



**THE REPORT OF BUSINESS RESULTS 2018
AND STRATEGY OF BUSINESS 2019**

To: Shareholders of Bamboo Capital JSC

- Pursuant to Enterprise Law No. 68/2014/QH13 approved by Socialist Republic of Vietnam on November 26th, 2014;
- Pursuant to the Charter of Bamboo Capital JSC (BCG) approved by the Annual General Meeting of Shareholders in 2018;
- Pursuant to business activities of Bamboo Capital JSC.

The Board of Directors of Bamboo Capital JSC reports business results 2018 and strategy plans of 2019 to the Annual General Meeting of Shareholders as follows:

I. THE SITUATION OF MACROECONOMIC 2018:

Vietnam's economy in 2018 is flourished on all three fields as production, supply-demand of the economy. The economic growth in 2018 reached 7.08% compared to 2017 - the highest increase in last 11 years. The quality of growth and the environment of business investment have been improved. The establishment of new enterprises increased sharply. The macroeconomic foundation is strengthened and gradually enhanced. The rate of unemployment and underemployment tends to decrease. Social security is concerned. GDP per capita reached 2,587 USD (up 198 USD), CPI increased by 3.54%, trade surplus reached 7.2 billion USD and industrial production index increased by 10.2%, ect.

Consumer price index (CPI) of December 2018 decreased 0.25% compared with last month. Average CPI of 2018 increased 3.54% compared with 2017 according to the National Assembly's target. CPI of December 2018 increased 2.98% compared with December 2017. The basic inflation of December 2018 increased 0.09% compared with last month and increased 1.7% compared to the same period last year. The average basic inflation of 2018 increased 1.48% compared with 2017.

The direct investment of foreign investors since from the beginning of the year to December 20th, 2018 attracted 3,046 new licensing projects with a registered capital of 17,976.2 million US dollars, an increase of 17.6% in number of projects and a decrease of 15 , 5% of registered capital compared with the same period of 2017. Thus, the total newly registered and additional registered capital in 2018 reached 25,572.9 million US dollars, an decrease of 13.9% compared to the same period of 2017. The direct investment capital of foreign investors implemented in 2018 is estimated to reach 19.1 billion US dollars, up 9.1% compared with 2017.

In the fields of industry and construction, manufacturing and processing industry continue to be the main contributor to the economic growth with a high increase of 12.98%. Although it is lower than the growth rate of 2017, it is much higher than the growth rate of the years of 2012-2016. It contributes 2.55% to the overall growth. The growth results show that the economy has escaped dependence on extraction of mineral and resource because 2018 is the consecutive third year that its mining industry has a negative growth rate (down 3.11%), reducing 0.23% of the total added value of the economy.

II. EVALUATION OF BUSINESS RESULTS 2018:

1. The financial statement and manufacturing business results 2018

According to the audited consolidated business results of 2018 of Bamboo Capital JSC (BCG), the revenue of selling and service was 1,114 billion Vietnamese dong, only reached 56% of the plan (1,980 billion Vietnamese dong) and the profit after tax was near 11.3 billion Vietnamese dong which not yet reach the plan (89.43 billion Vietnamese dong).

a. The consolidated business results of 2018

Unit: billion Vietnamese dong

Criteria	2017	2018	Difference	% of difference
The revenue of sales and services	1,990.88	1,113.32	(877.56)	-44.08%
Cost of goods sold	1,758.01	881.95	(876.06)	-49.83%
Gross profit of sales and services	232.87	231.37	(1.50)	-0.64%
The revenue of financial activities	264.33	208.63	(55.70)	-21.07%
Financial costs	242.28	224.88	(17.40)	-7.18%
Sales costs	74.65	64.44	(10.21)	-13.68%
Costs of enterprise management	98.97	105.83	6.86	6.93%
Net profit of business	80.24	41.04	39.20	-48.85%
Other profits	(1.15)	(5.44)	4.29	373.04%
The profit before tax	79.10	35.60	43.50	-54.99%
The profit after enterprise income tax	59.67	11.33	(48.34)	-81.01%

Specifically, the revenue of sales and service provision of the Company of this year decreased by 44% compared with the same period of 2017. The main reason is that the Company restructured and transferred commercial business activities to Subsidiaries. At the same time, the Company also narrowed its low-performing business such as tapioca and cocoa. It also divested from the enterprises belonging to key economy areas such as Phu Thuan Co., Cars 1-5, Viet Golden Farm, ACG Vietnam, Tracodi Service JSC.

In addition, the Company also pushed investments in projects of real estate and renewable energy using the majority of financial leverage. This makes the interest expenses increase about 170 billion Vietnamese dong. Because these projects are long-term projects, the revenue has not yet been recorded while the costs of project development and related investment costs have been recorded. Therefore, although the Company can control the cost of goods sold and the gross profit is equivalent to 2017 with 231 billion Vietnamese dong and the gross profit margin improved from 12% of last year to 21%, it still must be recorded the profit after tax of the shareholders of Parent Company in 2018 which is negative with more than 15 billion Vietnamese dong.

In 2019, apart from a part of revenue of the projects being implemented will be recognized, the Company expects to get a huge growth since from the Quarter 2. Specifically in the field of real estate and project, Malibu Hoi An Resort project is estimated to have the revenue of 2,100 billion Vietnamese dong and Kingcrown Village project is expected with revenue of about 910 billion Vietnamese dong. In the field of renewable energy, two solar power plants in Thanh Hoa and Long An with total capacity of 141 MW are estimated to generate electricity before June 30th, 2019 which will bring a stable and long-term revenue. In addition, roof-based energy projects in the industrial parks which will contribute the revenue in the Quarter 1 of 2019 are being completed.

b. Net revenue and gross profit structure in 2018

A/C unit: billion dong

No.	Fields	Revenue	Gross revenue
1	Supply of goods	904.43	116.22
2	Supply of goods	117.62	90.70
3	Construction contract	91.27	24.45
	Total	1,113.32	231.37

Source: 2018 audited financial statements of BCG

c. Financial situation and liabilities

1. Total value of assets	3,548,052,026,681	5,320,625,790,677	49.96%
2. Net revenue	1,990,883,516,179	1,113,320,994,094	-44.08%
3. Profits from business activities	80,244,682,022	41,041,028,277	-48.86%
4. Other profits	(1,149,549,468)	(5,438,903,552)	373.13%
5. Pre-tax profit	79,095,132,554	35,602,124,725	-54.99%
6. After -tax profit	59,668,154,955	11,326,171,260	-81.02%
7. Dividend payment rate			

In 2018, BCG's charter capital remained unchanged at VND 1,080 billion. The company's total assets are currently VND 5,320 billion, an increase of VND 1,172 billion compared to

the total assets at the end of 2017 due to the fact that in 2018, the company made loans to implement the investments in a series of great projects in real estate and renewable energy fields. BCG's short-term financial investment continued to decline sharply from VND 50.5 billion to VND 15.8 billion. Long-term financial investment increased slightly from VND 819.7 billion to VND 881.9 billion.

Non-current liabilities recorded a slight decrease from VND 1,183 billion to VND 1,029 billion, while current debt has a significant change from VND 1,007 billion to over VND 2,883 billion. In 2019, the Company expects to use part or all of the above mentioned projects in order to create a balance of financial obligations and reduce interest burden

No.	Criteria	A/C unit	Year of 2017	Year of 2018
1	Asset structure	%		
	Current assets / Total assets long Non-current assets / Total assets		36.75 63.25	36.76 63.24
2	Capital source structure	%		
	Liabilities / Total capital Equity / Total capital		61.74 38.26	73.54 26.46
3	Solvency	Time		
	Instant solvency		0.19	0.03
	Quick solvency Current solvency		1.04 1.29	0.62 0.68
4	Rate of return	%		
	Rate of return on revenue			
	Rate of pre-tax profit on revenue		3.50	2.68
	Rate of after-tax profit on revenue		2.64	0.85
	Rate of return on total assets			
	Pre-tax profit ratio on total assets		2.23	0.67
	Rate of after-tax profit on total assets		1.68	0.21
Net profit margin on equity	4.40	0.80		

2. Evaluate the performance of the production and business segments of key affiliate companies in 2018:

In 2018, the important year marked Bamboo Capital officially operated under the model of Bamboo Capital Group. With the multi-field group model, BCG has structured the ownership model of companies whereby BCG only owns the following 4 key affiliate companies:

a. Nguyen Hoang Group:

In 2018, BCG focused on restructuring, moving Nguyen Hoang Development JSC to holdings to manage the affiliate companies and associate in agriculture and manufacturing. In order to maintain stable capital and flexibility in cash flow, the company maintains its investment in traditional businesses in the agricultural and manufacturing sectors. To take advantage of executive experience, industry-wide expertise, cost control capabilities and a wide network of leverage to create value and boost growth for Nguyen Hoang Group.

With a team of skilled and experienced staff and modern and advanced production lines, Nguyen Hoang Group markets out such products as high quality outdoor furniture, flooring plywood. exterior products from plastic, microbial fertilizer, coffee bean business ... Especially in 2018, affiliated member company of Nguyen Hoang Group is Vinacafe Fertilizer JSC, signed a contract to establish a microorganic fertilizer production joint venture) Vina Hyosung Onb and marked a promising milestone for the long-term cooperation between two enterprises trading Vinacafe (Vietnam) fertilizer and Hyosung OnB (Korea).

b. BCG Land JSC:

The BCG Land JSC focuses on the development of infrastructure and real estate projects with a role of direct or indirect owner of some project companies such as Indochina Beach Villa (Malibu project), Sao Sang Sai Gon (Kingcrow project), PEGAS Limited Company (PEGAS project), Helios (the real estate trading floor). The Company implemented 2 typical projects in 2018:

Malibu Hoi An project in Quang Nam used for buiding 96 villas and 678 condotels with a land area of 11 ha. The project has completed the foundation and has successfully opened for sale 2 times. The project is expected to be completed and used in the Quarter 2, 2020.

The Company also focused on completion of planning and construction permits for **Kingcrow Thao Dien** in 2018. The project is estimated to deploy the construction in the Quarter 2, 2019 with 17 luxury villas in the period 1 and with 25-storey block including 5-storey apartment and 20-storey condotel in the period 2.

Besides, BCG is also promoting other projects as investment such as:

Casa Marina project in the period 2: the business situation of Casa Marina resort is evaluated very positively in the past year because Quy Nhon is more and more developed in tourism. Average rate of full rooms is about 80% for normal days and full 100% for holidays. BCG plans to implement the phase 2 with 160 semi-owned and rental villas.

PEGAS project: 38-storey condotel is built in Nha Trang with a land area of 2,800 m².

Summary of projects have been and are being implemented in 2018 by BCG Land:

No.	Project	Area	Total investment capital	Remarks
1	Casa Marina Resort phase 2	11 ha	150 billion Vietnamese dongs	The resort project in Quy Nhon was completed and operated phase 1 with 56 rooms and bungalows. In 2018, the Company proposed the implementation of phase 2 in building 200 villas. The project is in the process of applying for a construction permit.

2	Malibu Resort	11 ha	2,500 billion Vietnamese dongs	96-villa and 678-condotel project which will be built at the most beautiful beach in Quang Nam – Da Nang. The project is executing the foundation, expected to be completed in the Quarter 2, 2020.
3	Kingcrown – Thao Dien	9,125 m2		The project is with 17 luxury villas and with 25-storey block including 5-storey apartment and 20-storey five star condotel. It is located in facade Nguyen Van Huong street, District 2. The project is under construction and is expected to complete phase 1 of 17 villas in the Quarter 1 of 2020.
4	Cau Rong project	11,487 m2	4,500 billion Vietnamese dongs	The project is located in an expensive land of Da Nang City with 4 facades and is expected to plan a complex area including trading centers, hotels, offices and luxury apartments.
5	PEGAS condotel project	2,738.3 m2		The project with 2 facades is located in Vinh Hoa Ward, Nha Trang City. It is estimated to build 38 floors and 2 basements as studios. In the present, the project is in the process of applying for a construction permit.

c. BCG Energy JSC:

BCG continues to pursue the direction of turning renewable energy into a long-term and sustainable investment of the Group with the desire to lead the clean energy market in Vietnam in the near future. In order to do that, BCG has constantly researched and found opportunities to invest in solar energy across the regions from the Central to the South. At the same time, in order to shorten the study and quickly deploy the projects to create business results and benefits for shareholders, BCG has signed investment cooperation with a series of major partners around on the global such as Hanwha Group (Korea), PowerChina (China), IB Vogt GmbH (Germany), Enea Consulting (Australia), etc. In the present, BCG has two projects in the process of being implemented and many other projects in the process of completing legal procedures. Specifically, the BCG Bang Duong solar power project with a capacity of 40 MW in Thanh Hoa District, Long An Province is nearly completed and expected to generate electricity before June 30, 2019. Besides, also in Thanh Hoa District, Long An Province, Gaia project with a capacity of 100 MW is completed legal procedures and and being promoted for implementation. After being implemented, these two projects will contribute long-term, stable and no small revenue to BCG in the next 20 years.

In addition, BCG Energy has been agreed some projects and is waiting for approval of the Ministry of Industry and Trade, they are Sunflower in Thanh Hoa District with a capacity of 50 MW and the wind power project No. 17 in Tran De District (Soc Trang) with a capacity of 45 MW.

Take advantages of financial resources from foreign financial investors to implement the projects quickly. In 2018, the Company attracted Oman investment funds and invested it in 2 solar projects in Long An with the total disbursed amount of 700 billion Vietnamese dongs.

Summary of projects have been and are being implemented in 2018 by BCG Energy:

No.	Project	Capacity	Total investment capital	Description
1	BCG Bang Duong	40.6 MW	1,100 billion Vietnamese dongs	The project of solar power plant with a capacity of 40.6 MW is implemented in Thanh Hoa District (Long An). In the present, the project has completed the construction of the plant and is in the process of carrying out power work with EVN and expected to generate electricity in June 2019.
2	GAIA	100.4 MW	2,200 billion Vietnamese dongs	The project of solar power plant with a capacity of 100.4 MW is implemented in Thanh Hoa District (Long An). The project is being implemented to build the plant and expected to carry out power work of 30 MW phase 1 in June 2019.
3	Sunflower	50 MW	1,100 billion Vietnamese dongs	The project of solar power plant with a capacity of 50 MW is implemented in Thanh Hoa District (Long An). The project was agreed plan and being submitted to Ministry of Trade for the appraisal.

d. TRACODI JSC:

2018 is the fourth year marking the officially process of conversation from a state-owned enterprise into a fully owned private enterprise by TRACODI JSC which is implemented since from April 20th, 2015. It is a steady and steady growth year after a period of restructuring with the workforce re-arranged according to operating model of the Company. TRACODI still mainly focuses on four major fields as infrastructure construction, export

and trade of agricultural products, extraction - processing of construction stone and labor export.

The Company has well implemented the restructuring to improve ability of management of construction project implementation. Specifically, in 2018, the Company organized a construction management apparatus as a general contractor for Malibu Hoi An and Kingcrown Thao Dien project. In addition, the Company also participated to build some infrastructures for the BCG Bang Duong solar plant project in Long An.

Although, the business results of 2018 are not as good as 2017's ones, the growth profit is good. Specifically, the net revenue and the profit before tax are **875.3 billion Vietnamese dong**s and **104.3 billion Vietnamese dong**s, reached 76.1% and 108.2% of the year plan. In 2018, the operation of TCD has a stable development. The revenue of the Company is collected by the major activities: commercial business, infrastructure construction and stone extraction. Specifically, the construction field contributed over 197.5 billion Vietnamese dong by the implementation of the solar and Malibu project. The field of stone extraction grew strongly and contributed 397.5 billion Vietnamese dong. The revenue of trading field is 269.5 billion Vietnamese dong.

e. BOT 830

Be a joint venture company between BCG and Bang Duong on investment of the project which upgrade and expand provincial roads 830 & 824 in Long An. The total investment capital of the project is 1,078 billion Vietnamese dong with a length of 24km. The project has been completed and officially operated from June, 2018. After more than 6 months of operation, the extraction of vehicle quantities of the route has been stable and there is a growth trend. In accordance with an evaluation, the extraction of BOT 830 created a stable and long-term revenue source for the Company. In 2019, Tracodi will also hold 12% of shares of BOT 830. Therefore, BCG Group holds a controlling percentage of 60% for BOT 830.

4. Improvements of management, policy and organizational structure

In the past year, apart from positivity of operation and investment business, in order to bring a high efficiency, the Board of General Directors also implemented some improvements of management and policy structure as follows:

Management: strengthening management at the Parent Company and its Subsidiaries by the operation of processes and regulations and deploying the information technology applications for all systems in order to ensure in quickly and timely data report.

Strictly controlling costs of the Company in order to optimize the profits

Recruitment and personnel allocation: The Company organizes personnel system according to the lean operating mechanism, manages human resource structure and creates an inheritance team in the supplementing the leadership apparatus.

5. Investor Relations activities

Maximizing shareholder benefits

In 2018, BCG continues to maintain and promote shareholder relations and investor activities in accordance with the goal of “maximizing shareholder benefits”.

The company builds a full, accurate and timely process of information disclosure, complying with Circular 155/2015 / TT-BTC of the Ministry of Finance.

In addition, BCG always updates quarterly / annual business results, outstanding events of the Company and its member companies to investors. BCG also sent such information to news agencies to ensure that other investors are also updated. The Investor Relations Department also actively receives and responds to shareholders' comments and requests via phone, email, or direct dialogue with the Board of Directors.

To actively seek investment opportunities

To improve the Company publications, brochures to transmit images, investment opportunities to shareholders and potential investors.

To actively coordinate and provide information to market analysts to issue analysis reports on BCG shares.

In 2018, BCG actively welcomed and worked with the domestic and foreign investors and investment funds to survey the development strategies and investment cooperation opportunities in Vietnam.

III. Strategy of development plan in 2019

1. General strategy:

Based on the strategic orientation of the Board of Directors, the Board of Directors determined the development plan for the period of 2019 - 2022 focusing on four main segments of 4 key affiliate companies: agriculture and production (Nguyen Hoang Group); infrastructure and real estate (BCG Land); construction and trade (Tracodi); and renewable energy (BCG Energy).

In order to stabilize short-term income as well as partially settle the debt and interest obligations, in 2019, the Board of Directors has set up a business plan based on the sudden growth of profits compared to the Results achieved in 2018 through the segment of real estate projects and solar energy projects began to earn income. Specifically, the planned revenue is expected to be presented in **the 2019 Business Plan Statement**.

Export trading activity is still the focus of BCG's revenue and profit contribution. The company also expects a portion of revenue from the real estate segment to be recorded in 2019. Besides, two solar power plants and a solar roof project will also contribute a stable source of revenue for BCG as of 2019.

Production and business activities in the first 6 months of 2019 put the company out of the warning area of Ho Chi Minh City Stock Exchange. At the same time, the target of striving to exceed the business plan of recording the extraordinary profits in order to meet the dividend division from 2019 to shareholders, investors who have held stocks for many years.

2. Unified business plan for 2019:

A/C unit: million dong

No.	Content	Realized in2018	Plan of 2019	Growth %
1	Revenue from production and business activities	1,113.32	2,962.10	166.06%
2	Net profit from production and business activities	41.04	416.96	911%
3	Pre-tax profits	35.60	415.96	1,068%
4	After-tax profits	11.32	311.97	2,656%

The planned revenue target for 2019 is expected to sharply increase from VND 1,113 to VND 2,962 billion, equivalent to a 166% increase compared to 2018, in which revenue structure includes production, trade and real estate activities. In 2018, revenue from production and business activities is VND 1,113 billion, mainly from Tracodi's construction and trade, production and business activities of Antraco and Nguyen Hoang. 2018 revenue dropped sharply as BCG narrowed its business lines with low profit margins to focus on new business lines to reduce its operations and focus on developing four core business segments. Great growth in revenue in 2019 largely came from sales from real estate projects implemented in 2018 and commercial segment.

Pre-tax profit is expected to grow significantly in 2019 mainly from the development of real estate projects of the group and other investment segments.

3. Business plan target in the period of 2019-2021:

No.	Criteria	Plan of 2019	Plan of 2020	Plan of 2021
1	Revenue from production and business activities	2,962.10	5,630.01	4,498.38
2	After tax profit	311.97	434.86	906.87

The group's revenue and profit structure in the period of 2019-2021 will develop in the direction of gradually increasing the proportion from real estate and renewable energy sectors.

2019 revenue is expected to grow by 2.6 times compared to 2018 due to the development of real estate projects in Quang Nam and Ho Chi Minh City. After tax profit is expected to increase from VND 11 billion in 2018 to VND 311 billion in 2019.

In 2020, the revenue structure again has a strong shift. Revenue from real estate business decreased gradually as the main projects have entered the completion phase, while the revenue from the sale of energy due to commercial solar power farms has accounted for a higher percentage. After tax profit is expected to increase 29.5% compared to 2019.

It is expected in 2019, BCG will announce and pay 20% dividend of which 10% in cash and 10% in shares. In 2020, BCG will announce and pay 30% dividend, of which 10% in cash and 20% in shares. The Management expects BCG's business activities to be stable at high profit after 2021.

4. Key projects in 2019:

Developing and exploiting the infrastructure and real estate projects:

Malibu Hoi An 5-star resort project in Quang Nam is in the process of construction, has completed the foundation. The project has a total investment of VND 2,200 billion, with an area of 11 ha including 96 villas and 668 condotels, with a total revenue of VND 3,051 billion. In which, it is expected that revenue from sales of about 3,000 billion dong will be recorded right in 2019. The project is expected to be handed over in 2nd quarter/ 2020. The expected profit of over VND 400 billion will be recorded to be completed by 2020.

King Crown luxury apartment project Thao Dien consists of 17 villas and one 25-storey building used for 5-star hotels with a total investment of over VND 1,500 billion. Phase 1, including 17 villas, has started construction and is expected to complete the completion of unfinished houses at the end of 2019. It is expected sales revenue is estimated to be about VND 500 billion for phase 1.

In addition, BCG Land also continued to complete the legal procedures to deploy phase 2 of Casa Marina Resort in Quy Nhon including 160 villas and 38-floors in PEGAS condominium project in Nha Trang coastal city.

Developing and exploiting the renewable energy projects:

Two projects of solar power plant are BCG Bang Duong and Gaia with capacity of 40.6 MW and 100.4 MW, respectively, completed construction and will generate electricity partially before June 2019 and remaining at the end of the year of 2019.

In addition, BCG is continuing to invest in the solar projects such as: 2 solar projects in Thanh Hoa - Long An with a capacity of 100 MW; solar project on Krong Buk lake - Daklak (50 MW), 3 solar projects in Ben Tre with total expected capacity of 500 MW, wind energy project in Soc Trang (45 MW). The target of total power generation capacity is over 400 MW in 2019-2020 and 1,000 MW to 2023.

In order to quickly implement the projects for the energy sector, we will cooperate with partners with experience and technical capabilities such as IB VOTG and Hanwha Energy to develop renewable energy projects and to seek for financing for the project from inviting

partners with financial capacity like Hanwha Energy to invest 100 billion - 200 billion convertible bonds exclusively for solar energy.

To identify solar rooftop segment which is also very potential in Vietnam market. BCG Energy has also participated in this field to invest in projects of installing solar roof systems for manufacturing enterprises with large-scale factories and offices of state agencies.

Export production - trade segment:

Focusing on completing the restructure of Nguyen Hoang Group becomes a company that holds factories in the manufacturing sector: furniture, coffee and micro-fertilizer. It is planned to list the company on the stock exchange in 2020.

Promoting the production and business activities at Tapiotek company (invested by Tracodi), the company has the largest cassava starch factory in the south invested by Tracodi. The goal of developing export starch industry gains the revenue of VND 400 billion in 2019 and VND 800 billion in 2020.

The above are the basic contents of production and business results in 2018 and 2019 business strategy of the Executive Board. Entering into the implementation of 2019 tasks, in addition to the advantages, there are also many difficulties and new challenges, the staff of Bamboo Capital JSC determined to unite, promote the achievements, continue the development innovation, good completion of strategic objectives set out the beginning of 2019 to exceed the plan.

To respectfully submit the report to the General Meeting of Shareholders for approval./.

Recipients:

- *Company shareholders;*
- *Archived: BODs, BOSs,*
- *Legal Dept.*

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

NGUYEN HO NAM