	Cost of goods sold	2,479.367	2,731.576	3,967.831	4,517.375	5,117.057	5,817.070	6,579.106
3	Gross profit	373,265	380.271	463,270	578.390	743.074	980.681	1,306.285
4	Profit before tax	178.030	372.870	626.800	720.820	828.943	961.574	1,115.426
5	<b>Profit after tax</b>	<b>146.747</b>	<b>335.630</b>	<b>507.438</b>	<b>569.448</b>	<b>642.431</b>	<b>721.181</b>	<b>814.261</b>
6	ROS	5.14%	10.79%	11,45%	11,17%	10,96%	10,61%	10,33%
7	ROA	2.35%	5.82%	4,95%	5,26%	5,61%	5,92%	6,27%
8	ROE	22.19%	26.44%	8,16%	9,06%	10,05%	11,23%	11,95%
9	<b>Authorized capital</b>	<b>472,945</b>	<b>872,092</b>	<b>5,164.784</b>	<b>5,439.784</b>	<b>5,550.000</b>	<b>5,700.000</b>	<b>6,000.000</b>
10	Equity	661,436	1,269,466	6,222.222	6,284.232	6,392.431	6,421.181	6,814.261
11	Total assets	6,239,445	5,769,740	10,247.648	10,817.096	11,459.528	12,180.708	12,994.969

## 3 ORIENTATION FOR IMPLEMENTATION OF CENTRAL ACTION PLAN IN 2022:

In order to orient the central action plan in 2022, TRACODI will focus on developing a core business strategy of construction (including infrastructure, civil and industry) with the advantages and brands acquired to carry out key works implemented by Bamboo Capital Group's member companies. At the same time, in order to seize the opportunity, the Government will continue to promote disbursement for investment in transport infrastructure construction, TRACODI will take the transport infrastructure as the core through seeking opportunities to participate in projects to build key transport works of the main axis of the North-South transport system and the economic zone of the Mekong Delta. The goal is to be a general contractor of construction management in Vietnam construction field. Moreover, TRACODI has a diverse business model, operating in many fields such as construction, quarrying, labor export and trade ... In particular, construction and quarrying are the two most important businesses, accounting for 99% of net revenue and 62% of TRACODI's after-tax profit.

Regarding businesses that will probably continue to be affected by the pandemic, these will be adjusted the adaptive business strategy as well as be cautious in expansive

investment for these segments. At the same time, merging and acquisition or divestment may be considered for companies that are no longer operate effectively or in line with TRACODI's development strategy for the period 2022-2025.

### **3.1 Construction activities:**

In 2021, the Company has carried out the construction of works in which the main projects invested by BCG Parent Company mainly industrial and civil construction projects. In 2022, the Company continues to improve its construction management capacity as general contractor to build not only projects in the Group ecosystem but also in the field of construction. TRACODI provides services for the construction of infrastructure, civil, industrial and renewable energy to the outside. TRACODI company has been operating for a long time in the market and built a prestigious brand in the industry, thereby helping TRACODI win many large-scale projects. And participate in competitive bidding with other transport and infrastructure projects, specifically some objectives as follows:

- Setting a target of growth in construction and installation revenue in 2022 with expected sales of VND3,700 billion, gross profit striving to reach VND259 billion.
- Focusing on completing the construction of unfinished works of 2021 has not recorded all revenue such as: Radison Blu Hoi An project about VND2,600 billion; Amor Riverside Binh Chanh project with a construction value of VND240 billion, Casa Mui Ne project (Phan Thiet) with an expected construction value of VND1,027 billion.
- Implementating according to the schedule of construction and acceptance in phases for projects such as King Crown Infinity project (in Thu Duc) with a construction value of VND3,100 billion; Casa Marina Premium project (in Quy Nhon) with a construction value of VND1,650 billion; D'or project (Con Bap – Hoi An) with a construction value of VND1,500 billion; solar projects applying construction machinery to Skylar with a total expected capacity of 75 MW and a construction value of VND1,012 billion.
- Searching for opportunities to participate in investment or apply construction capital in some projects that companies in the BCG Group ecosystem are investors
- Organizing the management apparatus of construction works to ensure efficient management of quality, construction budget, commitment progress, disbursement plan and acceptance tests.
- Building and creating an ecosystem of teams / construction teams specialized in civil and industrial sectors for construction for real estate and solar energy projects.
- TRACODI has now won the bid of taxiway package of Phan Thiet Airport project under the budget capital expected to fluctuate above 5.5%.
- In terms of investment in transport infrastructure construction, TRACODI highly appreciates the growth potential from new business, investment in transport infrastructure in the form of PPP and is currently in the process of feasibility study of investment in HCM – Long An – Tien Giang PPP dynamic axis project with a total investment value of up to VND20,000 billion. TRACODI expects to find a

joint venture partner and hold no less than 51% of the shares. If this investment was approved, the project would create a new growth engine for TRACODI thanks to the stable cash flow from the collection of fees and the strong construction value due to direct responsibility. In 2021, TRACODI company has proposed to the Board of Directors of Soc Trang Province on the pre-feasibility study "Axis connecting Soc Trang center – Tran De port" with a length of 20km, 8 lanes with a total expected investment of VND20,000 billion.

### **3.2 Commercial activities at TRACODI Trading & Consulting :**

- Continuing to implement the orientation of focusing business in the product segment of Bamboo Capital's member companies while improving profit margins, expanding the market and building a certain number of branded products for TRACODI Trading.
- Actively seeking sources of output customers for exporting key products such as: tapioca starch, exterior furniture, construction and development of Dr. Nam coffee brand, Oolong tea, bird's nest ... for the domestic market in the gift goods segment.
- Simultaneously improvising in the face of difficulties during the epidemic, the commercial segment will focus on the supply of equipment and furniture for projects by TRACODI as the General Contractor for construction package.

### **3.3 Quarrying activities at Antraco Joint Venture Company::**

- In 2022, Antraco with the advantage of stone consumption is expected to explode sharply by 22% in 2022. Public investment is the Government's central strategy to promote economic growth after the epidemic. Therefore, the construction value of key and large-scale projects is expected to grow strongly, heading to increase consumption of construction stone.
- TRACODI has the advantages of being one of the two largest quarries in the region, with good stone quality with high hardness to meet the specifications of large and key projects and competitive cost of capital thanks to quarries which are currently still mined on the surface of +10m.
- With a positive outlook on the demand for construction stone in the Mekong Delta, TRACODI has applied for a license to expand the quarry to nearly 50 million tons and has been approved by the Provincial People's Committee. TRACODI is also asking to increase the mining capacity to 2.5 - 3 million tons/year (up 150-200% compared to the current capacity). In addition, the Company is looking for opportunities to M&A with other quarrying enterprises to improve its stone reserves.
- Antraco's forecast revenue is on the basis of allowed capacity and continue to contribute stable profit to TRACODI. Expected revenue target of Antraco in 2022 is VND633 billion and profit after tax is expected to be VND48 billion.
- Antraco will focus on improving product value, exploiting the maximum potential, advantages in quality and Antraco stone brand; strengthening market research and analysis, identifying targets and potential markets with reasonable pricing strategies and product strategies, promoting access to bringing products into key projects in the region.



- The company will also focus on discovering all solutions to save costs, use rational labor, step by step consolidating the entire organizational and management apparatus.
- Antralco will continue to strengthen the training of employees in accordance with the actual needs and conditions of the Company; continue to apply recruitment and training evaluation indicators to improve the quality and to meet the Company's human resource development requirements.

### **3.4 Labor export activities at TRACODI Labor Export Joint Stock Company::**

With the forecast that the developments of the Covid-19 epidemic may continue to affect the recovery of the labor export market to Japan, the Company will orient for 2022 to focus on minimizing costs and ensure to maintain backup labor sources then when the market recovers, there will be immediate supply orders.

- Continuing to identify the Japanese market as the main market, enhancing order search and ensuring the quality of labor supply. It is expected that by the end of Q1/ 2022, when Vietnam fully reopens the tourism market and welcomes commercial flights, there will be about 90 trainees going to Japan to work from TRACODI Labor Export Company.
- Continuing to research for opportunities to export labor to new markets such as Germany.
- Continuing to maintain source generation activities in the Vietnam western provinces and cities where there are investment projects of the parent company BCG in order to quickly respond to orders from foreign partners.
- Organizing recruitment activities for direct orders; strengthen the training capacity of the Training Center through online training.

### **3.5 Passenger transport activities at Vinataxi Joint Venture Company:**

2021 was forecasted to be a year of further difficulties, the Covid-19 epidemic was considered as a heavy impact on the transport industry in general and Vinataxi in particular. Vinataxi needs to make more efforts to survive and develop through cutting costs, making the most of the sublease space and deploying technology applications. Currently, both Tracodi and Comfordegro have agreed that BCG will acquire all of Comfordegro's capital to increase the group's overall ownership to 100%, the acquisition negotiation process has been completed and is carrying out regulatory procedures.

### **3.6 Activities in BCG Land Joint Stock Company:**

2022 will be a pivotal year for BCG Land. The company is determined to enter a new and more sustainable development cycle. This is the year that BCG Land intends to launch projects that have been cherished during the quarantine period. When the epidemic is under control, the resort real estate market will be active again.

In the context of relatively low bank interest rates, plus the fear of inflation, real estate will still be a safe channel, attracting cash flow from capital market investors. However, there are still potential risks of epidemics with new mutations. Therefore, real estate businesses in general and BCG Land in particular need to prepare a scenario to adapt to the reality and create their own competitive advantage. BCG Land will focus on quickly completing unfinished projects in 2022 in order to realize revenue and profit recognition for the company.

Some unfinished projects to be completed in 2022 such as: Radisson Malibu Hoi An project with expected sales of VND3,600 billion; Amor Riverside project expected revenue of VND1,000 billion; Casa Mui Ne project expected revenue of VND 1,800 billion.

Implemented according to the construction schedule as well as the sales plan for the following projects: King Crown Infinity (Thu Duc - Ho Chi Minh City) with expected revenue of VND 6,550 billion and completed in Q3/2023; D'or project (Con Bap - Hoi An) with expected revenue of VND5,300 billion and completed in Q4/2023.

Quickly complete legal procedures, as well as planning approvals for projects: Blue Star City urban area (scale of 390 hectares in Binh Duc - Ben Luc - Long An); King Crown Thao Dien Villa (District 2 - Ho Chi Minh City) phase 2 office building; Helios Village project (in Gia Nghia - Dak Nong) with a scale of 19 hectares; the project of the extension of Hung Vuong residential area (in Tan An - Long An) with a scale of 62.5 ha; Cat Trinh Industrial Park project (in Binh Dinh) ....

In 2022, BCG Land sets a target of VND4,800 billion in revenue and VND1,200 billion in profit after tax. This revenue mainly comes from the Malibu Hoi An project and the shophouse subdivision of Hoian d'Or. At the same time, the Company continues to implement the projects (above mentioned) to ensure the progress committed with customers. Looking longer into the future, BCG Land will direct BCG Land's goal to become one of the top 5 real estate developers in Vietnam, aiming to build highlight projects, modern classy ecological large-scale urban areas , contributing to change the face of the local urban area. In addition, BCG Land will also soon list BCG Land to mobilize the best resources for the development of projects.

### **3.7 Activities of Life Purity Clean Water Joint Stock Company:**

Currently, Life Purity has completed the pilot implementation of 2 domestic clean water treatment stations as demonstration models in Ben Tre. However, due to the prolonged and unresolved Covid-19 epidemic situation nationwide, leading to the isolation between localities where the disease has spread, this is the biggest difficulty to test the demonstration model. After successful implementation, to report to local departments so that the company can deploy this technology development in Ben Tre in particular and the Mekong Delta in general to apply in water treatment fields, clean supply for daily life, industrial wastewater treatment .

### **3.8 Activities at TCD Plus Joint Stock Company:**

TCD Plus Joint Stock Company after completing the business license procedure in January 2022 is expected to collect BOT fee revenue in 2022 of about VND12 billion in the first year. In addition, TCD Plus will focus on bidding for the construction of public investment transport infrastructure projects in the Mekong Delta that are expected to explode in 2022 according to the Government has directed public investment to be considered as one of the important "links" to quickly recover the economy, successfully implement the socio-economic development goal in 2022.

### **3.9 9 Other activities of the Company:**

**Finance and accounting work:**

- Implementing and managing financial and accounting work in accordance with state regulations
- Ensuring timely and sufficient capital for production and business activities
- Applying accounting software to organize management and consolidated reports with subsidiaries; develop financial management regulations for subsidiaries.

**Organization, personnel and policies:**

- Continuing to promote the digitization of corporate governance through the application of advanced management systems such as ERP, E - office and HRM in operations, cost and human resource management, in order to improve effective governance and meet the requirements of international integration
- Improving the quality of human resources with three main goals: firstly, promoting recruitment to attract high-quality and experienced human resources in the field of construction and project management; second, developing training programs on both professional skills and soft skills for the employees, especially key leaders; third, building a dynamic, cohesive corporate culture and always encouraging the development of each individual
- Continuing to consolidate the entire organizational and personnel system; arrange personnel in accordance with capacity and expertise, limiting unnecessary increase in personnel
- Continuing to review, adjust or promulgate new business processes and regulations to become more perfect for efficient operation and management
- Developing and issuing appropriate systems and policies to ensure income, fairness, improve productivity and work efficiency of employees

**Communication and investor relations:**

- Information disclosure activities: regularly updating operational news of the parent company and member companies on the website to revise information in a timely manner, providing information that accurately reflects the value of the business, and assisting investors and shareholders to understand about the Company's operations
- Organizing Investor Meetings of TRACODI company with the goal of updating business operations as well as facilitating direct information exchange with Investors and Analysts
- Disclosing information in accordance with regulations, answer questions from investors interested in the Company's operations.
- Actively participating in seminars and training programs of the State Securities Commission, the Stock Exchange, and the Securities Depository Center to improve corporate governance
- Actively working with investors, domestic and foreign Investment Funds to seek investment opportunities in TRACODI
- Building the image, reputation and brand of TRACODI for management agencies, partners, financial institutions, and domestic and foreign investors, maintaining the Company's brand and reputation in the investor community

- Continuing to accompany the Group to actively participate in social security work, implement social responsibility, contribute to enhancing the position and brand of TRACODI.

The above are the basic contents of production and business results in 2021 and orientation of the central action program for business plan in 2022 which will professionalize business activities. Tracodi Parent Company remains in the direction of the Board of Directors will focus on the development of the core business sector and mainly construction (including civil & industrial infrastructure , transportation ) with the advantages and brands acquired to implement key projects implemented by BCG Group. In the future, in addition to the role of general contractor managing the construction of real estate and renewable energy projects of its parent company BCG, TRACODI is deploying capital increases to catch up with the opportunity to expand the real estate market and public investment. In the coming time, TRACODI will expand its construction and installation activities to transport infrastructure projects by actively bidding and joint ventures with partners to participate in bidding for large-scale, highly complex projects, moving forward to being a strong and prestigious company in the field of infrastructure construction.

Entering the implementation of the business plan in 2022, besides the advantages, there are also many new difficulties and challenges in the situation that the Covid epidemic is still long-term existence and has not ended in the world and even in Vietnam but the collective staff of TRACODI is determined to unite with one heart, promote the achieved results, continue to innovate and develop to build TRACODI stronger, fulfill the goals set by the Board of Directors of the corporation and the company have set out to maximize the effectiveness of activities to create sustainable values for shareholders, partners, employees, community and society.

**On behalf of Board of Directors**

**Chairman**

*(Sign & seal)*

**Nguyen Ho Nam**