

TRANSIMEX CORPORATION

Ho Chi Minh City, April 04th, 2018

GENERAL REPORT ON BUSINESS PERFORMANCE IN 2017 AND THE BUSINESS PLAN OF 2018

PART I: EVALUATION OF BUSINESS PERFORMANCE IN 2017

I. The achievement of business in 2017

1) For performance of output target:

- Throughput of Import-export cargo

Airfreight (Tons)

Plan of 2017	Performance of 2017	Performance of 2016	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
925	953,6	710	103%	134%

Seafreight

FCL – Full container load (Teu)

Plan of 2017	Performance of 2017	Performance of 2016	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
19,970	24,664	18,989	124%	130%

LCL - Less than container load (M³)

Plan of 2017	Performance of 2017	Performance of 2016	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
26,836	10,313	20,190	38%	51%

- Throughput of ICD Transimex and warehouse system

+ ICD

Laden (Teu)

Plan of 2017	Performance of 2017	Performance of 2016	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
235,200	219,550	236,403	93%	93%

Empty (Teu)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
138,934	134,174	131,577	97%	102%

+ CFS Warehouse (M³)

Plan of 2017	Performance of 2017	Performance of 2016	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
364,000	195,212	400,173	54%	49%

Cold Storage (Tons)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
109,500	132,859	37,467	121%	355%

+ Bonded Warehouses

Import (M³)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
75,142	51,803	69,767	69%	74%

Export (M³)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
50,683	48,500	57,995	96%	84%

Remark: the performance volume = total volume of bonded warehouses of ICD + TMS-DC + TMS-SHTP

+ **Transimex Distribution Center - TMS DC (Tons)**

Input (Tons)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
167,790	246,726	145,699	147%	169%

Output (Tons)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
165,914	250,889	137,676	151%	182%

• **Throughput of barging and land transportation services**

Barge Transport Service (Teu)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
135,000	137,033	138,393	102%	99%

Container Land Transportation (Teu)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
42,366	38,352	38,948	91%	98%

Other transportation (Tons)

85,200	64,470	92,630	76%	70%
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Remark: Qty (Teu) = Qty per trip x 2 (normally 01 cont 40'/trip)

• **Cargo throughput of Shipping Agency Department**

International freight (Teu)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
49,579	56,687	38,894	114%	146%

Domestic freight HCM-HPG-HCM (Teu)

Plan of 2017	Performance of 2017	Performance of 2016 Plan 2017	(% Performance of 2017 compared with	
			Plan 2017	Result 2016
2,500	1,975	1,933	79%	102%

2) For the financial indicator:

Financial results of the fiscal year 2017 (consolidated) (Unit: million VN dong):

No.	Indicator	Plan of 2017	Performance of 2017	Performance of 2016	(% Performance of 2017 compared with	
					Plan of 2017	Result of 2016
1	Total revenue	1,976,000	2,131,808	615,661	107.88%	346.26%
2	Profit before tax	213,000	242,199	192,222	113.70%	125.99%
3	Profit before tax/Total revenue	10.77%	11.36%	31.22%	105.47%	36.38%
4	Dividend	25%-30%	25% (15% dividend in cash and 10% dividend in shares)	5%		

3) Evaluation on the business performance results:

- In 2017, considering on the aspect of revenue and profit before tax, the business result of the company is relatively impressive, for the first time since the establishment of the Company, total of consolidate revenue is reached 2,132 billion dong. It is worth of praise that many departments of the Company such as ICD Transimex, Dongjin Agency Department, Agency Cooperation Department that have successfully exceeded budget plans.

- After equitization, Transimex Transportation Corporation have been operated more effectively, achieved relative and encouraging returns.
- For integrated logistics services: continued promoting the integrated logistics service and following up the contracts with the traditional customers in the region of Ho Chi Minh City, Dong Nai, Binh Duong and the Northern. However, the services of heavy cargo and project cargo are developed slowly. Light trucking transportation is not only limited within one department but also developed at several departments, in many localities where there is demand and potential to develop the distribution service, to professionalize and gradually perfectize the distribution services for the Fast-Moving Consumer Goods (FMCG) and Foods and Beverages (F&B), to apply ICT to the management of light truck operation.
- For the ICD's services and inland waterway transportation services: In 2017, although many objective difficulties occurred (mostly from the decision of the State which limited the imported cargo going through the ICDs) but the throughput of containers at ICD Transimex had still secured a relative result (353,724 TEU) thank to the management team of not only ICD Transimex but also Transimex Barging Service Center who have done well in marketing, promoting services. Volume of inland waterway container transportation has reached 137,033 TEU, the fleet of barges increase up to 10 units. Despite of large volume of containers (averagely 3,000 TEU/Week), the operation and extraction have been more and more stable and professional.
- Warehousing services: In 2017, the cold storage of Transimex Logistics Center in Danang has been put into operation and rapidly fulfilled; the capacity of the general warehouse, cold storage of ICD Transimex and Transimex Hi-Tech Park Logistics Co., Ltd. in Ho Chi Minh City also reached the almost absolute ratio. However, the operation of the general warehouse (including grocery storage, CFS warehouse, etc.) has not been as expected.
- International container liner agency services: always being the leader in over-performed the assigned budget plan as well as the volume of cargo due to the shipping agent has delivered at both regions of Ho Chi Minh City and Hanoi/Hai Phong. Total quantity in the country was reached 56,687 TEU (in comparison with 38,894 TEU in 2016).
- The office leasing services at TMS Building always reach the maximum capacity, the management of the building being safe, clean, civilized, without occuring fire, explosion and damage is always well performed.
- Coordination and improvement of logistics services chain, with the joint ventures and affiliates such as Vinafreight-Vector-Vietway, Cholimex Corporation and Cholimex Foods have made progress, and have good results. The engagement of management at these companies is also performed at a better result than the year of 2016, providing a better connectivity between the executives, key employees and staffs.

4) Evaluation on organization and completion of the human resources systems:

- Continued completing the organization, combing reform of organization with renovation of leadership, rational allocation of personnel.
- Improved the policy of salary and wages, re-organized and improved the qualifications of the employees, attracted the talented and virtuous people.
- Improved recruitment policy in order for the accurate decisions on recruiting.
- Focused on training in order to improve the capability of the employees, managers and develop the Company' human resources.
- Built up and preserved a model of healthy company culture, in order for the foundation of company sustainable development.

- Until December 31, 2017, total of labors working at the mother Company is 430 employees, TMS Property: 06 employees, TMS-Trans: 84 employees, TMS DC: 22 employees, TMS SHTP: 136 employees; Vinafreight: 305.

5) Business results in 2017 of the Companies invested by TMS, the joint-venture, affiliated companies:

The joint venture and affiliates have achieved the good results, specifically as following:

(Unit: million dong)

No.	Department	Revenue		Profit	
		Performance	(%) Performance in 2017, compared with 2016	Performance	(%) Performance in 2017, compared with 2016
1	Nippon Express (Vietnam) Co., Ltd.	1,499,857	109%	158,602	129%
2	Hai An Transport and Stevedoring Co., Ltd. (HAH)	777,929	160%	172,583	116%
3	Vinafreight Corporation (VNF)	1,882,277	114%	53,797	102%

6) Trade union and community activities:

- Company's trade union has joined with the Board of management to implement properly the labor policies, such as payment for social insurance, health insurance, unemployment insurance, payroll of the employees in accordance with the relevant regulations, which is suitable with business efficiency of the Company, to ensure the stable income for employees.
- To create favorable conditions for the employees to improve their education background, political qualifications, professional qualifications, in order to promptly respond to the development of society and be able to acknowledge the most advanced and modern technologies in business operation, to complete the assigned tasks with the best results.
- To launch the competition on business operation, in order to complete the plan of 2017 excellently and comprehensively.
- The emulation movement of "Practicing saving fuel, electricity, water, telephone fees... saving handling costs", to prevent against wastefulness, corruption, create consensus among employees, limit the unnecessary wastage in business operation, that have been voluntarily and strictly performed by the labors.
- To encourage the employees and staffs to participate into the social works, charity, to improve the sense of responsibility of each person towards the society's community, in 2017, had mobilized employees extracting from their salaries, together with the Company, contributed into charity such as together with Satra in supporting Vietnamese islands, supporting the people who had undergone the flood in Central of Vietnam.
- To take care of material and spiritual life of the employees, especially for the cases of accidents, serious illness and difficulties in life.

PART II: BUSINESS PLAN IN 2018

I. Targets of plan in 2018:

1. For quantity:

• Throughput of Import Export cargo

Airfreight (Tons)

Plan of 2018	Performance of 2017	Ratio
1,033.46	953.6	108%

Seafreight

FCL – Full Container Load (Teu)

Plan of 2018	Performance of 2017	Ratio
28,364	24,664	115%

LCL – Less than container load (M³)

Plan of 2018	Performance of 2017	Ratio
22,252	10,313	216%

• Throughput of ICD Transimex and warehouse systems

+ ICD Transimex

Laden (TEU)

Plan of 2018	Performance of 2017	Ratio
209,290	219,550	95%

Empty (TEU)

Plan of 2018	Performance of 2017	Ratio
188,685	134,174	141%

Remark: To decrease the quantity of Laden, increase the Empty containers

CFS Warehouse (M³)

Plan of 2018	Performance of 2017	Ratio
160,000	195,212	82%

Cold Storage (Tons)

Plan of 2018	Performance of 2017	Ratio
164,925	132,859	124%

Bonded warehouse (M³)

Target	Plan of 2018	Performance of 2017	Ratio
Import	56,508	51,803	109%
Export	40,097	48,500	83%

Remark: the performance volume = total volume of bonded warehouses of ICD + TMS-DC + TMS-SHTP

To decrease the area of Bonded warehouse, Increase the area of Distribution warehouse

+ Distribution center - TMS DC (Tons)

Target	Plan of 2018	Performance of 2017	Ratio
Import	284,185	246,726	115%
Export	288,562	250,889	115%

• Throughput of barging and land transportation services:

Barge Transport Service (Teu)

Plan of 2018	Performance of 2017	Ratio
143,000	137,033	104%

Container land transportation (Teu)

Vận tải đường bộ khác (Tons)

Plan of 2018	Performance of 2017	Ratio
51,142	38,352	133%

Plan of 2018	Performance of 2017	Ratio
85,200	64,470	132%

Remark: Quantity (Teu) = Quantity per trip x 2 (Normally 1 trip = cont.40’')

• **Cargo throughput of Shipping Agency Department:**

International freight (Teu)

Plan of 2018	Performance of 2017	Ratio
63,293	56,687	112%

Domestic freight HCM-HPG-HCM (Teu)

Plan of 2018	Performance of 2017	Ratio
2,500	1,975	127%

2. For financing target:

To take full efforts for performance of business plan in the fiscal year 2018 (Unit: million dong)

STT	TARGET	Plan of 2018	(%) in comparison with 2017
1	Total revenue	2,356,000	110.5%
2	Before-tax profit	252,536	104.7%
3	Dividend	25%-30%	

II. Key objectives in 2018:

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

- Focusing on directing and enhancing management at the departments who have potential difficulties in business operation in 2018 such as ICD Transimex (for business of CFS warehouse), Logistics Department (for business of contract logistics services), Sales & Marketing Department (for business development and Airline Logistics), Transimex Hi-Tech Park Logistics Co., Ltd., etc.
- Focusing on directing overall of business operation of Transimex Transportation Corporation.
- Investing to expand the chill storage at Transimex Logistics Center in Danang in order to meet the demands of customers as well as to increase the market share in frozen food commodities in the region of Danang and the neighborings.
- Developing the e-commerce logistics services in order for responding the needs growing constantly in this business on the world as well as in Vietnam.
- Developing and completing the specialized logistics service supply chain such as delivery services of Fast-moving consumer goods (FMCG) by truck, Cold chain services, Project logistics services, ect.
- Developing pharmaceutical products logistics.
- Directing and coordinating well with the joint ventuer and affiliates (Vinafreight Corporation - VNF), VNT Logistics Corporation, Cholimex Corporation, Cholimex Foods Cooperation) in order to combine the logistics services supply chain effectively.
- Together with the other capital contribution partners focusing on directing and supervising the progress of construction of “Thang Long Logistics Center” in Hung Yen province to ensure the progress and quality of the construction works.

- Concentrating on directing the Northern Branch, in cooperation with the other capital contribution partners to make plans on marketing and sales for Thang Long Logistics Center to ensure for the revenue upon its starting operation.
- Seizing opportunities and launching the new investment projects in order to complete the logistics services supply chain on over the country.
- Strengthening marketing activities, promoting the brand of TMS and its joint ventures and affiliates.
- Performing effectively the tasks of training and developing the company's human resources.
- Carrying out the social obligations, environmental protection in connecting with sustainable economic growth.

GENERAL DIRECTOR



Le Duy Hiep