

REPORT ON ACTIVITIES OF BOARD OF DIRECTORS, REPORT ON BUSINESS AND PRODUCTION RESULTS IN 2019 AND PLANS FOR 2020

PART 1:

REPORT OF BOARD OF DIRECTORS

I - BOARD OF DIRECTORS' ACTIVITIES

1. Personnel of BOD

The BOD of Vietnam Container Shipping Joint stock Corporation in term 2015-2019 includes 09 members voted by General meeting of shareholders. In the year 2019, there is no change in human resources of the BOD.

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| 1. | Mr. Nguyen Viet Hoa | - | Chairman |
| 2. | Mr. Nguyen Van Tien | - | Member |
| 3. | Mr. Tran Xuan Bao | - | Member |
| 4. | Ms. 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. Nguyen Tien Luc | - | Member |

2. BOD's meeting

In 2019, the Board of Directors raised the sense of responsibility, directed the Company to implement the Resolution and targets of the General Meeting of Shareholders, appraise and approve investment projects on procurements of equipment, personnel and management issues under the authority of the Board of Directors;

- Coordinate with the Inspection Committee to perform the supervision and management functions that the Company operates in compliance with the provisions of law and the Company's charter;

- The Board of Directors has performed the functions and tasks, organized meetings, consulted members in writing and issued resolutions and decisions timely on the basis of following the actual situation of the Company; direct the Executive Board to implement the Resolutions of the General Meeting of Shareholders, the Resolutions of the Board of Directors to ensure that the Company develops in the right direction and completes the targets approved by the General Meeting of Shareholders;

- The Board of Directors follows majority principle; Resolutions and Decisions of the Board of Directors were issued based on the unanimous opinion of the majority of the Board members.

The contents of important meetings in 2019 are indicated in the following resolutions and decisions:

Seq	Number of Resolution/ Decision	Date	Content
1	01/2019/ NQ-HDQT	28/01/2019	Approve to organize the Company's Annual General Meeting of Shareholders in 2019 as follows:

			<ul style="list-style-type: none"> - The final registration date to exercise the right to attend the Company's Annual General Meeting of Shareholders in 2019: February 26, 2019. - Meeting time: will be announced later (expected at the end of March 2019). - Venue: will be announced later. - Contents of the Meeting: <ul style="list-style-type: none"> + Report on activities of the Board of Directors + Audited financial statements 2018. + Report on production and business activities in 2018 and plan for 2019. + Report on activities of the Inspection Committee in 2018. + Other contents concernign the authority/rights of the General Meeting of shareholders.
2	02/2019/ NQ-HDQT	29/03/2019	<p>Approve the evaluation of the Company's business results in 2018. Directing and assigning the directors of Subsidiaries companies to perform and complete the business plan in 2019. Assigning tasks to members of the Board of Directors to organize the Annual General Meeting of Shareholders 2019 of Vietnam Container Shipping Joint Stock Corporation.</p> <p>Approve the capital support for the Central Container Joint Stock Company (a subsidiary of Vietnam Container Shipping Joint Stock Corporation), the maximum capital amount is VND 5 billion dong according to the Company's Financial Management Regulation. The Central Container Joint Stock Company is responsible for using the supported capital amount in accordance with the approved investment plan to invest in additional specialized container transport means. Assigning the General Director of Vietnam Container Shipping Joint Stock Corporation to sign a capital support contract with Central Container Joint Stock Company and perform it.</p>
3	03/2019/ NQ-HDQT	08/04/2019	<p>Agree to implement some contents of the Resolution of the Annual General Meeting of Shareholders on March 29, 2019 as follows:</p> <p>Approve the implementation of necessary procedures to issuing shares plan to pay dividends to existing shareholders at the rate of 10% (Shareholders who own 100 shares will receive 10 new shares) were approved by the General Meeting of Shareholders of the Company. After issuing shares, the Company will deposite the shares at Vietnam Securities Depository, register additional listing on Ho Chi Minh Stock Exchange,</p>

			<p>amend the Charter and business registration certificate of the Company according to the new charter capital.</p> <p>Assign the General Director of the company to direct the completion of necessary procedures, pay dividends in accordance with current regulations.</p>
4	04/2019/ NQ-HDQT	09/05/2019	<p>Pay the second dividend for 2018 in cash to shareholders, details are as follows:</p> <ul style="list-style-type: none"> - Execution ratio: 15% of par value of shares (1 share will receive VND 1,500). - Execution time: expected in June 2019. <p>Assigned the General Director of the Company to direct the completion of necessary procedures, pay dividends in accordance with current regulations.</p>
5	05/2019/ NQ-HDQT	17/06/2019	<p>Approve to select KPMG Ltd. Co. in order to review semi-annual financial statements and audit financial statement 2019 for Vietnam Container Shipping Joint Stock Corporation.</p> <p>Assign General Director of the Company to negotiate and sign audit contract in accordance with current regulations.</p>
6	06/2019/ NQ-HDQT	27/07/2019	<p>Approve the results of production and business activities in the first 6 months of 2019, details are as follows:</p> <ul style="list-style-type: none"> - Revenue: VND 897.32 billion - Profit before tax: VND 145.64 billion <p>Paying cash dividends in advance for the first phase of 2019 to shareholders, details are as follows:</p> <ul style="list-style-type: none"> - Dividend ratio: 8% of the par value of shares (1 share will receive 800 VND). - Exercise time: expected in the third quarter of 2019. <p>Assign the General Director of the Company to direct the completion of necessary procedures, pay dividends in advance in accordance with the current regulations.</p> <p>Capital support for Central Container Joint Stock Company (a subsidiary of Vietnam Container Shipping</p>

			<p>Joint Stock Corporation) the maximum capital amount is VND 6.5 billion (in words: six billion and five hundred million Vietnam dong) according to Financial management regulations of the Company.</p> <p>The Central Container Joint Stock Company is responsible for using the supported capital amount in accordance with the approved investment plan to invest in additional specialized container transport means for production and business.</p> <p>Assign the General Director of Vietnam Container Joint Stock Shipping Corporation to sign a capital support contract with Central Container JSC., and perform it.</p>
7	07/2019/ NQ-HDQT	11/09/2019	<p>Approve investment policy of new equipment and facilities to promptly meet the needs of production and business, improve labor productivity and service quality. Details are as follows:</p> <p>* Lifting equipment:</p> <ul style="list-style-type: none"> + 01 RTG with lifting capacity of 40T + 05 RTK with lifting capacity of 40T-45T + 01 mobile harbour crane with lifting capacity from 30T - 50T <p>* Tugboat:</p> <ul style="list-style-type: none"> + Investing in Tugs to improve business efficiency and further improve the company's supply chain. + Assign Green Star Lines one member limited Company (a subsidiary of Vietnam Container Shipping Corporation) to prepare an investment plan, submit to the Board of Directors for review and approval. <p>Review bidding procedures, negotiate service contracts of companies outside the VSC system. Review salary regulations, ensure appropriate benefits for employees, and encourage employees to contribute and have a long-term commitment to the Company.</p> <p>Continuing to apply modern technologies in production and business activities, constantly improving the quality of services to meet the needs of customers.</p>

8	08/2019/ NQ- HDQT	02/10/2019	<p>Approve the establishment of GreenPort Service One Member Limited Liability Company with the charter capital of VND 110 billion (One hundred and ten billion VND), of which, Vietnam Container Shipping Joint Stock Corporation contributes 100% of the charter capital. Assigned the General Director of the Company to direct the completion of the necessary procedures to set up the Company in accordance with the current regulations.</p> <p>Approve the capital contribution to increase the charter capital of Green Star Lines one member limited Company (a subsidiary of Vietnam Container Shipping Joint Stock Corporation with 100% of charter capital) from VND 45 billion to VND 70 billion.</p> <p>Agree to invest in 20 container tractors and trailers for special use at Green Star Lines one member Co., Ltd. to improve business capacity and efficiency.</p>
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3. Results of implementation of the Resolution of the General Meeting of Shareholders

Seq	Contents	Result
1	Business plan in 2019	Exceeding completed according to report (Report Part II)
2	Dividends in 2018: - Cash dividend: 25% of Charter capital (paid in advance 10% in September 2018) - Stock dividend: 10% of Charter capital	Implemented
3	Dividends in 2019: Expect dividend in 2019 not lower than 20% of Charter capital	Paid in advance in 2019 at the rate of 8%/share, payment date of September 13, 2019
4	Selection of auditors to audit Financial statement 2019	Receiving authorization of the General Meeting of Shareholders, the BOD has selected KPMG Vietnam Limited as the auditor to audit Financial statement 2019

4. Supervisory activities of the BOD for the CEO and management levels

The Board of Directors has directed and supervised the General Director and the company's managers in strictly abiding by the law provisions related to corporate governance and business operations of the company;

Supervise the use, management and investment of assets; supervise the performance of Resolutions and decisions of the Board of Directors;

Direct and supervise the implementation of to government regulations; Working conditions; Collective labor agreement and policies towards employees.

The supervision of the Board of Directors is in accordance with the authority, does not hinder or overlap with the management of the General Director and the executive managers of the company. Through inspection and supervision, the Board of Directors timely follow the operation situation, the results of the Company's business plan performance and timely instructions to ensure effective and limited business operations. errors and risks.

In 2019, the General Director and the Board of Directors took the initiative and made efforts to perform the tasks and targets that were approved by the General Meeting of Shareholders, in the process of management always showed a high sense of responsibility, exceeding through difficulties to develop, expand markets, find jobs for the company;

Comply with the regulations of the Law, the Charter, the Resolutions of the Board of Directors, implement solutions in corporate governance and administration under the direction of the Board of Directors and recommendations of the Inspection Committee. Basic financial situation is well controlled, equity is preserved and developed.

With the efforts of the Board of Directors, the Board of Directors and the employees, in 2019 the Company has completed the targets set out by the General Meeting of Shareholders.

II. REMUNERATION FOR BOD, THE INSPECTION COMMITTEE AND BOM IN 2019

1. Remuneration for Board of Directors and Inspection Committee:

Remuneration for Board of Directors and Inspection Committee in 2018 was approved by General Meeting of shareholder in 2019 as followings:

- Remuneration for BOD (9 members): VND 2,100,000,000
- Remuneration for Inspection committee (3 members): VND 550,000,000

2. Salary and bonus of the Board of Directors in 2019: VND 2,993,012,599

PART II

REPORT ON BUSINESS AND PRODUCTION RESULTS IN 2019 AND PLANS FOR 2020

I. REPORT ON BUSINESS AND PRODUCTION RESULTS IN 2019

* General situation:

1. *World economic growth continues to slow down*: IMF lowered the global economic growth to 2.9% - The lowest level since the global financial crisis in 2008-2009. World Bank (WB) commented that the global economy in 2019 is on course for its weakest year of growth in 10 years since the global financial crisis.

2. *Widespread protectionism*: President Donald Trump's administration continues to enforce trade protection policies, comprehensively adjusting trade policies with key trading partners such as Canada, Mexico, and European Union (EU), Japan, South Korea and especially the US-China trade war to reduce trade deficits, promote the "Make America Great Again". U.S. trade protection measures have impacted and undermined the value chain, production and supply chains, shifted global value chains, increased international transaction costs, and disrupted international market resources.

3. *Increasing adjustment of global economic and trade structure*: WTO as a nucleus of the free international trade system, but now the global economic and trade order is being redrawn. Countries continuously seeking to promote trade cooperation through regional or inter-regional agreements: EU and Japan trade agreements; Singapore - EU Trade and Investment Protection Agreement; Britain and South Korea signed a temporary trade agreement; Agreement on comprehensive and progressive partnership for trans-Pacific (CPTPP), EVFTA, etc.

4. *Hong Kong fell into recession because of protests*.

5. *VIETNAM*: Gross domestic product (GDP) in 2019 still increased 7.02%, exceeding the National Assembly's target from 6.6% to 6.8%. This is the second consecutive year that Vietnam's economic growth has reached over 7% since 2011. In 2019, Vietnam's export value reached 263.45 billion USD, increasing by 8.1% compared to the previous year; import reached 253.51 billion USD, increasing by 7%. Total import-export turnover reached 516.96 billion USD. Vietnam continues to attract foreign direct investment recordedly (FDI). According to the General Statistics Office, FDI reached 20.38 billion USD, increasing by 6.7% compared to 2018. In 2019, the volume of goods through international seaports in Vietnam reached 19 million TEU, up 6.7% compared to 2018. with 2018, lower than the growth rate of 8% over the same period in 2018 and 9% in 2017.

The situation of the container shipping market is still competitive and becoming fiercer. Shipping lines are still looking for ways to cut costs, especially for shipping lines in Hai Phong.

The increase in supply in the port, warehouse, yard and transportation services sector has led to competition on service prices without any stop.

The main facilities of Viconship have many equipment over 15 years and do not meet the requirements of customers and some shipping lines.

1. Results of production and business activities:

1.1. Volume targets:

- Handling of seaports: 1.1 million TEU, equal to the plan and not increased compared to 2018

- Handling at depots: 780,000 TEU, increase 14% compared to the plan.
- Handling at warehouse: 979,000 m3, increase 15% compared to the plan.
- Car transport: 1 million TEU, increase 17% compared to the plan.
- Container agency: 38,500 TEUs, increase 5% compared to the plan.
- Logs: 8,500 TEU.

1.2. Financial indicators:

- Revenue: 1,792 billion VND, 19% higher than the plan and 5% compared to 2018.
- Profit before tax: VND 342 billion, exceeding 12% of the plan and 88% compared to 2018.

2. Organization, management and other tasks:

2.1. Organization and management work:

- Improve the organizational structure in the North, Central and South regions in the direction of strongly applying technology in management, operation and service provision. Strengthen human resources for IT department to actively build and operate E-port, E-depot, E-warehouse, E-truck, etc.

- Completing the application of software "E-port - Pioneering technology in the digital age" for 2 terminals Greenport and Vip Greenport. Together with the Bank, the online payment service provider organize a seminar with over 300 customers of the Company to promote the use of E-port.

- Strict, scientific and effective management; close to the reality of production and business; flexible and agile with market fluctuations.

- Managing business exploitation activities; financial activities in accordance with the current law provisions as well as the governance regulations of the Company.

- The management process, extraction process are constantly being reviewed, revised and refreshed every quarter to suit the Company's production model. Subsidiaries and branches shall proactively amend and promulgate new processes closely to the actual jobs in the direction of reducing the proportion of paper and document work, giving priority to computer data management systems and public works, cloud technology, etc.

- Raising the sense of responsibility; professionalism of employees, increased work efficiency and labor productivity.

- Organize exams for skilled workers, encourage employees and management levels to promote technical innovation, apply widely in daily work to improve the productivity of loading / unloading / transporting / repairing and Cost savings.

2.2. Human resource work; training and developing human resources:

- Perform well human resources management. Develop a long-term human resource training plan to meet the human resource requirements for the company's development.

- Recruit employees according to the provisions of the Labor Law and practical requirements.

- In 2019, the training of human resources is reflected in the following contents:

- + Manager: 08 people
- + Professional skills: 258 people
- + Foreign language: 06 people
- + Periodic training (fire protection, safety and hygiene, first aid ..): 956 people
- + Vocational training 2: 44 people

2.3. Implementing policy for employees:

- Culture of Vietnam Container Shipping Joint Stock Corporation always considers people as the source of strength, so the Company always pays attention to the working environment; policy-benefits for employees. Regularly dialogue and exchange with Trade Union organization through work programs and Employee Conferences held annually.

- Labor norms; Wage unit prices are reviewed and adjusted annually to suit the reality of business operation; labor waste and absolutely comply with applicable laws and policies.

- Regulations of transparent and timely payment of public salaries. Ensuring workers have jobs; Law respite and stable income.

3. Investment:

- Invest in expanding production in the direction of providing logistics chain services and in accordance with the Company's culture.

- Conversion, upgrading equipment and facilities, ports to improve competitiveness and meet the increasing requirements of customers.

- Complete the schedule of investment items approved by the Board of Directors and put them into service for timely and efficient business operation.

- Total investment in 2019 is VND 138.5 billion (details shown in Part III of the report).

GENERAL ASSESSMENT

2019 is a year with many difficulties and fierce competition. Shipping market is still difficult, a number of shipping lines at a loss to merge, change owners, restructure shareholders: H-A shipping lines; SML, PIL, etc; road transport by car is not highly effective (due to unstable border policy with China resulting in unpredictable changes in transport demand); port / depot trading in the North region is oversupply, the Da Nang - Quy Nhon area is relatively stable, HCM City still has difficulty in expanding production and business, etc. The company has implemented many synchronous solutions - rhythmic in terms of market work; management and investment; the organization of work is suitable to the reality of exploitation, suitable to the market and the region; be quick to adapt to market fluctuations; Be consistent with business decisions. Overall, the results achieved in 2019 are the efforts of the entire Board of Directors; collective employees for a long-term, sustainable development, contributing to the "longevity" of Viconship.

The financial management, preservation and development of capital comply with the regime, policies and regulations of the State and the legislation on finance. Manage the company's revenue and expenditure well and fulfill tax obligations fully.

Market-making is paid special attention by the Board of Directors and directly conducts the main services. The strategy of making the market throughout the company is further enhanced by "maintaining existing customers and inviting new customers to use the company's services" which is "*bringing added value services to Customers - VAS*". Extend marketing extensively to customers of customers. Continue to pursue the goal of applying technology in executive management and service delivery in the industrial era 4.0. The company continued to operate effectively, revenue and profit all met and exceeded the set plan. Basic earnings per share in 2019: VND 3,827. The company's brand is increasingly known to customers and financial institutions / companies of the same industry at local

and abroad, set up a cooperative relationship as well as becoming a shareholder of the Company. Workers are guaranteed employment; stable income. Social security work; Responsibility to the community is well done.

II- BUSINESS PLAN IN 2020

*** Identify situation and bases for setting development objectives / plans:**

Entering 2020, the negative impacts and negative effects of 2019 have not yet been resolved positively.

The US-China trade war is only limited to the first phase agreement. The signing of the agreement gives President Donald Trump the opportunity to put aside the trade war to claim the temporary achievements in upcoming presidential elections.

On January 31, 2020, Britain officially left the European Union after 47 years of membership, entering a new beginning full of uncertainty. If the EU disintegrates, its impact on the global economy will be very serious, possibly engulfing the world economy in a new crisis.

A pandemic due to the corona virus (Covid-19) has been occurring and has had a severe impact on the economies of all countries in the world, especially the US, Europe, China, Korea and Japan, etc. Transport / tourism / production / education ... no industry is not affected by this outbreak. The economic impact of the Covid-19 epidemic was worse than that of the acute respiratory tract syndrome (SARS) in 2003. In the context of preventing the spread of the disease, many countries close their borders, the new regulations on disinfecting quarantine with people and goods; boats before docking also cause more damage to ship owners, carriers; import-export and port operators.

In Vietnam, we have good control of Covid-19, but the influence of Covid-19 adversely affects most industries and social life. IFM expects Vietnam's GDP to increase by 2.7% in 2020, while the Government of Vietnam adjusts GDP to 4.5%.

Container shipping is heavily influenced by direct shipping routes between Vietnamese terminals and other countries, the largest of which is the US, Europe, China, South Korea and Japan. And thus industry has one more warehouse that will increase operating costs from January 1, 2020, according to the International Maritime Organization (IMO) regulations, all ships must use maritime fuel with Maximum sulfur content of 0.5% compared with the current limit of 3.5%. The high cost of installing filters or using new fuel increases the cost by about 20%, forcing carriers to charge LSS fees, causing difficulties directly to importers and exporters as well as putting pressure on port operators, warehouses, yards and logs. But Vietnam also has some positive information from the CPTPP and EVFTA agreements. These agreements bring significant benefits to the economy and society on both sides.

With Vietnam Container Shipping Joint Stock Corporation:

+ Competition in the main service segments of the Company is escalating and pushing up when the supply and demand are too large, such as the port array in Hai Phong in 2020 with two new modern ports at Dinh Vu area; Depot segment has 3 more, warehouse segment has 2 more and container road transport, the regions from Hai Phong, Da Nang, Quy Nhon and Ho Chi Minh all face many difficulties.

+ Some of our major customers are heavily influenced by Covid-19.

+ A number of main services segments of the Company plummeted. The cost of some items is forecasted to increase.

+ The signed and would be signed contracts will be affected by the above factors and will affect the production and business results in 2020.

With the above positive and negative factor conditions, the Board of Directors, the Board of Management and the company's employees still clearly define the goals and targets for 2020 as follows:

1. Objectives:

- Keeping abreast of the market, ensuring good maintenance of the company's main business activities in the North - Central - South.

- Consistent with the marketing strategy of "maintaining existing customers and finding new customers" through providing customers with "Service Package" solutions in parallel with providing more "Value-added service".

- Investing in expanding production, selecting investment items / upgrading infrastructure to develop for 2020 and subsequent years. Continue to pursue deep-water port project in Hai Phong.

- Improve the quality of human resources, professionalism of employees and leadership and management teams. Training human resources for long-term goals and vision, facilitating; mobilize; support and encourage learning workers to improve their professional qualifications, management skills and creative initiative in daily exploitation.

- Always apply technology and find solutions to improve work efficiency; improve labor productivity. Following the success of E-port, in 2020, E-truck, E-warehouse and E-depot will be used.

- Reviewing personnel salaries. Reasonable mobilization, strengthening supervision and supervision of subsidiaries and affiliates.

- Manage costs well, thoroughly save, ensure business efficiency, dividend rates reach from 15% to 20% and accumulate to expand business scale.

2. Plan targets in 2020:

2.1 Production targets:

- Handling of seaports: 950,000 TEU
- Handling at Depot: 665,000 TEU
- Warehouse operation: 880,000 m³
- Transportation of cars: 800,000 TEU
- Container agency: 32,000 TEU
- Logs: 7.650 TEU

2.2 Financial targets:

- Turnover: 1,550 billion dong
- Profit before tax: VND 266 billion

3. Investment:

Selecting necessary and economical investment items to expand production and business such as upgrading the handling equipment; truck; dredging of water in front of wharves, etc. estimated at 143.2 billion (*details have separate report in Part III*)

4. Human resource training:

- Training management team from Head of Division; Directors, deputy directors through company courses; domestic and foreign training programs.

- Improve professional skills as well as management / technical capacity through on-the-job training courses; through specialized classes abroad.

- Developing internal human resources and associating with specialized universities.

- Improve the ability of workers to use foreign languages and apply technology.

PART III

INVESTMENT REPORT IN 2019 AND PLANS FOR 2020

I. Results of construction investment, equipment of Viconship in 2019 and plan for 2020

Unit: Billion dong

SEQ	Items	Result 2019	Plan 2020
1	Green Port Service Company Limited (GreenPort)	<u>18,20</u>	<u>29,00</u>
1.1	Construction	<u>2,30</u>	<u>1,50</u>
	- Installation of rail systems for cranes at downstream	1,50	
	- Upgrading railway yards and repair workshops yards	0,80	
	- Plan to upgrade area near wharf		1,50
1.2	Dredging	<u>6,70</u>	<u>7,00</u>
	- Dredging has been done in 2019	6,70	
	- Plan for dredging in 2020		7,00
1,3	Equipment	<u>9,20</u>	<u>20,50</u>
	- Conversion, changing the reach of 02 Liebherr cranes	9,20	
	- Plan to buy 02 new 100% forklifts		20,50
2	Green Star Line One Member Ltd. Co. (GSL)	<u>41,50</u>	<u>0,00</u>
2.1	Construction	<u>0,00</u>	<u>0,00</u>
2.2	Equipment	<u>41,50</u>	<u>0,00</u>
	- Invest in 32 tractors and 41 specialized trailers	41,50	
3	Green Logistics Center Company Limited (GLC):	<u>3,20</u>	<u>19,20</u>
3.1	Construction	<u>2,20</u>	<u>8,00</u>
	- Constructing new area for washing forklifts, repairing vehicles, upgrading yards, clearing settlement, offices, electricity and water systems at SH yard	2,20	
	- Plan to upgrade yards and erecting more container repair workshops, equipment and facilities		8,00
3.2	Equipment	<u>1,00</u>	<u>11,20</u>
	- Installation of racking systems for warehouse systems	1,00	
	- Plan to invest 01 new 100% forklift		9,50

	- Plan to invest 02 new 100% electric forklift		1,70
4	VIP Greenport JSC (VGR)	<u>21,50</u>	<u>90,00</u>
4.1	Building construction plan for upgrading yards	<u>0,00</u>	<u>7,00</u>
	- Plan to upgrade yard	-	7,00
4.2	Dredging	<u>19,00</u>	<u>19,50</u>
	- Dredging performed in 2019 (phase 3)	6,00	
	- Plan to dredge in 2020.		19,50
4.3	Equipment	<u>2,50</u>	<u>63,50</u>
	- Crane 25T	2,50	
	- Plan to invest 02 new 100% RTG.		63,50
5	Green Development Service Investment JSC (GIC)	<u>31,50</u>	<u>1,50</u>
5.1	Construction	<u>0,00</u>	<u>1,50</u>
	- Plan to upgrade yards and offices	-	1,50
5.2	Equipment	<u>31,50</u>	<u>0,00</u>
	- Invest in 02 Hyster forklifts	18,00	0,00
	- Invest in 01 Kalmar reach stacker	7,00	0,00
	- Invest 05 transport tractors + 5 Mooc	6,50	0,00
6	Viconship Da Nang (VSM)	<u>16,10</u>	<u>3,50</u>
6.1	Construction	<u>0,20</u>	<u>2,00</u>
	- Upgrading repair yard	0,20	-
	- Plan to expand the repair workshop + office in Hoa Cam		1,00
	- Plan to upgrade GHL yards		1,00
6.2	Equipment	<u>15,90</u>	<u>1,50</u>
	- Buy 12 tractors + 12 specified trailers	15,10	
	- Buy 01 laden reach stacker, 01 used empty reach stacker	0,80	
	- Invest 01 tractor and 01 Mooc		1,50
7	Viconship Ho Chi Minh:	<u>6,50</u>	<u>0,00</u>
7.1	Construction	<u>0,00</u>	<u>0,00</u>
7.2	Equipment	<u>6,50</u>	<u>0,00</u>
	- Invest 13 tractors and 21 Mooc	6,50	0,00
	Total investment of VICONSHIP in 2019 and plan in 2020	138,50	143,20



	<u>Including:</u>		
	<i>Construction and Others</i>	<i>30,40</i>	<i>46,50</i>
	<i>Equipment</i>	<i>108,10</i>	<i>96,70</i>

II. The management of construction investment and equipment procurement:

- The projects before implementation are approved by the Board of Directors and the Board of Management for implementation.

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

- The investment projects are promptly implemented, ensuring the progress and quality of construction and installation, meeting the requirements of the investor.

Above are 03 important reports to submit to the AGM of Vietnam Container Shipping Joint Stock Corporation (Viconship), on behalf of the Board of Directors, the Board of Management would like to thank the Shareholders for sticking and supporting the committed operating policies of Company Management and employees throughout the company across the North - Central - South in the last term.

Hai Phong, June 2020

**ON BEHALF OF BOD
CHAIRMAN**

(signed)

NGUYEN VIET HOA

REPORT OF THE INSPECTION COMMITTEE AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2020

Based on the functions and duties of the Inspection Committee prescribed in the Enterprise Law and the Charter of Vietnam Container Shipping Joint Stock Corporation,

Based on the audited reports of KPMG Co., Ltd., the performance, reports and records of Vietnam Container Shipping Joint Stock Corporation in the fiscal year 2019,

The Inspection Committee would like to report to the AGM the following contents:

I. ACTIVITIES OF INSPECTION COMMITTEE

The Inspection Committee has implemented the supervision according to the functions and tasks prescribed in the Enterprise Law and the Company's Charter:

The Inspection Committee sets up a working plan, assigns specific tasks to each member, checks, supervises and evaluates the results of activities.

Monitoring the Board of Directors and Board of Management in the management and administration of the Company and implementation of resolutions, business plans and investment plans approved by the General Meeting of Shareholders. Attend meetings of the Board of Directors, participate in discussions in the meeting and participate in controlling production and business activities together with internal control of VSC.

Evaluating audited financial statements, reporting business situation, reviewing accounting books and other documents of the Company in order to assess the truthfulness and rationality of the data, the degree of caution in management, the business activities, in the organization of accounting, statistics and financial statements.

Reviewing compliance with and observance of regulations on safety, potential risks in the business environment.

The Inspection Committee performs other rights and duties as prescribed.

II. SUPERVISION RESULTS OF BUSINESS ACTIVITIES, MANAGEMENT OF THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

1. Evaluation of financial statements

In 2019, despite being affected by the China - US trade war, total cargo throughput of Vietnam's seaport system (estimated at 655 million tons) still increased by 14% compared to 2018, in which the volume of goods container is estimated at 19 million TEU, an increase of 6% (Vietnam Maritime Administration information). However, the real beneficiaries in the market are only deep-water ports, with the market share from less than 10% a few years ago sharply increased to 29% by the end of 2019. The remaining, the actual business situation of the majority of port enterprises faced difficulties and narrowed their market share due to the sudden increase in supply in the market and the trend of deep-water ports. This leads to the fact that although the port service frame price is allowed to increase by 10% from January 2019 under the new law, the actual price of the final service must continue to go down to compete.

Viconship also cannot avoid this general trend, although the company has significantly reduced difficulties due to proactively facing the trend 4 years ago, with the investment in the downstream VIP GreenPort terminal.

Business results of Vietnam Container Shipping Joint Stock Corporation in accordance with the consolidated financial statements, audited by KPMG Co., Ltd. in accordance with Vietnamese Accounting Standards and current regulations:

SEQ	Items	Unit	Plan 2019	Result 2019	Result 2018	Ratio (%)	Ratio (%)
1	2	3	4	5	6	5/4	5/6
1	Sales of goods and services	Billion VND	1.500	1.792,75	1.694,46	119,51	105,80
2	Profit before tax	Billion VND	306	342,17	388,16	111.82	88.15
3	Profit after cooperate tax	Billion VND		285,79	354,24		80,67
4	Basic interest on share	VND		3.827	4.905		

(Source: Financial Statement 2019)

In 2019, VSC's total handling of seaports reached 1.1 million TEUs, reaching the plan, handling at depots reached 780,000 TEUs, an increase of 14% compared to the plan. Port loading and unloading volume in 2019 has not increased compared to the same period last year due to capacity limitations and the fierce competition in Hai Phong port area. Total consolidated revenue reached VND 1,792.75 billion, an increase of 5.8% compared to 2018 and exceeding 19.5% compared to the plan approved at the 2019 General Meeting of Shareholders.

Consolidated profit before tax reached VND 342.2 billion, down 11.8% compared to 2018 but still exceeding 12% compared to the plan approved at the General Meeting of Shareholders. Gross profit margin decreased from 29% in 2018 to 24% in 2019.

This decrease in profit was partly due to the reduced service price as analyzed above, partly due to the time when ships were docked at the same time. The company's use of ports has resulted in the need to transfer ships to other ports, increasing the loading and unloading costs. On the other hand, revenue from reefer containers dropped sharply over the same period. Fuel prices, electricity prices, labor prices increased compared to last year. The volume of goods entering the port increased but the amount of scrap goods left in the port also increased, leading to the increase in exploitation costs. In addition, GLC logistics center in 2019 recorded an unexpected expense related to the tax adjustment for the period from 2013 to the present, resulting in a profit disadvantage for the current year. Some units also recorded a number of cost accounting adjustments that were not fully accounted for from the investment period in the previous year, which caused the business results to not be spread evenly between 2018 and 2019, but the This adjustment is only a matter of time, not affecting the actual profitability of the company.

Consolidated profit after tax reached VND 285.8 billion, 20% lower than in 2018, in which the impact of GLC tax arrears amounted to VND 26 billion. Despite many difficulties in the first three quarters of the year, VSC has prospered in business activities in the fourth quarter of 2019. With the close guidance in management, effective investment, maximum exploitation capacity of existing

vehicles and equipment, strengthening strict control of input costs, VSC has increased again, up 9% over the same period, profit margin improved significantly. Profit after tax in 2019 of shareholders of the parent company reached VND 234 billion. Basic earnings per share reached VND 3,827 / share. During the year, the company prepaid the bank debts (mainly outstanding loans at VGR and GIC) thanks to its operating cash flow and the significant reduction in debt, from VND 287 billion to VND 76 billion. VSC continues to show a prudent, solid asset structure, creating favorable conditions for any subsequent investment projects.

Regarding investment plans, Viconship is still researching opportunities to build deep-water wharves in Lach Huyen to develop following market trends. However, at present the company has no specific plan for us to evaluate. In 2019, the company implemented the proposed investment plans and invested in additional lifting equipment at ports and yards as well as specialized means of transport in order to improve business capacity and efficiency.

The company has paid the second dividend of 2018 in cash, the rate of 15% / par value and in stocks, the rate of 10% / par. The company also advanced the first dividend payment of 2019 in cash, at the rate of 8% of the par value for the shareholders.

In the context of fierce competition in the Hai Phong port area market, the Board of Directors of the company pays special attention to and does well in marketing, maintaining old customers and developing new customers. The company focused on the management, production management, technical innovation initiatives, reviewing and re-establishing norms to reduce costs, amending and issuing a number of regulations in line with reality and ensure the legality. The company sent employees to attend professional training, periodic training; promote application of technology in all business activities to improve labor productivity and service quality. The company has secured jobs for 1,121 workers with stable income.

2. Results of activities supervision of the Board of Directors and Board of Management

The management and administration activities of the Board of Directors and the Board of Directors of the Company in 2019 comply with the provisions of the Enterprise Law, the Company's Charter and the provisions of law.

The Board of Directors' report on the Company reflects fully and truthfully the activities as well as the direction and administration of the Company.

The Board of Directors has directed the implementation and close monitoring of the implementation of resolutions, business and investment plans 2019 approved by the Board of Directors and the General Meeting of Shareholders. Supervise the executive activities of the General Director, the Directors Director to ensure that the business activities of the Company are safe, in compliance with the provisions of law, in accordance with the resolution of the General Meeting of Shareholders. bronze. Monitoring the management, organizational structure, operating model throughout the Company to ensure efficiency and consistency throughout.

The General Director and management levels have done a good job of the market, making efforts in directing production and construction investment for the lawful interests of the Company and Shareholders. The Board of Directors has implemented the Resolution of the General Meeting of Shareholders and the Board of Directors in accordance with its functions and competence. The Executive Board regularly organizes weekly meetings, periodic meetings, based on resolutions and decisions of the General Meeting of Shareholders and the Board of Directors to implement the tasks

and make timely decisions. , be flexible, seize and take advantage of opportunities, suitable to each specific condition.

III. ASSESSMENT OF OPERATION COORDINATION BETWEEN THE INSPECTION COMMITTEE AND THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND SHAREHOLDERS

The Inspection Committee coordinates well with the Board of Directors, the Board of Directors and other managers of the Company during the performance of tasks.

The Inspection Committee is provided with adequate and timely information and documents on the management, administration and business activities of the Company, has the right to access documents and records kept at the Company, and is entitled to working places of the Company's managers and employees during working hours.

The Inspection Committee is invited to attend fully and provide comments at regular and extraordinary meetings of the Board of Directors. The recommendations and recommendations of the Inspection Committee are seriously reviewed and directed by the Board of Directors and Board of Directors.

The Inspection Committee performs duties when reasonably requested by shareholders in accordance with the Company's Charter and the Enterprise Law.

The company makes transparent and timely disclosure of information in accordance with the law.

IV. RECOMMENDATIONS AND CONCLUSIONS

The Inspection Committee proposed the General Meeting of Shareholders to authorize the Board of Directors to proactively select auditing firms among the top 4 auditing companies: Ernst & Young Vietnam Co., Ltd, KPMG Vietnam Co., Ltd., PwC Company Limited (Vietnam), Deloitte Vietnam Co., Ltd to audit the financial statements of 2020 for the Company.

Production and business activities of the Company in 2019 ensure safety, in line with the Resolution of the General Meeting of Shareholders. By the dynamism and efforts to overcome difficulties of the Board of Directors, the Board of Directors and all employees in the Company have exceeded the business plan approved at the General Meeting of Shareholders.

Due to the impact of the COVID-19 epidemic affecting the entire supply chain, global logistics service chain, throughput of VSC ports was affected in Q1 and Q2/2020 with ongoing disease situation. complex variables. The company continues to strengthen the review, reduce costs, accelerate booking as well as maintain professional human resources to thrive again when the disease is under control.

Sincerely yours.

Recipients :

- AGM VSC
- BOM, BOD
- Inspection Committee's Members

**REPRESENTATIVE OF
INSPECTION COMMITTEE**

(signed)

Nguyen Thi Kim Nha



VIETNAM CONTAINER SHIPPING CORPORATION

Enterprise code: 0200453688 | Add: 11 Vo Thi Sau Str., Ngo Quyen Dist., Hai Phong City, Vietnam
Tel: (84) 0225.3836705 | Fax: (84) 0225.3836104 | Email: info@viconship.com | website: www.viconship.com