



TRANSIMEX CORPORATION

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Respectfully addressed to Shareholder

REPORT OF BOARD OF MANAGEMENT TO THE 2018-2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Board of Management (“BOM”) would like to present this report to the Corporation’s business results, the direction and supervision of BOM over the Corporation’s Board of Directors (“BOD”) in 2018, and the action plan of the BOM for 2019 as follows:

I. RESULTS OF OPERATIONS OF THE CORPORATION IN 2018

In 2018, the BOM and the BOD always stuck to the Corporation’s set business objectives and took measures to improve the quality and diversity of services, and development of services with great development potential.

1. The (consolidated) business results of Transimex Corporation for the fiscal year 2018 are as follows:

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. The business results of Transimex’s Joint Ventures and Associated Companies for the fiscal year 2018 are as follows:

Unit: Million VND

No.	Joint Venture and Affiliates	Revenue		Profit	
		Performance in 2018	(%) Performance in 2018, compared with 2017	Performance in 2018	(%) Performance in 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%
3	Hai An Transport and Stevedoring Company Limited (HACT)	695,367	258.90%	72,551	547.40%



No.	Joint Venture and Affiliates	Revenue		Profit	
		Performance in 2018	(%) Performance in 2018, compared with 2017	Performance in 2018	(%) Performance in 2018, compared with 2017
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 – Code: VNT)	1,027,650	114.40%	10,140	28.54%

II. ACTIVITIES OF THE BOM IN 2018

1. Members of the BOM:

The 2017-2018 Annual General Meeting of Shareholders convened on 20/4/2018 elected the BOM for the term of 2018-2023 comprising of seven (07) members, and the BOM elected its Chairman and Deputy Chairman. The details of the BOM are as follows:

No.	Full Name	Title	Percentages of ownership in voting shares (TMS)
1	Bui Tuan Ngoc	Chairman	0.59%
2	Le Duy Hiep	Vice Chairman	0.35%
3	Vu Chinh	Member of BOM	0.50%
6	Bui Minh Tuan	Member of BOM	11.62%
7	Vu Cuong	Member of BOM	0.00%
8	Nguyen Bich Lan	Member of BOM	0.00%
9	Masafumi Inoue	Member of BOM	0.00%

The BOM consists of the following committees:

- COMMITTEE FOR PERSONEL, WAGE AND BONUS
- COMMITTEE FOR BUSINESS ADMINISTRATION AND FINANCE
- COMMITTEE FOR INVESTMENT AND DEVELOPMENT POLICIES
- COMMITTEE FOR JOINT VENTURES AND ASSOCIATION

2. Activities of the BOM in the fiscal year 2018:

In order to perform the tasks assigned by the Annual General Meeting of Shareholders (AGM), the BOM carried out activities under the provisions of the Corporation's Charter and in compliance with the Law on Enterprises and other applicable laws.

All meetings of the BOM were held and conducted in accordance with the Corporation's Charter, with the attendance of the BOD, Head of the Supervisory Board, Chief Financial Officer and Chief Accountant.

The BOM directly discussed and decided on the contents to be submitted to the General Meetings of Shareholders for vote. It also decide on issues under its authority, approve the General Director's report and hear the General Director report about the business situation and results of the Company.

The result of the vote showed a high consensus on all the issues raised. All the Minutes and

Resolutions of the BOM were unanimous by its members and are kept and disclosed in accordance with relevant regulations.

Specifically, the BOM held 11 meetings and issued 24 decisions in 2018, specifically as follows:

- 05 decisions concerning organizational structure, staffing and the wage fund;
- 08 decisions related to investment in logistics services of the Corporation;
- 05 decisions regarding financial investment and other financial activities; and
- 06 decisions on other operations of the Corporation.

a. Regarding the organizational structure, staffing and the wage fund, the BOM issued the following decisions:

- (1) Electing the Chairman and Vice Chairman of the BOM for the 5th term (2018-2023); reappointing of General Director of Transimex; appointing a person in charge of corporate governance; appointing the Company Secretary; adopting the remuneration rates for the BOM, Supervisory Board and the Company Secretary Team for the 5th term (2018-2023).
- (2) Appointing an authorized representative to act as the Supervisor (for the term starting from August 8th, 2018 to August 7th, 2021) at Transimex Distribution Center One-Member Company Limited.
- (3) Approving the 2017 Statement of Wage Fund Balance and the 2018 Wage Budget Plan.
- (4) Adopting the appointment of a representative to hold the position of Deputy General Director at the Joint Venture Company.
- (5) Ratifying the General Director's recommendations on the Company's organizational structure: The establishment of the Project Cargo Logistics Services Department; the appointment of the Chief Accountant as the Chief Financial Officer and the simultaneous appointment of the new Chief Accountant; and the change to the names of some departments of the Company.

b. Regarding investments in companies in the same industry to develop the Company's Logistics services, the BOM made the following decisions:

- (1) Approving the details of the purpose of use of the capital collected from the offer for sale of convertible bonds to existing Shareholders.
- (2) Increasing the charter capital of Transimex Hi-tech Park Logistics One Member Company Limited, which is a company 100% owned by Transimex.
- (3) Approving the Statement of Investment in VNF.
- (4) Approving for buying 716,500 VNT shares, or 8% of the outstanding shares of VNT.
- (5) Deciding not to exercise the right to purchase 2,207,192 HAH shares issued to existing shareholders.
- (6) Approving the purchase of additional shares so that the ownership ratio can reach up to 35% of the outstanding shares of MAC, equivalent to 5,046,751 shares.
- (7) Approving the purchase of additional shares so that the ownership ratio can reach up to 35% of the outstanding shares of TJC. It is expected that if the number of outstanding shares is unchanged, the number of shares to be purchased could be about 3,005,000 shares.
- (8) Approving the policy in which Transimex and some partners to establish the Industrial Park Electrical Joint Stock Company, with Transimex contributing 20% to the charter capital of the Industrial Park Electrical Joint Stock Company.

c. Regarding financial activities: The BOM has closely controlled its cash flows, minimized the cost of capital use, promoting the efficient use of capital sources, re-structured the investment portfolio and cut down ineffective investment portfolio, and timely arranged financial resources for the Corporation's projects. The BOM also adopted and agreed to

implement the following:

- (1) Approving the results of exercise of the right to buy TMSCB2017 convertible bonds.
- (2) Approving the continued distribution of refused convertible bonds and fractional bonds.
- (3) Carrying out the decision by Shinhan Bank Vietnam Limited - Transaction Center on granting to the Company a short-term (01 year) credit line, with the maximum loan amount VND 100,000,000,000 (Vietnamese Dong one hundred billion only), and the same decisions by Maritime Commercial Joint Stock Bank and Nam A Commercial Joint Stock Bank, with the maximum loan amount of VND 50,000,000,000 (Vietnam Dong fifty billion only).
- (4) Approving the plan to handle fractional shares issued to pay dividend (at a rate of 10%) in 2017. Accordingly, the number of shares used to pay dividend to each shareholder will be rounded down to the unit column, and decimal parts (if any) of fractional shares will be canceled.
- (5) Approving the plan to apply for a license to issue Employee Stock Ownership Program (ESOP) and proceed with the issue of shares under the program in 2018, based on the contents initially adopted by the General Meeting of Shareholders on April 22, 2016 and later approved by the General Meeting of Shareholders on April 20, 2018. However, this program has been suspended because the market price is lower than the issue price.

In compliance with the regulations applied for listed organizations, the BOM submitted six-month and annually corporate governance reports to the State Securities Committee and Ho Chi Minh City Stock Exchange. The BOM also posted these reports on the Company's website for reference by shareholders, with a view to enhance transparency in corporate governance activities and help shareholders know well about the Company's operational situation.

III. RESULTS OF IMPLEMENTATION OF RESOLUTION OF THE 2017-2018 AGM

Decisions of the AGM	Results
Profit distribution plan for 2017 and the plan for profit distribution for 2018	Implemented
Registration for supplements and changes to the business lines on the Business Registration Certificate.	Implemented
Issuing shares under the ESOP	Not yet implemented due to the above reason
Selecting the audit agency for the fiscal year 2018	A&C Audit and Consulting Co., Ltd. has been selected

IV. SUPERVISION OF AND SUPPORT BY THE BOM TO THE BOD'S ACTIVITIES

Supervision by the BOM over the BOD's activities was carried out through the BOM questioning the BOD on business results at their regular meetings, and through many other activities. The BOM always supervises the implementation of the business plan for 2018; strengthen corporate governance, internal control and risk control in the Company. The Chairman of the BOM regularly attended weekly briefings of the Company, always supervised and timely directed the business activities of the Company.

The BOM authorized the BOD to implement all resolutions adopted by the BOM, and the BOD was required to report the implementation results to the BOM.

The BOM evaluated the results of the performance of the BOD's duties in 2018 as follows:

- In 2018, the BOD directed the Company to well implement the business plan, properly and fully implement all the Resolutions of the General Meeting of Shareholders and the BOM; and actively implement investment projects of the Company and put them into operation with high

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efficiency.

- The BOD operated the Company in accordance with its functions and duties, internal management regulations, the Company's Charter, and relevant law provisions.
- The BOD implemented construction projects in accordance with the procedures and regulations, and in compliance with the Resolution of the Board and the AGM.
- The BOD performed information disclosure strictly and properly.
- The BOD strictly and fully complies with regulations on periodic or extraordinary reporting to State management agencies.
- The BOD paid due attention to training, improved management and professional capacity of the Company's staff.
- The BOD controlled financial activities effectively, ensuring sufficient funding for investment and business development activities.

V. REMUNERATION OF MEMBERS OF THE BOM IN 2018

No.	Name	Position	Remuneration	Bonus	Total
1	Bui Tuan Ngoc	Chairman	100%	0%	100%
2	Le Duy Hiep	Vice Chairman	100%	0%	100%
3	Vu Chinh	Member of BOD	100%	0%	100%
6	Bui Minh Tuan	Member of BOD	100%	0%	100%
7	Vu Cuong	Member of BOD	100%	0%	100%
8	Nguyen Bich Lan	Member of BOD	100%	0%	100%
9	Masafumi Inoue	Member of BOD	100%	0%	100%

VI. ACTION PLAN OF THE BOM IN 2019

Striving to implement the business plan for the fiscal year 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%	

- Successfully organizing the 2018-2019 AGM; proposing to submit to the AGM issues under the authority of the AGM.
- Implementing the goal of becoming the leading provider of package and integrated logistics services in Vietnam.
- Directing and supporting the BOD to carry out the Company's projects as well as the Company's business plan.
- Maximizing the effectiveness of the Transimex Da Nang Logistics Center, the Logistics Center in Ho Chi Minh City Hi-tech Park and Thang Long Logistics Center in Hung Yen Province.
- Coordinating with the Company's investment partners to implement the Hai Phong seaport project, for which an investment decision was issued and proceeded with in 2018, in order to complete the project on schedule.
- Coordinating with the Company's major shareholders with the same business lines to develop

and create new services for the Company.

- Continuing to invest in companies of the same industry that have development potentials and provide supporting services for the Company; and cooperating with these companies to build warehouses for lease and exploit seaports.
- Continuing to direct and support the BOD to seek new projects, research and invest in logistics centers and warehouses in potential positions and improve the logistics service supply capacity of the Company to perfect its nationwide logistics service supply chain, especially in key provinces and cities.
- Implementing activities to enhance risk management efficiency in the Company's business operations.
- Effectively managing investments in joint ventures and associated companies through connection of services, business cooperation and participation in governance activities, etc. in order to improve investment efficiency.
- Continuing to boost the application of modern information technology systems in business operations, warehouse management, cost management, etc.
- Determining human resources as an important factor that ensures the sustainable the Company's sustainable development in the next year as well as in the future, the BOD will focus on the human resource development policy by promoting the training, development and planning of the Company's human resources.
- Building policies to attract high quality human resources and create a long-term attachment between the Company and its staff.
- The BOM highly appreciates and thanks the BOD and all the staff members of the Company for their dedication, efforts and contributions to the successful implementation of the Company's business plan in 2018. With the enthusiastic support of shareholders and customers at home and abroad, the assistance of many strategic partners, and the efforts of the BOD and all staff members, the BOM believes that the Company will continue to over-fulfill its business plan for 2019.

Sincerely Yours.

ON BEHALF OF THE BOM

CHAIRMAN

Bùi Tuan Ngoc

