**TJC: Explanation for the stock put under the alert status and solutions**

On 19 Mar 2020, Transportation and Trading Services Joint Stock Company explained the stock put under the alert status and solutions as follows:

I. Reasons for TJC stock put under the alert status:

1. The first reason: In 2019, the Company faced many difficulties in business; revenue dropped sharply in both shipping and logistics services due to the impact of the trade war between the US and China, making competition on transport prices on routes that the Company exploited among shipping companies more fierce; The annual export volume of goods of partners such as coal and clinker decreased significantly. Ships had to find other routes that were less efficient to South Korea and Malaysia, and some trains had to carry nothing to go to port of loading, resulting in additional costs. Meanwhile, the input costs remained high such as port charges, fuel and repair costs. In 2019, shipping revenue was VND 106.7 billion, a decrease of 19.7% compared to the previous year; cost of goods sold of shipping was VND 110.6 billion, a decrease of 10.6% compared to 2018. Transport service activities did not find a way of development; service charges were low, and hiring of ships was difficult, resulting in low output and low efficiency. Revenue from transportation services in 2019 was VND 27.3 billion, a decrease of 35.2% compared to the previous year; the cost of goods sold of service activities was VND 26 billion, a decrease of 36.7% compared to 2018. Consequently, total sales of goods and services in 2019 was VND 134.18 billion, a decrease of 23.5% compared to 2018, cost of goods sold in 2019 was VND 136.7 billion, a decrease of 17.15% compared to 2018. Loss from production and business activities was VND 9.66 billion

2. The second reason: In September 2019, the Company had to pay an abnormal cost of USD 600,000 (including fines, interest, first-instance court charges, judgment execution costs) and legal advice charges related to the lawsuit in the transportation of fertilizer lots worth USD 781,922.5 from Zhapu port, China to Quy Nhon port of Transco Star ship from 2015. Total costs related to solving this case were VND 14.48 billion. Details were disclosed by the Company on September 27, 2019

3. The third reason: in December 2019, the company liquidated Transco Star due to old ship, inefficient operation to restructure business operations as well as additional financial resources for the Company's operations. Loss from ship liquidation activities was VND 2.357 billion

From the above reasons, by the end of 2019, the Company's production and business results suffered a loss of VND 26.5 billion. Therefore, the Profit after tax in 2019 and undistributed after-tax profit on 31 December 2019 in the Company's audited financial statements 2019 was a negative number, and the TJC shares were put into the alert status

II) Corrective solutions: To overcome the reasons mentioned above, the Company has come up with some solutions to improve business results as follows:

- Develop specific transportation plans for the Company's fleet. Accordingly, the Company arranges the Transco Sky to operate on the route of Vietnam - Thailand - Malaysia with traditional items, in addition to mixing shipping from China, Taiwan to Southeast Asia in order to increase the number of shipping days, reduce a maximum of waiting days. At the same time, searching for further exploiting routes such as India, Far East for Transco Glory combined with contracts of time chartering in case it is more efficient than operating the shipping

- Strengthen management to minimize expenses such as fuel, supplies and repair costs…Continue reorganizing and streamlining the management apparatus in a compact, economical and efficient manner

- Expand business lines to operating inland coastal transport routes by sea barges, which is being evaluated more effectively in the current market situation when ship operation is facing many difficulties. In 2020, the Company plans to invest in sea barges (SB) from the proceeds of selling Transco Star ship to participate in the market of inland coastal transport, which has a relatively good source of goods.

- The company sued Cuu Long Fertilizer Manufacturing and Trading Co., Ltd. in Vietnam to claim damages for lawsuits related to goods transported on Transco Star ship in 2015. Currently, Hai Phong People's Court is handling the lawsuit against Cuu Long Fertilizer Manufacturing and Trading Co., Ltd of the Company, the Company hopes the case will be brought to trial soon and the losses which the Company suffered will be early recovered