



TRANSIMEX CORPORATION

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Respectfully addressed to Shareholder

GENERAL REPORT ON BUSINESS PERFORMANCE IN 2018 AND THE BUSINESS PLAN OF 2019

I. THE ACHIEVEMENT OF BUSINESS IN 2018

1. Financial results of the fiscal year 2018 (consolidated):

Unit: Million VND

No.	Indicator	Plan of 2018	Performance of 2018	Performance of 2017	(%) Performance of 2018 compared with	
					Plan of 2018	Same period of 2017
1	Total revenue	2,356,000	2,323,712	2,131,808	98.63%	109.00%
2	Profit before tax	252,536	263,329	242,199	104.27%	108.72%
3	Profit before tax/Total revenue	10.72%	11.33%	11.36%	105.69%	99.74%
4	Dividend	25%	25%	25%		

2. Evaluation on the business performance results:

In 2018, considering on the aspect of revenue and profit before tax, the business result of the company is relatively impressive:

- Maintaining & increasing handling container volume through out ICD Transimex Port as well as handling cargo throughout all of warehousing system belong to Transimex Corporation.
- Improve significantly the business P&L in SHTP Logistics Center, maximizing cargo storage volume as almost full occupancy.
- Increasing the effectiveness of logistics services contracts, enlarging to nationwide and improving the Cold Chain Logistics service in nationwide basis.
- Co-operating & Coordinating effectively with all affiliates, joint-ventures such as Vinafreight, Nippon Express Vietnam...etc in order to enhance the Total Logistics Service Chain of Transimex.
- Gathering with other strategic partners , opening & operating smoothly the Thang Long Logistics Center at Hung Yen, first step the cargo volume throughput is increasing. A certain reputation of this logistics center has been made respectively in the Northern Logistics Market.
- Transimex concentrates and serves long-term in major customers with stable cargoes and finance, as well as larger scope of collaboration.

- With the above results and prestige, in 2018, Transimex was honored with the following titles:
 - Vietnam TOP 10 Logistics Reputation Award 2018.
 - TOP 500 Company in Vietnam (VNR500).
 - Certificates of Merit to organizations and enterprises for their contributions to the development of Vietnam's logistics industry of the Ministry of Industry and Trade.
 - Certificates of TRUSTED QUALITY SUPPLIER 2018 – TRUST GREEN 2018 – STAR QUALITY TRUSTED 2018.

3. Improvements in organizational structure, policies of trade, reward, welfare and remuneration:

- Continuing to improve the organizational structure, specifically, establish the Project Logistics Service Department to specialize and develop over-sized, over-weight and project cargoes services.
- Implementing the vertical management of the Parent Company to Company's members.
- Conducting surveys, assessing workflows, job descriptions for each job position in Transimex to rationalize staffs.
- Improving the process and recruitment methods to supply human resources according to the development speed of Transimex.
- Organizing many integration training sessions for new employees to help them integrate and understand the working processes, policies and regulations of Transimex. In addition, training courses on the latest knowledge on management and administration to enhance the capacity of managers and develop successor personnel of the Company.
- Salary and bonus policies are built on the principle that the income of employees is received corresponding to the job position rankings through the rank and position evaluation system and the results of job completion. Tạo sự gắn kết cho nhân viên
- The policy of bonus, welfare and remuneration are paid attention; Transimex has organized annually domestic and foreign vacation programs for all staff to renew their labor force and create solidarity for employees. Once a year, Transimex also organizes a general health check for employees. The cost of health check is fully paid by Transimex.
- Issuance of preferred shares for employees (ESOP): Approved employees will be allowed to participate in the program and be distributed to buy preferred shares of the Company. The number of shares purchased depends on the seniority, working position and contribution of each employees according to the evaluation of the Commendation Council and the approval of the Board of Management.

4. Business results in 2018 of the Companies invested by TMS, the Joint Venture, Affiliated companies: The joint venture and affiliates have achieved the good results. Unit: Million VND

No.	Joint venture and affiliates	Revenue		Profit	
		Performance of 2018	(%) Performance of 2018 compared with 2017	Performance of 2018	(%) Performance of 2018 compared with 2017
1	Nippon Express (Vietnam) Co., Ltd. (NEVN)	1,816,750	111.62%	197,661	124.63%
2	Cho Lon Investment and Import Export Corporation (CHOLIMEX – Code: CLX)	440,502	112.95%	137,673	96.12%

No.	Joint venture and affiliates	Revenue		Profit	
		Performance of 2018	(%) Performance of 2018 compared with 2017	Performance of 2018	(%) Performance of 2018 compared with 2017
3	Hai An Transport and Stevedoring Company Limited (HACT)	695,367	258.90%	72,551	547.40%
4	Marine Supply and Engineering Service Joint Stock Company (MASERCO – Code: MAC)	180,668	92.55%	12,961	66.34%
5	The Van Cargoes and Foreign Trade Logistics Joint Stock Company (VNT Logistics JSC – Code: VNT)	1,027,650	114.40%	10,140	28.54%

5. Corporate activities and social responsibility:

- Participated in the sports movement organized by Subsidiaries, Joint-Ventures and Associates.
- Organized sports activities such as soccer, tennis, golf tournament to create conditions for employees to practice sports, play exchanges between departments / units of Company.
- Take care of the spiritual life for employees: Organizing meetings, flower arrangement competitions, inviting experts to talk about women's topics on the occasion of March 8th, October 20th; giving gifts to employees on traditional Tet holiday; Presents for children of employees on International Children's Day (1/6); Scholarship Nguyen Duc Canh encourages children to have good academic achievements.
- Understanding the development of company has contributed to the sustainable economic development of the logistics industry. Paying attention to improve the quality of life for employees, environmental protection, labor safety and business ethics.
- Community responsibility and great attention of contributing to society are always appreciated by the company. In recent years, besides business activities, company organizes community-oriented activities such as visiting and gifting Vietnamese heroic mothers, organizing and participating in charitable trips, helping people with completion difficult situation, Supporting poor students in Don Duong district / Lam Dong.

II. TARGETS PLAN IN 2019

Unit: Million VND

No.	Target	Plan of 2019	(%) in comparison with 2018
1	Total revenue	2,461,000	105.91%
2	Profit before tax	265,879	100.97%
3	Dividend	20% - 25%	

III. KEY OBJECTIVES IN 2019

To perform the strategy for a sustainable development and focus on the core businessline of the Company via the specific targets as following:

- Focusing into business at Thang Long Logistics Center, quickly increasing cargo volume through out of all warehouses as well as to develop valued adding services such as last miles delivery, distribution service.
- Increasing margin of business at SHTP Logistics Center, together with developing of new services in order to make more variety of logistics service chain.
- Co-operate with strategic & key partners to develop market, market share on logistics services, co-invest to build more logistics infrastructure such as container terminal, modern logistics centers at prime location.
- Concentrating into providing total and integrated logistics services to key account, specially develop specific logistics service such as apparel logistics, cold chain logistics, pharmaceutical logistics.
- Strengthening marketing and branding activities, strengthening the collaboration among the group effectively, try to maintain the leading position of the group in Logistics market as well as to keep all of the valued prize such as Top 10 Transport & Logistics Enterprises, VNR-500.
- Increasing the corporate society responsibility.

Sincerely Yours.

 **GENERAL DIRECTOR**

Le Duy Hiep

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