

REPORT OF THE DIRECTORS

The Directors of Gemadept Corporation (“the company”) present this report together with the reviewed consolidated financial statements for the first 6 months of the fiscal year ending 31 December 2010 including the interim financial statements of Gemadept Corporation and its subsidiaries (list of subsidiaries is presented in Note I.3) (hereinafter referred to as “the Group”).

Business highlights***Parent company***

General Forwarding and Agency Corporation (Gemadept Corporation) has been operating under the business registration certificate and the tax registration certificate No. 0301116791 (No. 059080 before) dated 01 November 1993 granted by the Service of Planning and Investment of Ho Chi Minh City.

During its operation course, the company has been additionally granted the amended business registration certificates approving the supplementation of business functions and the increase of prescribed capital by the Service of Planning and Investment of Ho Chi Minh City.

| | |
|---|---------------------|
| Prescribed capital as in the business registration certificate: | VND 482.125.000.000 |
| Number of shares | 48.212.500 shares |
| Face value | VND 10.000 /share |

Head office

| | |
|----------|--|
| Address | : No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. |
| Tel. | : (84-8) 38 236 236 |
| Fax | : (84-8) 38 235 236 |
| E-mail | : info@gemadept.com.vn |
| Tax code | : 0 3 0 1 1 1 6 7 9 1 |

Affiliates:

| Affiliates | Address |
|-------------------------------------|---|
| Huu Nghi Shipping Company (Hunship) | 2A - 4A Ton Duc Thang, District 1, Ho Chi Minh City |
| Pacific Marine Company (PAMAR) | 15 th Floor, No. 35 Nguyen Hue, District 1, Ho Chi Minh City |
| Hanoi branch | 108 Lo Duc, Hai Ba Trung District, Hanoi City |
| Quang Ninh branch | No. 1, Cai Lan, Ha Long City, Quang Ninh Province |
| Hai Phong branch | 282 Da Nang, Ngo Quyen District, Hai Phong City |
| Da Nang branch | 39 Quang Trung, Hai Chau District, Da Nang City |
| Quy Nhon branch | 98 Pham Hung, Quy Nhon City, Binh Dinh Province |
| Can Tho branch | 47/11A Le Hong Phong, Can Tho City |
| Branch of Gemadept in Cambodia | # 193C Mao Tse Toung Avenue, Chamcamon, Phnom Penh, Campuchia |

Main operations of the company:

- To invest, to build and to operate sea port, river port, air cargo terminal. To perform all kinds of stevedoring services.
- To offer multi-modal transport services, to transport passengers and all kinds of cargo including containers, out of gauge cargo by sea, air, river way and inland trucking.
- To provide logistics services; to build, to operate, and to trade all kinds of warehouses and yard; to provide customs clearance service.
- To provide shipping agency services, container transportation, forwarding services by sea, by air and by road, ship's Chandler and other related shipping services.

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- To sell, purchase, manage, operate, repair, newly build and charter all types of ocean vessels, river ships, containers, cranes, forklifts and other equipments, materials, spare parts for transportation, port operation and logistics.
- To manage and man crew members.
- To undertake direct import and export. To act as petrol trading agency. To exploit mineral.
- To invest, construct, manage, trade and operate real estate, office buildings, hotels, resorts, apartments, residential area, trading center, industrial park and resorts.
- To undertake financial investment; to trade stocks; to make financial contribution to banks, securities companies, fund management companies and to involve in other financial activities.
- To undertake other business activities which are decided by the Board of Management in each particular period in accordance with the regulations of the laws and as registered to the relevant authorities.

Subsidiaries

| <i>Subsidiaries</i> | <i>Addresses</i> | <i>Operating fields</i> | <i>Rate of capital ownership</i> |
|--|---|---|----------------------------------|
| Gemadept (Singapore) Ltd. | 120 Lower Delta Road, #15-14/15Cendex Centre, Singapore. | Shipping agencies, ship exploitation, performing marketing services for Gemadept in Singapore, mobilizing capital for projects of maritime infrastructure, introducing and inviting foreign investment in the projects of shipping, industrial zones, infrastructure of transportation in Vietnam. | 100% |
| Gemadept (Malaysia) Ltd. | No.49B, Jalan Cungah, 42000 Port Klang, Selangor Darul Ehsan, Malaysia. | Shipping agencies, performing marketing services for Gemadept in Malaysia, mobilizing capital for the projects of maritime infrastructure, introducing and inviting foreign investment in the projects of shipping, industrial zones, infrastructure of transportation in Vietnam. | 100% |
| V.N.M General Transportation Service Co., Ltd. | 22 nd floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | Container yard and depot operation, shipping agency and brokerage, freight forwarding, cargo transport, stevedoring; sale, purchase, chartering of ship, container, marine equipment; construction of port, container yard, civil and industrial works. | 100% |
| Gemadept Dung Quat International Port J.S.C | Port No. 1 – Dung Quat Port, Binh Thuan Commune, Binh Son District, Quang Ngai Province, Vietnam. | Sea port investment and operation; multi-modal transport; container port operation and other related services; shipping agency and brokerage; sea and air freight forwarding services; stevedoring services; cargo transportation services by waterway, by sea and by road; construction of ports, civil-industrial works and land transport infrastructure. Adding: towing services, giving direct support to sea transportation; ship's | 66,2% |

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REPORT OF THE DIRECTORS (cont.)

| <i>Subsidiaries</i> | <i>Addresses</i> | <i>Operating fields</i> | <i>Rate of capital ownership</i> |
|--|--|---|----------------------------------|
| | | chandler services; customs clearance services. | |
| Phuoc Long Port Co., Ltd. | 19 th floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. | Multi-modal transport services; port operation; shipping agency and brokerage; stevedoring services, trading and chartering ships, containers, marine machinery and equipment; port construction and operation; building and repairing sea-going and river ships. | 100% |
| ISS - Gemadept Co., Ltd. | No. 8, Nguyen Hue, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. | Acting as a marine agent including arranging anchorage place for ships mooring in Vietnam; providing customs clearance service; acting as shipping agents including freight forwarding services on the basis of transportation contracts by sea or multi-modal transportation contracts; customs clearance service; preparing materials related to transporting documents (companies not directly transport goods and carry out commercial activities). | 51% |
| Gemadept – Vung Tau Corporation | No. 1/1A Pham Hong Thai, Ward 7, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam. | Construction of civil works and ports; transportation support and shipping agency services; services of supplying vessels and shipping agency; Transporting coastal and ocean-going goods by road, by water ways; warehousing and storage services. | 70% |
| Gemadept Nhon Hoi International Port J.S.C. | No. 98 Pham Hung, Ly Thuong Kiet Ward, Quy Nhon City, Binh Dinh Province. | Investing and exploiting sea ports; multi-modal transportation. Acting as shipping and air agents and brokers; building up civil and industrial construction works. | 55% |
| Hoa Sen - Gemadept Logistics and International Port Corporation | No. 05-07, 3/2 Street, Ward 8, Vung Tau City, Ba Ria-Vung Tau Province, Vietnam. | Building inland container depot (ICD), warehouse system, warehouses for container in transit, container freight station (CFS), clue for goods in transit and by expressage. | 51% |
| Gemadept Logistics One Member Co., Ltd. | Lot J1, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong Province, Vietnam. | Building Logistic and cold storage system with European standard to provide services of forwarding, distributing, storing, maintaining, and packaging cold and miscellaneous goods. | 100% |
| Gemadept Infrastructures Development and Investment Construction | No. 142, Nguyen Thong, Ward 3, Tan An Town, Long An | Port operation and related services; construction of civil – industrial works and ports; inland, waterway, | 50% |

| <i>Subsidiaries</i> | <i>Addresses</i> | <i>Operating fields</i> | <i>Rate of capital ownership</i> |
|---|--|--|----------------------------------|
| J.S.C | Province, Vietnam. | sea and air cargo transportation services; building and repairing sea-going and river ships. | |
| Gemadept Hai Phong Co., Ltd. | No. 452 Le Thanh Tong, Van My Ward, Ngo Quyen District, Hai Phong City, Vietnam. | Trading in multi-modal transport services, exploring container yards and related services, acting as shipping agents and brokers, providing waterway, sea and air freight forwarding services; trading and leasing containers – marine machinery – equipment. | 100% |
| Truong Tho Tourism and Transportation J.S.C | Quarter 7, Truong Tho Ward, Thu Duc District, Ho Chi Minh City, Vietnam. | Repairing and maintaining means of transport (excluding cars, motors, motorbikes and engined vehicles as well as the activities of processing mechanical products, processing wastes and electronic plating at the head office). Transporting goods by road and by local water ways. Transporting goods along coastal lines and by sea. Loading and unloading goods. Acting as a marine agent. | 26% |

Associates

| <i>Associates</i> | <i>Addresses</i> | <i>Operating fields</i> | <i>Rate of capital ownership</i> | <i>Voting right</i> |
|--|--|--|----------------------------------|---------------------|
| Golden Globe Trading Co., Ltd. | No. 117 Le Loi, District 1, Ho Chi Minh City, Vietnam. | Trading houses; providing services of organizing conferences and seminars; trading office equipment, computers and spare parts, stationeries, personal belongings and household appliances (excluding sport guns); transporting passengers and goods by cars and by waterway according to contracts. | 45,00% | 45,00% |
| MBN-GMD Vietnam | No. 6 Le Thanh Ton, District 1, Ho Chi Minh City, Vietnam. | Leasing warehouses to exporters of Vietnamese coffee and agricultural products in form of “del-credere” warehouses. | 34,00 % | 34,00 % |
| Vung Tau Commercial Port Joint Stock Company (VCP) | No. 973, 30/4 Street, Ward 11, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam. | Trading machinery, equipment, spare parts and non-agricultural materials. Trading fish and aquatic products. Trading engine-driven vehicles (old and new). Proving catering services. Trading beverage. Trading agricultural and | 26,78% | 26,78% |

| <i>Associates</i> | <i>Addresses</i> | <i>Operating fields</i> | <i>Rate of capital ownership</i> | <i>Voting right</i> |
|--|---|--|----------------------------------|---------------------|
| | | forestry products to serve as materials, live animals. Providing logistics and bonded warehouse services. Providing services of ships, ship broker, loading and unloading goods and customs clearance. Building and repairing ships. Building up civil and industrial construction works, installing equipment for construction works. | | |
| Vinh Hao Mineral Water Joint Stock Company | No. 72, 19/4 Street, Xuan An Ward, Binh Thuan Province, Vietnam. | Producing mineral water and bottled purified drinking water. | 29,00% | 29,00% |
| Power Transportation and Service J.S.C (Potraco) | No. 112 Ngo Quyen, Ngô Quyen District, Hai Phong City, Vietnam. | Providing warehousing and goods receiving services. Providing water way and land transportation services. Providing services of transportation, loading and unloading goods of super length and weight. Providing mechanic and equipment processing services for civil-industrial electric devices. Trading infrastructures, real estates and houses. Building up civil and industrial construction works. Trading machinery, equipment and spare parts serving for mineral exploitation and construction works. Providing customs clearance services. | 38,00% | 38,00% |
| Schenker Gemadept Logistics Vietnam Co., Ltd. | Lot J2, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong, Vietnam. | Providing warehousing and container yard services, customs clearance service. Performing the distribution right of wholesaling and retailing (not setting up retailing stores) garments, leather shoes, electronic products. | 49,00% | 49,00% |
| Huyndai Merchant Marine Vietnam Co., Ltd. | 12th Floor, Fideco Building, 81-85 Ham Nghi, District 1, Ho Chi Minh City, Vietnam. | Acting as a marine agent, providing forwarding services by road, by railway, by local water way, by sea and by air. Acting as a marine broker and providing services supporting the activities mentioned above. | 49,00% | 49,00% |
| Minh Dam Tourism J.S.C | Hai Tan Quarter, Phuoc Hai Town, | Providing accommodation services to tourists. Providing services of | 40,00% | 40,00% |

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| <i>Associates</i> | <i>Addresses</i> | <i>Operating fields</i> | <i>Rate of capital ownership</i> | <i>Voting right</i> |
|---|---|--|----------------------------------|---------------------|
| | Dat Do District, Ba Ria – Vung Tau Province, Vietnam. | catering, dancing club, karaoke, sea shore, sauna, massage. Trading garments, sport clothes, personal belongings and jewelry. Transporting passengers according to contracts, providing local and overseas tourism services. | | |
| Saigon Cargo Service Corporation | A2 Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam. | Acting as agents to trade fuel and oil. Constructing quays, civil-industrial construction works. Providing transportation service by car. Providing services of forwarding, loading and unloading goods. Providing customs clearance service. | 23,00% | 23,00% |
| Sinokor Vietnam Co., Ltd. | 2A-4A Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. | Providing services of forwarding of goods. Providing container and sea transportation services. Providing services of warehousing, quays and other specialized maritime equipment. | 49,00% | 49,00% |
| Nam Hai Port Joint Stock Company | No. 201, May Chai Ward, Ngo Quyen, Ngo Quyen District, Hai Phong City, Vietnam. | Building up civil construction works, ports, houses of all kinds. Providing warehousing service and supporting services for transportation. Transporting goods by road and by local water ways. Building up other specialized construction works. Building up yards, industrial construction works. Transporting goods. Providing services of yards, loading, unloading and storing goods. | 30,00% | 30,00% |
| Falcon Ha Dong Investment and Trading J.S.C | No. 418 Quang Trung, La Khe Ward, Ha Dong District, Ha Noi City, Vietnam. | Transporting goods by road, by local water ways, along coastal lines and by sea. Manufacturing, processing and leasing garments. Investing, trading, leasing offices, commercial centers and houses. Providing accommodation services to tourists. Investing and building up civil and industrial works. | 25,00% | 25,00% |
| Gemadept - LCL Cold Storage Co., Ltd. | Lot H.04, Road No. 1, Long Hau Industrial Park, Long Hau Commune, Can Giuoc District, Long An | Providing services of warehousing, cold storage, storing and packing frozen products and groceries. | 49,00% | 49,00% |

| <i>Associates</i> | <i>Addresses</i> | <i>Operating fields</i> | <i>Rate of capital ownership</i> | <i>Voting right</i> |
|-------------------|-------------------|-------------------------|----------------------------------|---------------------|
| | Province, Vietnam | | | |

Material effects on the operation of the company

During the period, Gemadept Corporation has issued 712.500 shares to sell to the employees according to the Resolution of the Shareholders' Meeting No. 01/HĐCĐ2006 dated 15 May 2006 and the Resolution of Meeting of the Board of Management No. 266 dated 16 November 2009, leading to the increases of VND 7.125.000.000 in its prescribed capital and VND 23.512.500.000 in the company's share premiums.

Gemadept Corporation has transferred the right to use the land and house at No. A2, Truong Son, Ward 2, Tan Binh District, HCM City to Portcoast Consultant Corporation according to the house trading contract No. 03150610/TCKT dated 15 June 2010. The profit of VND 35.064.404.504 gained from this transaction has been recorded into the business results during the period.

The Resolution of the Annual Shareholders' Meeting on 29 June 2010 of Gemadept Corporation has approved the plan to issue convertible bonds, increasing the capital ownership rate in associates as follows:

- Face value per bond: VND 1.000.000 /bond.
- Number of bonds issued: not over 413.000 bonds (equivalent to VND 413.000.000.000 of bonds at face value).
- Interests: Bonds are not gained interest.
- Estimated time of conversion: 12 months from the date of issuance.
- Purpose of issuance: converting the stocks of Nam Hai Port Joint Stock Company to increase the capital ownership rate.
- Convertible price and rate of stocks of Gemadept Corporation: VND 42.000 /stock.

Financial position and business results

The financial position as of 31 June 2010, the business results and the cash flows for the first 6 months of the fiscal year ending 31 December 2010 of the Group have been expressed in the consolidated interim financial statements attached to this report (from page 12 to page 46).

During the period, Gemadept Corporation has distributed the profit of the year 2009 according to the Resolution of the Shareholders' Meeting as follows:

| | |
|---|---------------------------|
| - Appropriation for financial reserved fund | VND 10.354.491.642 |
| - Appropriation for other funds | VND 10.354.491.642 |
| - Appropriation for bonus and welfare funds | VND 16.567.186.626 |
| Total: | VND 37.276.169.910 |

Subsequent events

In July 2010, Gemadept Corporation has a loan of VND 190.950.000.000 from Vietinbank - Branch No. 7 at Ho Chi Minh City to re-purchase the share capital of Terminal Link Company in Gemadept – Terminal Link Cai Mep Terminal J.S.C according to the credit contract No. 10.20.0125/HĐTD dated 30 June 2010.

Apart from the said event, the Directors of Gemadept Corporation hereby ensure that there have been no events from 30 June 2010 to the date of this report which need any adjustment on the figures or the disclosures in the consolidated interim financial statement.

The Board of Management and the Executive Officers

The Board members and the Executive Officers of Gemadept Corporation during the period and as of the date of this report include:

The Board of Management

| Full names | Position | Appointing date | Resigning date |
|------------------------|------------------------|-----------------|----------------|
| Mr. Do Van Nhan | Chairman | September 2003 | - |
| Mr. Chu Duc Khang | Standing Vice Chairman | September 2003 | - |
| Mr. Pham Tien Tinh | Member | May 2008 | - |
| Mr. Do Van Minh | Member | September 2003 | - |
| Mr. Nguyen Quoc Khanh | Member | September 2003 | - |
| Mr. Pham Hong Hai | Member | September 2003 | - |
| Mr. To Hai | Member | May 2008 | - |
| Mr. Vu Ninh | Member | September 2003 | - |
| Ms. Nguyen Minh Nguyet | Member | September 2003 | - |

The Control Board

| Full names | Position | Appointing date | Resigning date |
|-----------------------|--------------------|-----------------|----------------|
| Mr. Luu Tuong Giai | Chief of the Board | May 2008 | - |
| Ms. Bui Thi Thu Huong | Member | May 2007 | - |
| Ms. Vu Thi Hoang Bac | Member | May 2008 | - |
| Mr. Nguyen Viet Quang | Member | May 2008 | - |
| Mr. Tran Duc Thuan | Member | May 2008 | - |

The Executive Officers

| Full names | Position | Appointing date | Resigning date |
|-------------------|-------------------------|-----------------|----------------|
| Mr. Do Van Minh | General Director | April 2007 | - |
| Mr. Chu Duc Khang | Deputy General Director | February 2004 | - |
| Mr. Le Ngoc Quang | Deputy General Director | February 2004 | - |

Auditors

Auditing and Consulting Company Limited (A&C) has performed the review on the company's consolidated financial statements for the first 6 months of the fiscal year ending 31 December 2010.

Confirmations of the General Director

The Directors of Gemadept Corporation are responsible for the preparation of the consolidated financial statements to give a true and fair view of the financial position, the business results and the cash flows of the Group for each of the Group's fiscal year. In order to prepare these consolidated interim financial statements, the Directors of Gemadept Corporation must:

- select the appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- announce the accounting standards to be followed for the material issues to be disclosed and explained in the consolidated financial statements.

The Directors hereby ensure that all the requirements mentioned above have been followed when the consolidated interim financial statements are prepared, that all the accounting books of the company have been fully recorded and can fairly reflect the financial position of the Group at any time, and that

all the consolidated interim financial statements have been prepared in compliance with the prevailing Vietnamese accounting system and standards.

We, the Directors of Gemadept Corporation, confirm that all the accompanying consolidated interim financial statements have been properly prepared and have given a true and fair view of the financial position as of 30 June 2010, the business results and the cash flows for the first 6 months of the fiscal year ending 31 December 2010 of the Group in compliance with the prevailing Vietnamese accounting system and standards as well as other related regulations.

For and on behalf of the Directors,

Do Van Minh
General Director

Date: 01 September 2010.