



Transport and Industry Development Investment JSC - TCD -

NEWSLETTER – 3Q2018



TCD Share

13,450



0 (0.00%)

10/12/2018, 09:34
Trading

Open	13,450	Unmatched Buy	5,500	Frgn Buy	0	EPS	1,698
High	13,450	Unmatched Sell	1,130	Frgn Owned(%)	15.31	P/E	7.92
Low	13,450	52Wk High	17,100	Dividend	0	F P/E	6.01
Vol	20	52Wk Low	11,800	Dividend Yield	0.00	BVPS	11,430
Market Cap.	514	52Wk Avg Vol	29,812	Beta	0	P/B	1.18



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Business results

Items (VND million)	3Q2018	3Q2017
Revenue	133,763	312,034
Gross profit	38,902	49,910
Profit before tax	8,861	26,612
Profit after tax	5,722	21,270

Financial benchmark

Items	TCD
Return on revenue	4.2%
ROE	1.3%
Current ratio	1.28
Liabilities/total sources	63.5%
Dividend	10%



Changes in number of outstanding shares

On August 16, 2018, Tracodi reported the results of 2017 dividend payment and share issuance under Employee Stock Option Plan (ESOP).

Accordingly, number of additional shares are 3,796,158 in which 3,443,325 shares for 2017 dividend payment and 352,833 shares under ESOP respectively. Thus, total number outstanding shares are 38,230,192.

In September 2018, Tracodi has done procedure of deposit and listing for additional 3,796,158 shares.



TRACODI has increased its Charter Capital and received its 14th Business License.

On September 18, 2018, Tracodi's Charter has been amended and supplemented as its 8th session with updating the new charter capital of VND 382,301,920,000.

On October 9, 2018, Tracodi received its 14th Business License granted by Department of Planning and Investment of Ho Chi Minh City issued on October 4, 2018 regarding change on the charter capital.

Consolidated business results 3QFY2018: revenue reached VND 133.76 billion, profit before tax reached VND 8.86 billion.

According to the consolidated financial statement of TCD, the revenue from sales of goods and rendering of services for the third quarter and the first nine (9) months of 2018 reached VND 133.76 billion and VND 536.6 billion respectively. Profit before tax for the third quarter and the first nine (9) months of 2018 reached VND 8.86 billion and VND 30.42 billion correspondingly.

The revenue and profit for the third quarter of 2018, at VND

133.76 billion and VND 8.86 billion, are down by 57% and 67% over the same period last year mainly due to infrastructure and construction sector did not contribute any revenue and profit to this quarter. The reason is projects have just kicked off in the second and third quarters of 2018, consequently, revenue and profit of this sector will be recognized in the fourth quarter of 2018 with its revenue of VND 300 billion expectedly.

TRADE

As TCD's projects have just kicked off in the second and third quarters of 2018, thus this sector will contribute high revenue and profit as TCD is playing a role as main material provider for these projects.

In addition, we and Korean partner are working on the plan to produce and distribute high anti-bacterial animal food. This product, is exclusive and high potential in the market, will bring good profit for the company.

As forecasted, this segment will achieve the business plan 2018.

Unit: VND million	3Q2018	3Q2017
Net revenue	32,186	178,529
Cost of goods sold	29,927	159,853
Gross profit	2,256	18,669

ANTRACO

The revenue for the third quarter of 2018, at VND 99.2 billion, is up by 12.7% over the same period last year, and is up by 22.3% compared to the second quarter of 2018.

Gross profit for the third quarter of 2018 reached VND 35.4 billion, rose 23% over the same period last year.

For the first nine (9) months of 2018, Antraco earned VND 265.37 billion and VND 33.23 billion in revenue and profit before tax.

Therefore, by the end of 2018, Antraco is expected to exceed the target 2017.

Unit: VND million	3Q2018	3Q2017
Net revenue	99,234	88,029
Cost of goods sold	63,880	59,274
Gross profit	35,354	28,754

Malibu Hoi An groundbreaking ceremony

Malibu Hoi An is owned by Bamboo Capital Group (BCG) and will be implemented by its subsidiary, Indochina Hoi An Beach Villas. On August 4th, 2018, Indochina Hoi An Beach Villas has signed cooperation agreements with reputable partners including:

- BAKH Architecture: Master layout design
- Signature Architect Vietnam: Interior and landscape design.
- Transport and Industry Development Investment JSC (Tracodi): Engineering Procurement and Construction (EPC)
- RICONs Construction Investment JSC: Construction contractor.
- NamABank: Project financing



Malibu Hoi An Ground-breaking Ceremony on September 10th, 2018

Malibu Hoi An is located on Ha My beach (Quang Nam) in the so-called “five-star boulevard” along with many other luxury resorts from My Khe to Cua Dai (Quang Nam). The project will cost nearly VND 2 trillion (US\$86 million) and spread over nearly 11ha with 93 villas and 690 condotel units. Construction is set to start in September this year, with the project expected to be completed in 3Q2020.

Malibu Hoi An will integrate eco-friendly and modern design to offer guests the natural green experience by maximizing the use of solar energy and growing more trees for reducing carbon emissions. The resort is expected to be operational by 2020 and will be expected the most luxurious five-star resort. This project is one of investment which contributes to the tourism development in Quang Nam.

On this occasion, Tracodi’s holding company - Bamboo Capital JSC (BCG) has also donated three (3) charity houses with the value of VND 150 million each for poor people in Dien Duong Commune, Dien Ban District.



TCD transferred its capital of VND 2.63 billion in Vinacafe Producing Trading Fertilizer JSC

As approval of the Board of Directors under the Resolution No. 43/2018/NQ-HĐQT-TCD issued on September 24, 2018, TCD will be allowed to transfer its stock in Vinacafe Producing Trading Fertilizer JSC to Nguyen Hoang JSC to get capital for business activities and short-term investment.

In particular, Nguyen Hoang JSC will receive a transfer of 262,500 shares of Vinacafe Producing Trading Fertilizer JSC, with the value of VND 2.63 billion, equal 35% of the charter capital.



TCD: Board Resolution on investment in BCG – Bang Duong Energy JSC

On September 27, 2018, the Board of Directors issued Resolution No. 47/2018/NQ-HĐQT-TCD allowed Tracodi to receive a transfer of 5,800,000 shares from BCG – Bang Duong Energy JSC, this investment of VND 58 billion which equal to 29% of the charter capital of BCG – Bang Duong Energy JSC.

Groundbreaking ceremony of the first solar farm project in Long An



Tracodi Labour

Unit: VND million	3Q2018	3Q2017
Net revenue	2,343	1,602
Cost of goods sold	1,050	1,174
Gross profit	1,292	428

In 3Q2018, Tracodi Labour has continuously seeking for labor sources in provinces that we have well-connected such as Soc Trang, Vinh Long.

For the third quarter of 2018, Tracodi Labour has sent 113 laborers to Japan, 17 laborers to Taiwan and Macau.

The net revenue and gross profit for the second quarter of 2018 reached VND 2.3 billion and VND 1.3 billion respectively, up 46% and 200% correspondingly over the same period last year.

In the first nine (9) months of 2018, Tracodi Labour has sent 434 laborers to work abroad in which 390 laborers to Japan, 44 laborers to Taiwan and Macau.

Tracodi Labour is predicted to complete its targeted revenue of VND 9.53 billion.

Former President Truong Tan Sang, Deputy Prime Minister Truong Hoa Binh; Chairman of Long An People's Council Pham Van Ranh, and Chairman of Long An People's Committee Tran Van Can, have attended the ceremony.

Mr. Tran Van Can - Chairman of Long An People's Committee - states that: "This is the first solar farm project in Long An Province, also this is an essential milestone for Long An's new energy development program. The renewable energy projects are welcomed to Long An, including the 40 MW solar farm project of BCG Bang Duong Energy JSC. We are pleased and hope that this first project lays the foundation for more solar farm projects in the future."



The project has been invested \$42 million by BCG and led by BCG Bang Duong Energy JSC, a subsidiary of Bamboo Capital JSC (BCG). The project, approved by Vietnam Ministry of Industry and Trade, will build a solar farm spread over 50.2 hectares and capable of generating 40.6 megawatts of electricity. The plant is expected to be completed and in operation early June 2019.

Once completed, the solar farm will be expected to generate 60 million kWh of electricity annually which will contribute to the National Grid. Furthermore, the project will also build a 110kV substation in Thanh Hoa District, internal roads, pumping system and a 9-kilometer transmission line.

Transport and Industry Development Investment JSC (TRACODI), a subsidiary of BCG, will be EPC for the project with an estimated construction cost of \$5 million.

On behalf of BCG Bang Duong JSC, BCG Chairman Nguyen Ho Nam has informed that the company will work with world-leading partners in solar energy for technical support, design and environmental consulting. In particular, our partner Syntegra Solar from Germany, a specialized solar PV Consulting & Advisory and Project Development Firm, will be in charged of design and project supervision. Polycrystalline solar panels will be used for the project. The efficiency of polycrystalline-based solar panels is up to 18.1% due to new technology applied (typically 13% - 16%), thereby reducing number of panels. In addition, the panel cleaning system will be applied for human resource cost savings and productivity enhancement.

Moreover, BCG has invested to other two (2) solar farm projects in Long An Which are GAIA 100MW and Sunflower 50MW.

On this special occasion, Deputy Prime Minister Truong Hoa Binh has also donated two (2) charity houses with a total value of VND 120 million to Thanh Hoa District.

Project update

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MALIBU HOI AN



Malibu Hoi An, comprises 96 Villas and 690 condotel units, is located in the coastal line from Da Nang to Hoi An. The Villas is designed by BAKH Architecture (US) who has more than 20 years of experience in design.

- Estimated Construction cost: \$45 million
- Land area: 110,306 m²
- Construction period: 2018– 2020.
- The owner: BCG

On August 4, 2018 Indochina Hoi An Beach Villas Co., Ltd, a subsidiary of Bamboo Capital JSC (BCG) has signed strategic cooperation agreements with local and international partners in terms of design, building, finance, construction supervision and others for implementation of Malibu Hoi An project. The breakingground ceremony has been held in Ha My beach, Hoi An on September 10, 2018.

TCD, general contractor of the project, has working with the owner and other subcontracts for project implementation. The design has been done and currently we are in the stage of opening for sale.

KING CROWN THAO DIEN



Luxurious apartment building, which is located in the center of District 2, invested by BCG Land. As planned, the mixed residential-commercial building will include 43 shophouses, 20 storey office space and 5 storey residence space.

- Estimated construction cost: \$20 million
- Land area: 9,120 m²
- Estimated completion: 2020.

TCD, general contractor of the project, has working with relevant authorities to complete project documents.

TCD: forecast to achieve the business plan 2018

At the AGMs on June 15, 2018, the AGMs approved the business plan 2018 with VND 1,150 billion and VND 96.38 billion in revenue and profit before tax respectively.

Revenue will come from core segments of the Company including: infrastructure and construction, trade, quarrying and labor export. In particular:

Infrastructure and construction segment will bring approximately VND 390 billion via its big projects:

- Malibu Hoi An: the project has kicked off on September 10, 2018, and expected to deliver in 3Q2020, the show flat has been done and prepared to sell to public. The project costs nearly VND 2,000 billion, TCD is contractor in charged of infrastructure construction with the value of approximately VND 1,200 billion.
- BCG Bang Duong 40MW: total investment of \$42 million (VND 966 billion), the project has kicked off on September 16, 2018 and will be in operation realy June 2019. TCD is contractor in charged of infrastructure construction with the value of approximately VND 200 billion.
- GAIA 100 MW: total investment of \$101 million, the project has been approved and added to the National power Development Plan 2011-2020 by Prime Minister on October 25, 2018. Infrastructure construction value of \$10 million.
- King Crown Thao Dien: total investment of \$50 million (approximate VND 1,150 billion). The project is on the process of document procedure. TCD is contractor in charged of infrastructure construction with the value of VND 600 billion.

In 2018, constructure segment is expected to earn VND 400 billion in revenue, presenting 103%.

Trade segment is expected to earn VND 450 billion in revenue.

Quarrying at ANTRACO, its revenue is expected to reach VND 350 billion.

Labor Export is expected to reach VND 6.64 billion in revenue.

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Project update

BCG BANG DUONG 40 MW



The BCG Bang Duong Solar Farm will be located in Thanh Hoa (Long An) owned by its parent company BCG. The project has been approved by Ministry of Industry and Trade and the brokenground ceremony has been done on September 16, 2018.

- Total investment: \$40.5 million
- Estimated infrastructure cost: \$5 million
- Capacity: 40 MW.
- Land area: 50 ha.
- Construction period: 2018 – 2019

TCD is general contractor in charge of infrastructure construction.

GAIA 100 MW



The GAIA Solar Farm will be located in Thanh Hoa (Long An) owned by its parent company Bamboo Capital JSC (BCG). The project has been approved and added to the National Power Development Plan 2011-2020 by Prime Minister.

- Total investment: \$101 million
- Estimated infrastructure cost: \$10 million
- Capacity: 100 MW.
- Land area: 120 ha.
- Construction period: 2018 – 2019

TCD will be general contractor who provides design solution, equipment and installation of solar energy system for the project.