



PART A

REPORT OF BOARD OF DIRECTORS

I. BOARD OF DIRECTORS' ACTIVITIES

1. Personnel of Board of Directors:

The Board of Directors (BOD) of Viconship in term 2015- 2019 includes 09 members voted by General meeting of shareholders. In the year 2017, there is no change in human resources of the BOD.

The BOD of Viconship in term 2015- 2019 includes 09 members as follows:

1. Mr. Nguyen Viet Hoa – Chairman
2. Mr. Nguyen Van Tien – Member
3. Mr. Tran Xuan Bao – Member
4. Mrs. Hoang Thi Ha – Member
5. Mr. Nguyen The Trong – Member
6. Mr. Nguyen Viet Trung – Member
7. Mr. Nghiem Tuan Anh – Member
8. Mr. Hoang Trong Giang – Member
9. Mr. Hoang Tien Luc – Member

2. BOD's meeting:

The Board of Directors has implemented corporate governance of the Company in accordance with the Charter, the Regulation on the Operation of the BOD and the provisions of the law. Based on the Resolution of the General meeting of Shareholders in 2017 and the business situation of the Company, the BOD has approved and directed the implementation of corporate governance and business activities throughout the whole Company. In 2017, the BOD held several regular and extraordinary meetings to make important strategic decisions to improve business efficiency, to ensure compliance with the orientation of the Resolution approved by the General meeting of Shareholders.

In 2017, the BOD held the following important meetings:

No	No, date Resolution/ Decision	Contents
1	01/2017/NQ- HĐQT dated 24 th Jan, 2017	Contribute capital to establish Green Development and Investment Joint Stock Company (GIC): Agree to invest capital contribution with partners to establish Green Development and Investment Joint Stock Company: - Name: Green Development and Investment Joint Stock Company - Address: Dong Hai II Ward, Hai An Dist. Hai Phong - Charter capital: 101 billion VND (One hundred and one billion) - Main business lines: + Goods loading and unloading (Code 5224) + Warehouse and goods storage (Code 5210) + Other supporting services (Code 5229)

		<p>+ Road transport of goods (Code 4933)</p> <p>Viconship contributed 67 billion VND, equivalent to 6,700,000 shares, accounting for 66.33% charter capital of GIC.</p> <p>To nominate following representatives to manage the capital contribution of Viconship at the GIC:</p> <ul style="list-style-type: none"> - Mr. Tran Xuan Bao - Current position: Member of BOD of Viconship - Mr. Hoang Tien Luc - Current position: Member of BOD of Viconship - Mr. Nguyen The Trong - Current position: Member of BOD of Viconship <p>They are the representatives to manage the capital contributed by Viconship at GIC.</p> <p>Assigned the Board to Management to establish GIC.</p>
2	02/2017/NQ-HĐQT Dated 24 th , Mar 2017	<p>Approval on evaluation of the results of business operation in 2016 of the whole company, direct the measures to implement the business plan in 2017. To assign duties of the members of the BOD to organize the annual General Meeting of shareholders of Viconship in 2017.</p> <p>Approval on providing capital to GIC (Subsidiary of Viconship) in accordance with the Financial Regulation of the Company as follows:</p> <ul style="list-style-type: none"> - Total support: about 65 billion VND - Duration of capital support: no more than 5 years - Interest rate: according to the financial management regulations of the company.
3	03/2017/NQ-HĐQT dated 10 th Apr, 2017	<p>Unified implementation of some contents of the Annual General Meeting in 2017 on 24th Mar, 2017 as follows:</p> <ul style="list-style-type: none"> - Contributed capital to establish TS container Hanoi limited company with foreign partners, specifically as follows: <ul style="list-style-type: none"> * Pay 2nd phrase dividend for 2016 in cash: 10% of par value (VND 1,000 / share). * Approval on the implementation of the necessary procedures to issue shares to pay dividend to existing shareholders at a rate of 10% (shareholders holding 100 shares will receive 10 new shares) has approved by the General Meeting of Shareholders. After the issuance of shares, the Company will register the depository at the Vietnam Securities Depository Center, register for additional listing on the HOSE, and amend the Charter and Business Certificate registration of the company according to the new charter capital.
4	04/2017/NQ-HĐQT dated Jun 7 th , 2017	<p>Unified to implement some contents of the Annual General Meeting of Shareholders in 2017 dated March 24, 2017 as follows:</p> <ul style="list-style-type: none"> • Appval on choosing KPMG Vietnam Limited is the provider of services to review semi-annual financial statements, audited financial statements for 2017 for Viconship. Assigned the General

		<p>Director of the Company to negotiate and sign auditing contract in accordance with current regulations.</p> <ul style="list-style-type: none"> • Approval on the merger of Green Depot One member Limited Company ("Green Depot") into Green Star Lines one member limited company ("GSLines") <p>- The merged company:</p> <ul style="list-style-type: none"> + Name of Company: Green Depot One member Limited Company + Business code: 0201276583 issued by Department of Planning and Investment of Hai Phong issued on Aug 28th, 2012. + Head office: No.10, K9 Street, Dong Hai 2 Ward, Hai An Dist. Hai Phong, VN. + Charter capital: 25 billion VND. <p>- The merging company:</p> <ul style="list-style-type: none"> + Company name: Green Star Lines one member limited Company + Business code: 0200468606 issued by Department of Planning and Investment of Hai Phong on Jun 14th, 2002 + Head office: No. 5 Vo Thi Sau street, Can To Ward, Ngo Quyen District, Hai Phong, VN. + Charter capital: 15 billion. <ul style="list-style-type: none"> - After the merger, charter capital of GSLines will be VND 40 billion. - Time of incorporation: 01/07/2017. <p>To assign the Chairman, Director of GSLines Company and Green Depot Company to carry out related legal procedures the merger of Green Depot into GSLines Company.</p>
5	<p>05/2017/NQ-HĐQT Dated July 28th, 2017</p>	<p>Approval on business results for the first 6 months of 2017, as follows:</p> <ul style="list-style-type: none"> - Revenue: 606.85 billion - Profit before tax: 135.09 billion <p>Approval on the policy of listing shares of the subsidiary companies of the Viconship on the stock exchange when the conditions are met.</p> <p>Agreed to expand and develop port exploitation business by building deep water port in North Vietnam.</p> <p>Pushing strengthen the conversion of the GreenPort (GREENPORT) into a distribution center.</p> <p>Approval on providing capital to GSLines (Subsidiary of Viconship) in accordance with the financial management regulations of the Company as follows:</p> <ul style="list-style-type: none"> - Total amount of support: 10 billion

		<p>- Capital support period: not exceeding 5 years</p> <p>Interest rate: according to financial management regulations of the Company.</p>
6	06/2017/NQ-HDQT dated Sep 26 th , 2017	The Board of Directors has approved the suspension of the issuance of shares under the Employee Stock Option Program (ESOP) according to the Meeting minutes and Resolution of the Annual General Meeting of Shareholders dated March 24, 2017. The BOD will report to shareholders at the nearest meeting of shareholders
7	07/2017/NQ-HDQT dated Nov 28 th , 2017	<p>First dividend payment in 2017 for shareholders, as follows:</p> <ul style="list-style-type: none"> - Dividend advance rate: 10% of the par value of shares (1 share receives 1,000 dong). - Time for implementation: expected in December 2017. <p>To assign the General Director of the company to direct the completion of the necessary procedures and make payment (advance) dividends in accordance with current regulations.</p>

3. Results of implementation of the Resolution of the General Meeting of Shareholders

No	Contents	Result
1	Paid dividends by profit distribution plan in 2016 (10% in cash, 10% in shares)	Done
2	Business plan in 2017	Exceeding completed according to report in part B
3	Profit distribution plan in 2017	Advance payment of 10%, payment dated Dec 29 th , 2017
4	To merge Green Depot into GSLines Company.	Done
5	Selection of auditors to audit financial statement 2017 of the Company	Receiving authorization of the General Meeting of Shareholders, the BOD has selected KPMG Vietnam Limited as the auditor for 2017.
6	The issuance of shares under the Employee Stock Option Program (ESOP)	Unfulfilled. Due to complain of one shareholder to the SSC related to this content which affects the implementation of other content (pay dividends to shareholders), the BOD approved Resolution No. 06/2017 dated 26/9/17 in order to suspension this



		content to pay dividends to shareholders in time.
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4. Supervisory activities of the BOD for the CEO and management levels

The BOD supervised the implementation of resolutions, business plans and investment plans approved by the BOD and the General Meeting of Shareholders.

In 2017, the BOD directed and supervised the Management Board to perform the following tasks:

- Monitor the market, follow information, make timely decisions to ensure production and business activities are stable and developed.

- Select and perform well the construction investment and purchase equipment to meet the requirements of improving the loading and unloading capacity of the port and depot.

- Performing the maintenance of works, facilities and equipment. Ensure equipment is always in good technical condition, work safely to meet and satisfy the increasing demands of customers.

- Training and improving professional skills, improving working procedures, promoting the application of information technology in management and business operation to increase the competitiveness of the Company.

- Direct the management board of the Company to comply with the regulations on financial management, ensuring the balance of sufficient capital to meet the requirements of investment and production and business operation.

The Board of Directors highly appreciates the efforts of the Board of Management. In the context of fierce market competition, the Board of Management has made timely strategies and policies to keep traditional customers and develop new customers.

In 2017, with the efforts of the Board of Management, management levels and labor force of more than 1000 employees, the Company has completed the plan assigned by the General Meeting of Shareholders. Turnover reached 113%, profit before tax reached 110% compared with the plan.

II – REMUNERATION, BONUS FOR BOD AND THE INSPECTION COMMITTEE IN 2017

Remuneration, bonus for the BOD, the Inspection Committee and Secretary in 2017 is: VND 1.895.000.000 (*One billion eight hundred ninety five million dong*). Includes:

1. Remuneration, bonus for the BOD VND 1.555.000.000
2. Remuneration, bonus for the Inspection Committee and the secretary: VND 340.000.000



PART B

REPORT ON BUSINESS ACTIVITIES

I - REPORT ON BUSINESS ACTIVITIES 2017:

* General:

In 2017, the world economy recovered strongly due to increased private consumption, the sustainable development of global investment, the improvement of the labor market, the world oil price recovered strongly ... A decade since the financial crisis has shaken the world, the growth rate of gross domestic product (GDP) has started to recover, the world economy is really flourishing. Despite risks from tightening monetary policy of many central banks, with advantage financial conditions and some support from fiscal policy, the global economic outlook is relatively bright and copper is between the developed and emerging economies:

United States economy grows strongly; Asia-Pacific area develops well; EU economy is recovering; Russia still maintains economic growth; In Latin America, the Brazilian economy began to show signs of recovery;

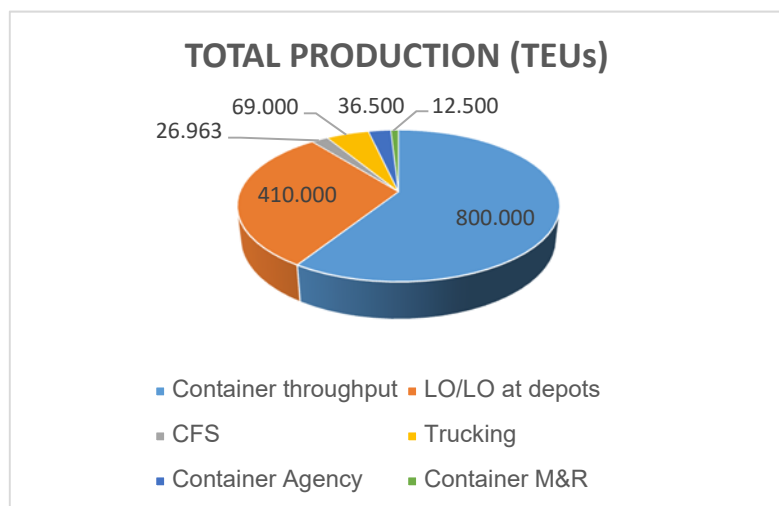
Vietnam economy in 2017, growth rate reached 6.81%. After the difficulties bottoming out in 2012, the national economy is showing steady growth as it is always above average growth during 2011 - 2017.

- Foreign direct investment (FDI) continued to increase and reached US \$ 17 billion,
- Balance of import/export is relatively balanced: 213.7 billion / 211 billion,
- The situation of container shipping market continues to be difficult. International container shipping has shown good signs for long-distance shipping from Vietnam to the US, Europe, etc. However Asian domestic container transportation is fierce competition and service prices are down. Shipping lines are still looking for ways to survive and profit to partially offset losses, including cost cutting and directly related service charges for major business lines. Provided as seaport service, warehousing, container yard, road transportation.
- Some production costs as well as exploitation costs increased, including the impact of road construction.
- The fierce competition of business units in the same industry, especially port services, warehousing, transportation, etc., leads to decreasing prices of these services.

1. Results of Production and Business Activities:

1.1. Production:

- Container throughput: 800.000 TEUs, increase 30% in comparison with 2016;
- LO/LO at depots: 410.000 TEU decrease 9% in comparison with 2016;
- Container M&R: 12.500 CTNR decrease 25% in comparison with 2016;

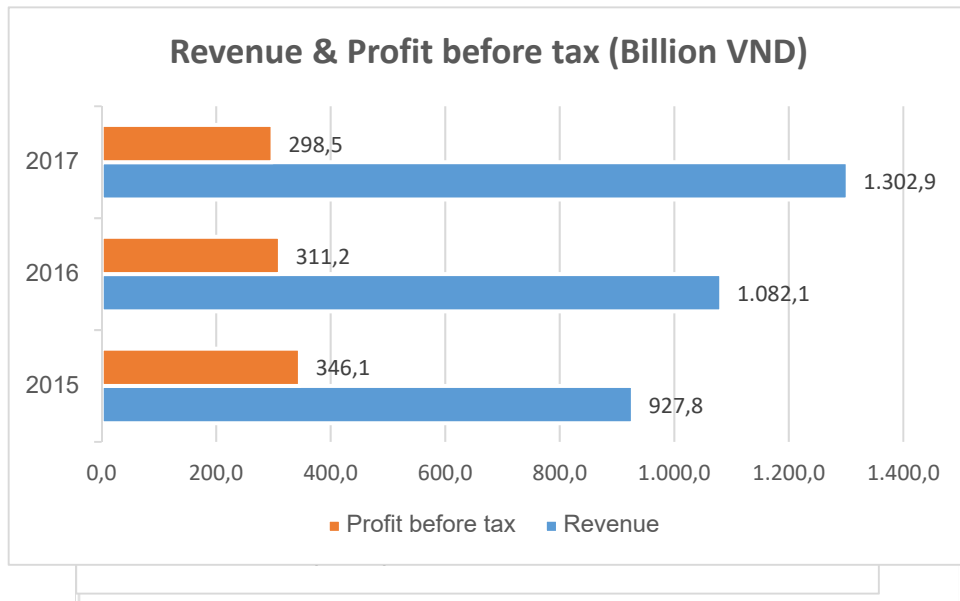




- CFS: 728.000m3 increase 16% in comparison with 2016;
- Trucking: 69.000 TEU increase 6% in comparison with 2016;
- Container Agency: 36.500 TEUs decrease 33% in comparison with 2016;

1.2. Finance:

- Revenue: 1,302 thousands of billion, increasing 13 % compared to plan and increase 20% in comparison with 2016.
- Profit before tax: 298 billions; increasing 10% compared to plan but decrease 4% compared to 2016.



2. Organization, management and other performance:

2.1. Organization:

- Setting up IT department to promote the application of technology in management, administration, online service provision and development towards the industrial revolution 4.0.
- Consolidated organizational model at GSL, newly established G.I.C.
- Supplementing, transferring labor among the units to comply with business operation of the Company.

2.2. Management:

- The management procedures are concerned in many aspects: Organization, Production activity Management, Finance Management, Cost Management in accordance to with current regulations as well as newly promulgated regulations.
- Management and Production procedures are reviewed, amended and renewed to fit with Business and Production structure of entire Company. Member Companies and Member Units actively renew the procedure to match with each Unit.
- To enhance the responsibility awareness, professionalism of officers and employees, increase labor productivity.
- To organize the Best worker Prize, encourage labors to manage and promote technical innovation, saving in operation.
- To apply technology in management, operation and providing online services.

2.3. Personnel, training and human-resources development:

Well perform personnel activity and recruiting labors, establishing training plan and develop long-term human resources, qualify the improvement of the Company. In 2017, the Company has performed training and development for human resources with following contents:

- Managers: 08 people sent to study in local areas and overseas.
- Professional specialization: 88 people sent to study in local areas and overseas.
- Foreign language: 104 people
- Periodic training: 778 người.
- Second Vocational training: 241 people.



2.4. Policies Performance with employees:

- Vietnam Container Shipping Corporation considers human as the origin of strength, so the Company always focuses on policies to ensure rights and benefits of Labors.
- Labor norms, unit price of wage shall be amended each year to fit in the Production and Business reality.
- Regulations for salary/rewards are clear and shall be paid on time. To complete the salary increase each year in accordance to regulations.
- Employees are ensured with stable job and income.

3. Investment:

Investing to expand production in the direction of supplying the logistics chain services, upgrading infrastructure, adding equipment and selecting appropriate scale; timely complete the schedule of items as planned and put into production effectively, creating trust for customers. In 2017, the completion of whole project G.I.C and immediately put into operation has expanded the service of container yards in the direction of professional and prolonged services of the port. Total investment in 2017 is 439.79 billions (details are shown in section C of the report).

Immediately put into operation has expanded the service of container yards in the direction of professional and prolonged services of the port

GENERAL ASSESSMENT

2017 is the year of many difficulties in production and business, especially the fierce competition between the business units of the same industry; The domestic and Asia shipping markets are still struggling, there are still shipping lines losses; road transportation is not high; The production and business in the South remains difficult; However, the Board of Directors, Board of Managements have implemented many solutions in terms of marketing, management and investment to expand production as well as rearranging the organization to comply with the current situation and the regions. The main business lines of the Company are paid special attention to and expand its market shares. Reviewing the results has been very encouraging and continue to mark the development of the company in accordance with corporate culture.



The financial management, preservation and development of capital was implemented in accordance with the regime, policies and regulations of the State on financial management. Good management on revenues and expenditures of the Company and full implementation of the tax obligation / budget to the State.

The marketing activities of the Company are paid special attention by the Board of Directors and direct implementation of the main services of the Company. The Company's marketing strategy is "Keeping existing customers and inviting new customers to use our services". In the year, the Company has gain new customers and contributed to the increase in revenue as well as profit.

The company continued to grow at a stable rate in terms of scale, high business efficiency, and revenue and profit both exceeded the plan. Earnings per share for 2017 had reached 4,261 VND. The brand name of Company is increasingly known by many domestic and international customers / organizations, and the cooperation with foreign partners is expanding. Workers are guaranteed jobs and high income. Social security and social work have been well implemented.

II – BUSINESS PLAN FOR THE YEAR 2018

Identifying the situation, the bases for setting development goals / plans are as followed:

According to the latest forecasts for the global economic outlook, the growth of the world economy in 2018 will be more than 3%. This figure shows that the world economy has really recovered since the economic and financial crisis over 10 years ago. However, the world economy still faces risks. A number of factors could affect the growth momentum, such as prolonged negotiation like Brexit and other threats to European stability, the surge in protectionism, trade war between powerful economics.

- CPTPP has just been signed by 11 countries on March 9, 2018 in Chile, which will promoted economic growth for 11 countries. CPTPP is a free trade agreement covering 11 countries: Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Australia and Vietnam.

- The shipping industry has shown signs of recovery but is still unstable. The shipping companies continue to cut costs and restructure shipping routes as well as M&A trend (mergers and acquisitions)

 - World oil prices rise.

- Competing for seaport services in Hai Phong port city is fiercer when new ports are put into operation at the end of 2017 (Nam Dinh Vu Port), in 2018 (Lach Huyen Port, ...). The South continues to struggle to find opportunities for expansion of facilities and services.

- The existing infrastructure, equipment and labor force of the Company in the North - Central – South area.

 - Economic contracts have been signed with partners / customers.

 - Current policies and laws.

1. Targets:

- Keeping track in the market, ensuring maintenance of the company's stable production activities in the North, Central and South.

- Being consistent with the marketing strategy “Keeping existing customers and inviting new customers to use the company's services throughout the North - Central – South”.

- Continue to invest in expanding production, selecting investment items / upgrading infrastructure to develop production for 2018 and the following years according to Company culture.

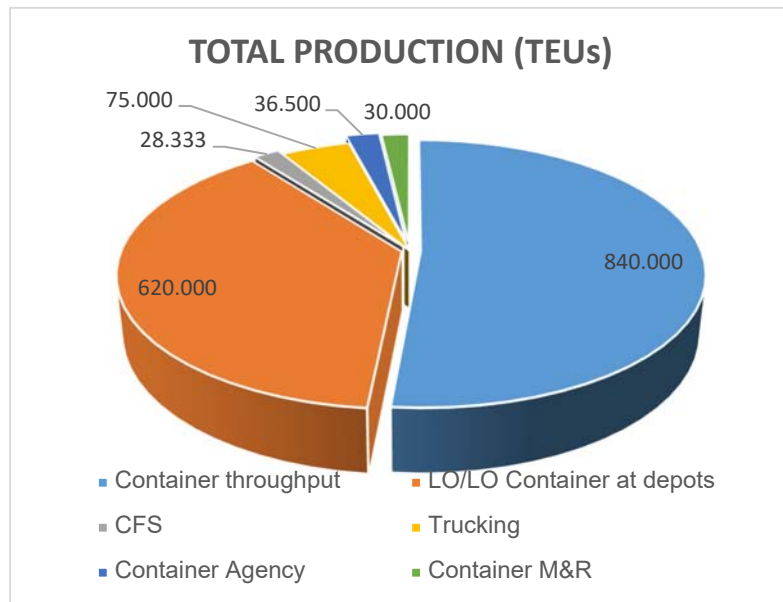
- Improve the quality of human resources, professionalism of staffs, training human resources with a long-term vision, continuously encourage labors to learn foreign languages and second vocational training.
- Continually improving service quality and increasing labor productivity.
- Promoting the application of technology in management, operation as well as service providing in the direction of integrating the industrial revolution 4.0.
- Ensuring job and income for employees.
- Revising labor and transferring reasonably, strengthen the management, inspection and supervision on the Member Units and associated companies that Viconship owns dominant capital.
- Managing the costs well, thoroughly save, ensure business efficiency, dividend rates reach from 20% and have the necessary accumulated to invest and expand production.

2. Planned Targets for 2018:

2.1. Production Target:

- Container throughput: 840,000 TEUs
- LO/LO Container at depots: 620,000 TEUs
- Container M&R: 30, 000 CTNR.
- CFS: 765,000 m3
- Trucking: 75,000 TEUs
- Container agency: 36,500 TEUs

2.2. Financial



target:

- Revenue: 1.135 billions of VND
- Profit before tax: 280 billions of VND

3. Investment:

- Searching opportunities to expand service in HPH, DAN and HCM.
- The current units save at most to invest and only invest essential items to serve and expand production and business such as: dredging of water in front of the wharf; investment in transportation vehicles, investment in loading/unloading equipment.

Estimated investment: 75.38 billion VND.

4. Human Resources Training:

- Training manager units from the head of department, deputy director, director through the courses in the local country.
- Improving professional skills as well as management/technical skills through training courses at the company, sending staff/workers to study management/technical classes, seaports, logistics... in local area and abroad, prioritizing practical courses abroad to serve the company's main services.
- Developing human resources within the company as well as coordinating with universities in the country.
- Improving the language ability of employees.



VICONSHIP

SECTION C

REPORT ON INVESTMENT

I. Construction investment results, equipments of Viconship in 2018 and plan for 2018

Seq	Category	Performing in 2017	Planning in 2018
1	GreenPort	<u>11,85</u>	<u>4,00</u>
1.1	Construction	<u>6,41</u>	<u>0,00</u>
	- 3-warehouse automatic fire extinguishers system	1,09	
	- Renovation and expansion of warehouse No. 1	3,68	
	- Upgrading yards and repairing other works	1,64	
1.2	Dredging		
	- Dredging in 2017	3,53	0,00
	- Plan for 2018		4,00
1.3	Equipments	<u>1,91</u>	<u>0,00</u>
	Tukan spreader	1,91	
2	Green Star Lines One Member Ltd. Company (GSL):	<u>23,09</u>	<u>18,25</u>
2.1	Construction Investment :	<u>2,36</u>	<u>0,00</u>
	- Workshop No. 2, constructin on the yards (car washing bridge, cameras, other constructions ...)	2,36	
2.2	Equipment	2,36	
	- Purchasing 17 tippers + 17 dedicated trailers	<u>20,73</u>	<u>18,25</u>
	- Purchasing 10 tippers + 10 dedicated trailers	20,73	
	- Plan to purchase 05 Terberg tippers + 10 tippers + 15 dedicated trailers in 2018		18,25
3	Green Logistics Centre One Member Ltd. Company (GLC):	<u>7,21</u>	<u>2,00</u>
3.1	Construction	<u>3,12</u>	<u>0,00</u>
	- Renovation of 7 warehouse doors, repairing and upgrading yards and other items	1,44	
	- Plan repainting the warehouses and upgrading yards		2,00
3.2	Equipment	<u>5,77</u>	<u>0,00</u>
	- Installation of camera system, racking rack for warehouse system	2,36	
	- To invest in 04 forklift TCM	3,41	
4	Vip Greenport Joint Stock Company (VGP)	<u>132,95</u>	<u>15,10</u>

4.1	Construction	<u>0,00</u>	<u>1,10</u>
	- Plan to build sub-port (gate, port lighting) in 2018	-	1,10
4.2	Dredging	<u>13,73</u>	<u>14,00</u>
	- Dredging in 2017	13,73	
	- Plan to dredge in 2018		14,00
4.3	Equipment	<u>119,22</u>	<u>0,00</u>
	- Invest 01 spare frame for QC crane	3,95	
	- Investment MHC 104T bridge lift (including frame)	91,70	
	- Conversion of 06 RTG TCM from using DO oil to electric	13,97	
	- Investment in spare generator systems (station houses, auxiliary power systems)	9,60	
5	Green Development and Investment Joint Stock Company (GIC)	<u>252,39</u>	<u>27,33</u>
5.1	Construction	<u>89,88</u>	<u>0,00</u>
	- Container yard, construction on the yards (fence, drainage, 3-office building and two-floor garage; Gate; container repairing warehouses; electricity system, light system, fire fighting system, clean water supply system, washing yard, material warehouse ...)	89,88	0,00
5.2	Equipment	<u>26,15</u>	<u>27,33</u>
	- Equipment for operation on the yard (IT system, software system, cameras...)	7,93	
	- Investing 02 Hysper in 2017	18,22	
	- Plan to invest 03 Hysper in 2018		27,33
5.3	Purchase of land use right 10ha - Minh Phuong Industrial Zone - Dinh Vu	136,36	0,00
6	Viconship Danang (VSM)	<u>6,85</u>	<u>6,50</u>
6.1	Construction	<u>0,00</u>	<u>0,00</u>
6.2	Equipment	<u>6,85</u>	<u>6,50</u>
	- Purchasing 07 tippers + 10 dedicated trailers in 2017	6,85	
	- Plan to purchase 05 tippers, 10 dedicated trailers + 01 2.5T forklift in 2018		6,50
7	Viconship Hochiminh	<u>3,44</u>	<u>2,20</u>
7.1	Construction	<u>0,00</u>	<u>0,00</u>
7.2	Equipment	<u>3,44</u>	<u>2,20</u>
	- Purchasing 03 tippers + 05 dedicated trailers in 2017	3,44	
	- Plan to purchase 03 tippers + dedicated in 2018		2,20
8	Established a joint venture with TSL in the North	<u>2,00</u>	<u>0,00</u>



	Total investment of VSC in 2017 and 2018	439,78	75,38
	<u>Including:</u>		
	<i>Construction + Others</i>	<i>255,71</i>	<i>21,10</i>
	<i>Equipment</i>	<i>184,07</i>	<i>54,28</i>

II. Management of investment in construction and purchase of equipment:

- All projects were approved by the Board of Directors, Board of Management before performance.

- The management and implementation of investment procedures were complied with the current provisions of law.

- The investment projects werer implemented in time, ensuring the progress, quality of construction and installation of the project, meeting the requirements of the investor.

- Vietnam Container Shipping Corporation reports the investment result in 2017 and expected investment in 2018 of Viconship as mentioned above.

Hai Phong, March 2018

ON BEHALF OF BOARD OF DIRECTORS

CHAIRMAN

(signed and sealed)

NGUYEN VIET HOA