



GEMADEPT CORPORATION



2018 | **BÁO CÁO THƯỜNG NIÊN**
Annual Report

THAY ĐỔI ĐỂ TRỞ THÀNH DOANH NGHIỆP HÀNG ĐẦU
CHANGE TO BE THE BEST



GEMADEPT CORPORATION

TABLE OF CONTENTS

GENERAL INFORMATION

Company's information
Chairman's Letter
Vision – Mission – Core Values
About Gemadept Corporation
Significant Milestones
Business Scopes and Services
Subsidiaries - Associated companies, joint ventures
Organization Chart & Management Structure
Board of Management - Control Board - Board of Directors
Information on Share Capital and Shareholders
Process of share capital increase since establishment

CORPORATE MANAGEMENT

Report of the Board of Management
Report of the Control Board
Report of the Board of Directors
Salary, bonus, remuneration, and other benefits of key management
Report on Risk Management
Report on Investor Relations Activities

BUSINESS SECTORS

Phuoc Long Port
Nam Hai Port
Nam Hai Dinh Vu Port
Nam Dinh Vu Port
Nam Hai ICD
Dung Quat Port
Gemalink Deep-sea Port
Logistics
International and domestic container transportation
Out of Gauge Cargo Transport
Shipping Agency
Vessel fleet Investment and Management
Air Cargo Terminal
SCSC Air Cargo Terminal
Mekong Logistics
K'line Gemadept Automative Logistics
Rubber Plantation
Real Estate

2019 BUSINESS PLAN - VISION 2020 & ORIENTATION UP TO 2025

SUSTAINABLE DEVELOPMENT REPORT

AUDITED FINANCIAL REPORT

Company Name : Gemadept Corporation

Stoke code : GMD

Business Registration & Tax code : 0301116791

Charter Capital : VND 2,969,249,570,000

Head office : No. 06 Le Thanh Ton Street,
Ben Nghe Ward, District 1, Ho Chi Minh City

Tel : (84.28) 3.8236236
Fax : (84.28) 3.8235236
Email : info@gemadept.com.vn
Website : www.gemadept.com.vn

CHAIRMAN'S LETTER

Dear Shareholders, Customers, Partners and Stakeholders,

Going through nearly one third of the century for formation and development, Gemadept is now one of the fast-growing, strong and solid enterprises in the industry of port operation and logistics. For the purpose of sustainable development and longevity, Gemadept has determined that it always need to change to become the leading corporation in the industry.

In 2018, Gemadept has implemented many programs aimed at that goal, including implementation of 5S Methodology, corporate assessment based on 7S framework, building targets based on Balance Scorecard (BSC) and Key Performance Indicators (KPIs) and Leader Mindset Training, etc., have brought about plenty of positive changes to every employee, department, subsidiary and whole Group.

The Country's economy saw positive changes in 2018. GDP continues to grow at the highest rate

over the past 10 years. Business environment has continuously improved. FDI attraction continues to be a bright spot. Inflation index is well controlled. Volume of import and export is growing, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) has taken effect.

In order to capture opportunities of the market, there are many things that Gemadept will need to prepare in 2019. Regarding business activities, Gemadept will continue deeply cooperating and establishing synergy with strategic partners in logistics, and upgrading its infrastructure and equipment of the existing port system. Simultaneously, Gemadept will continue with two key projects in the North and South of the Country, including phase 2 of Nam Dinh Vu port with a total investment of nearly VND 1,500 billion, equivalent to phase 1, and the biggest deep-sea container port in Vietnam - Cai Mep Gemalink with a total investment of more than VND 6,500



billion. With respect to the project of Gemalink port, the main contractor has been appointed, financial arrangement has been completed, and all other procedures have been completed and Gemalink port project has officially launched on February 20, 2019.

In addition to the above key projects, Gemadept is determined to openly embrace positive changes from within, aiming for a more professional, more dynamic, more efficient and better working environment, and to become a leading corporation in Vietnam and the Region in the industry of port and logistics. Gemadept has identified its mission of fostering economic flows, raising added value for the Country, enterprises and partners through its integrated service chains, outstanding solutions and networks, which are continuously spreading over key economic regions of the Country.

On behalf of the Board of Management and the Board of Directors, I would like to express our deepest gratitude to your trust and companion for Gemadept throughout the development journey and wish you, your family and friends health, happiness, wellbeing and prosperity.

Chairman
Do Van Nhan

VISION

To become a leading corporation in the industry of Port and Logistics in Vietnam and the Region.

VALUES FOR CUSTOMERS AND PARTNERS

Excellence - Pioneer - Partnership and development.

MISSION

To foster economic flows, raise added value for the Country, enterprises and partners through its integrated service chains and outstanding solutions.

CORE VALUES

NATIONAL

Being proud to be a Vietnamese brand that can vigorously compete with global ones presenting in Vietnam. Light up the flame of faith and aspiration to contribute to a bright future for Partners and the Country.

PIONEERS

GMD - "Gen Mở Đường" (roughly translated "Gene of the Pioneers"): affirming the capacity of each Gemadep person who dares to think, dares to do, pioneers in opening new paths and constantly challenges their own limits.

RESPONSIBILITY

Taking responsibility and using all authorized resources to overcome challenges. Being responsible for the Company, customers, partners and the community.

INTEGRITY

Being straightforward and honest with both others and the self. Being upright and consistent from thinking to action. Doing what has been claimed. Say less and do more.

PROGRESSIVE

Never rest on laurels, but always keep moving forward, relentlessly seeking for better solutions, and setting higher goals for the Company and individuals.

CONNECTING

Gemadep's strength is made from close and strong connection between members and the Company; and between the Company and customers, partners and stakeholders. Mutual cooperation, synergy and connection for sustainable development.

TOP 50

Best Vietnamese

Listed company

by Forbes

ABOUT GEMADEPT CORPORATION

Gemadept was established in 1990 with a mission to bring Vietnamese goods to the world and contribute to the construction of a fledgling national economy. In 1993, Gemadept was one of the first companies to be equitized. The year of 2002 was the next significant milestone, in which Gemadept's shares were officially listed on Vietnam's stock market.



Through the journey of nearly three decades, experiencing the rise and fall of the economy and the market, Gemadept still stands firm and is proud to be a pioneer, leading company in many fields. Today, Gemadept is famous for its networks of modern port and logistics infrastructure located at key positions of many provinces in Vietnam or other countries in the Region. Not only national key projects but also small packages delivered to each Vietnamese family bear the hallmarks of Gemadept and its partners.

In Port operation, Gemadept is the only listed company that owns and operates a port system of 6 ports stretching from the North to the South, and is now developing Gemalink - the largest deep-sea container port in Vietnam. In 2022, the total capacity of Gemadept's ports will reach approximately 5 million Teu/year, meeting the diverse needs of customers, and always being the best choice of major shipping lines in the world.

Gemadept's second core business is Logistics. Gemadept is operating a system of distribution centers located in key economic locations, with total area of hundreds thousands of square meters, handling millions tons of goods every year. Gemadept set a high yet realistic goal of becoming the largest enterprise in Vietnam to provide services of comprehensive supply chain management and solutions through its integrated logistics system including Air Cargo terminals, Distribution Centers, Out of Gauge cargo transport, Sea-water transport, Cold chains and Automotive Logistics.

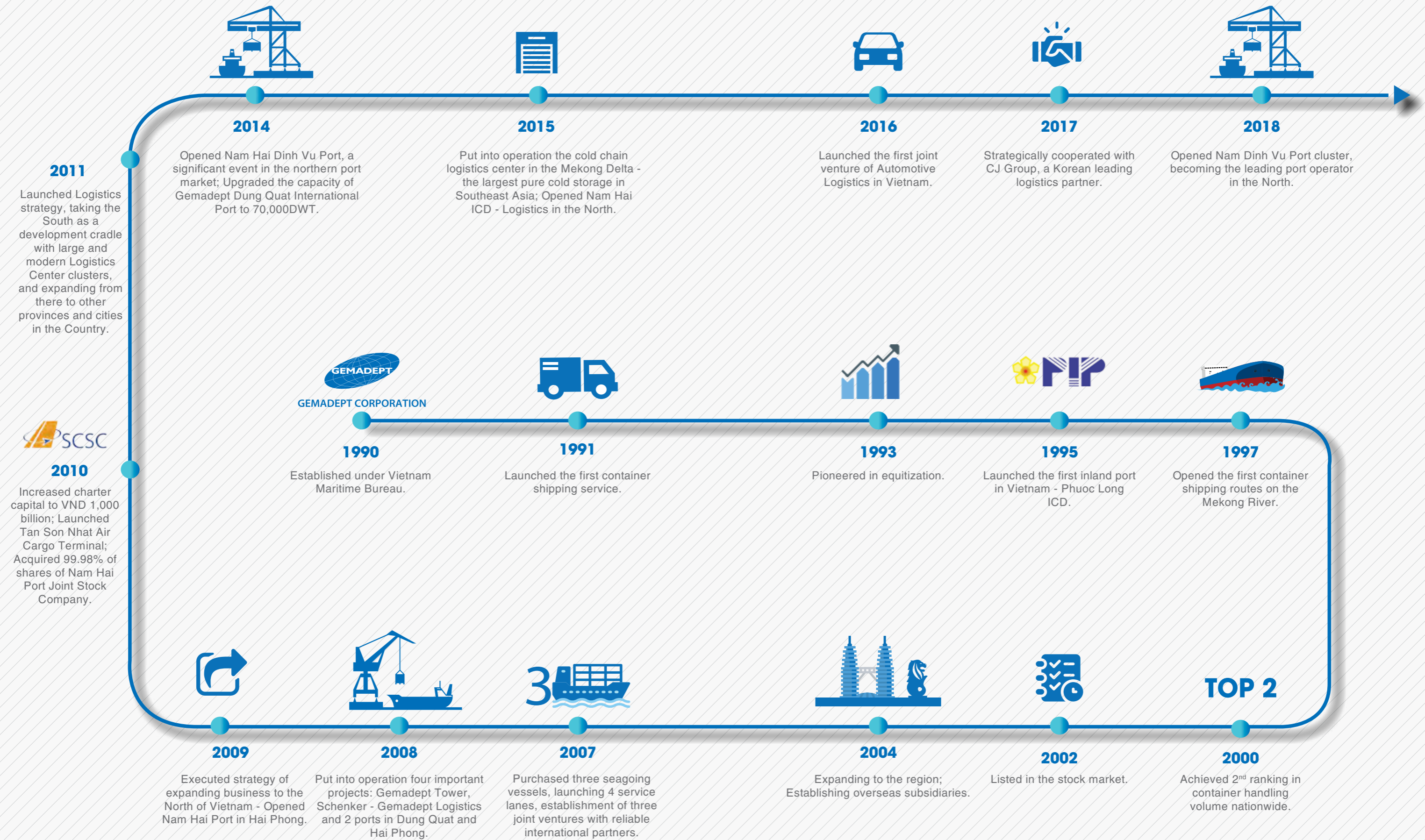
In addition to a strong business strategy, 2018 is the fresh start in Gemadept's journey for comprehensive and positive improvement, aiming to strengthen a proud Company's culture and create a professional and happy working environment through a series of training programs, developing human resources at all levels, and widely applying information technology, etc. These are to affirm Gemadept's sheer determination to constantly renew itself and aim to sustainable development and longevity.

With its scale, capacity, prestige and business growth, Gemadept is honored to be the leading in "Top 10 Reputable Transport and Logistics Companies in 2018 - Category of Logistics and Warehouse". Moreover, with its stable development results, Gemadept has been honored in VNR500 rankings for many years - Top 500 Largest Enterprises in Vietnam, Top 50 Best Listed Companies in Vietnam chosen by Forbes, Top 50 Enterprises having the most effective business, Top 1000 Enterprises having the largest contribution of corporate income tax to National Budget, etc. The objective evaluation of reputable organizations, experts, customers and partners asserts Gemadept's role and position in the market.

Many important trade agreements such as EVFTA and CPTPP takes effect in 2019, which will bring about many opportunities and challenges for Vietnamese enterprises. Gemadept is always confident and ready to confront challenges, grasp opportunities and make crucial breakthrough in order to bring benefits and added values to enterprises, customers, partners, shareholders and stakeholders, working together to promote the country's economic flow.



SIGNIFICANT MILESTONES



2011
 Launched Logistics strategy, taking the South as a development cradle with large and modern Logistics Center clusters, and expanding from there to other provinces and cities in the Country.

2010
 Increased charter capital to VND 1,000 billion; Launched Tan Son Nhat Air Cargo Terminal; Acquired 99.98% of shares of Nam Hai Port Joint Stock Company.

2014
 Opened Nam Hai Dinh Vu Port, a significant event in the northern port market; Upgraded the capacity of Gemadept Dung Quat International Port to 70,000DWT.

2015
 Put into operation the cold chain logistics center in the Mekong Delta - the largest pure cold storage in Southeast Asia; Opened Nam Hai ICD - Logistics in the North.

2016
 Launched the first joint venture of Automotive Logistics in Vietnam.

2017
 Strategically cooperated with CJ Group, a Korean leading logistics partner.

2018
 Opened Nam Dinh Vu Port cluster, becoming the leading port operator in the North.

1990
 Established under Vietnam Maritime Bureau.

1991
 Launched the first container shipping service.

1993
 Pioneered in equitization.

1995
 Launched the first inland port in Vietnam - Phuoc Long ICD.

1997
 Opened the first container shipping routes on the Mekong River.

2009
 Executed strategy of expanding business to the North of Vietnam - Opened Nam Hai Port in Hai Phong.

2008
 Put into operation four important projects: Gemadept Tower, Schenker - Gemadept Logistics and 2 ports in Dung Quat and Hai Phong.

2007
 Purchased three seagoing vessels, launching 4 service lanes, establishment of three joint ventures with reliable international partners.

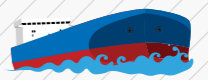
2004
 Expanding to the region; Establishing overseas subsidiaries.

2002
 Listed in the stock market.

2000
 Achieved 2nd ranking in container handling volume nationwide.

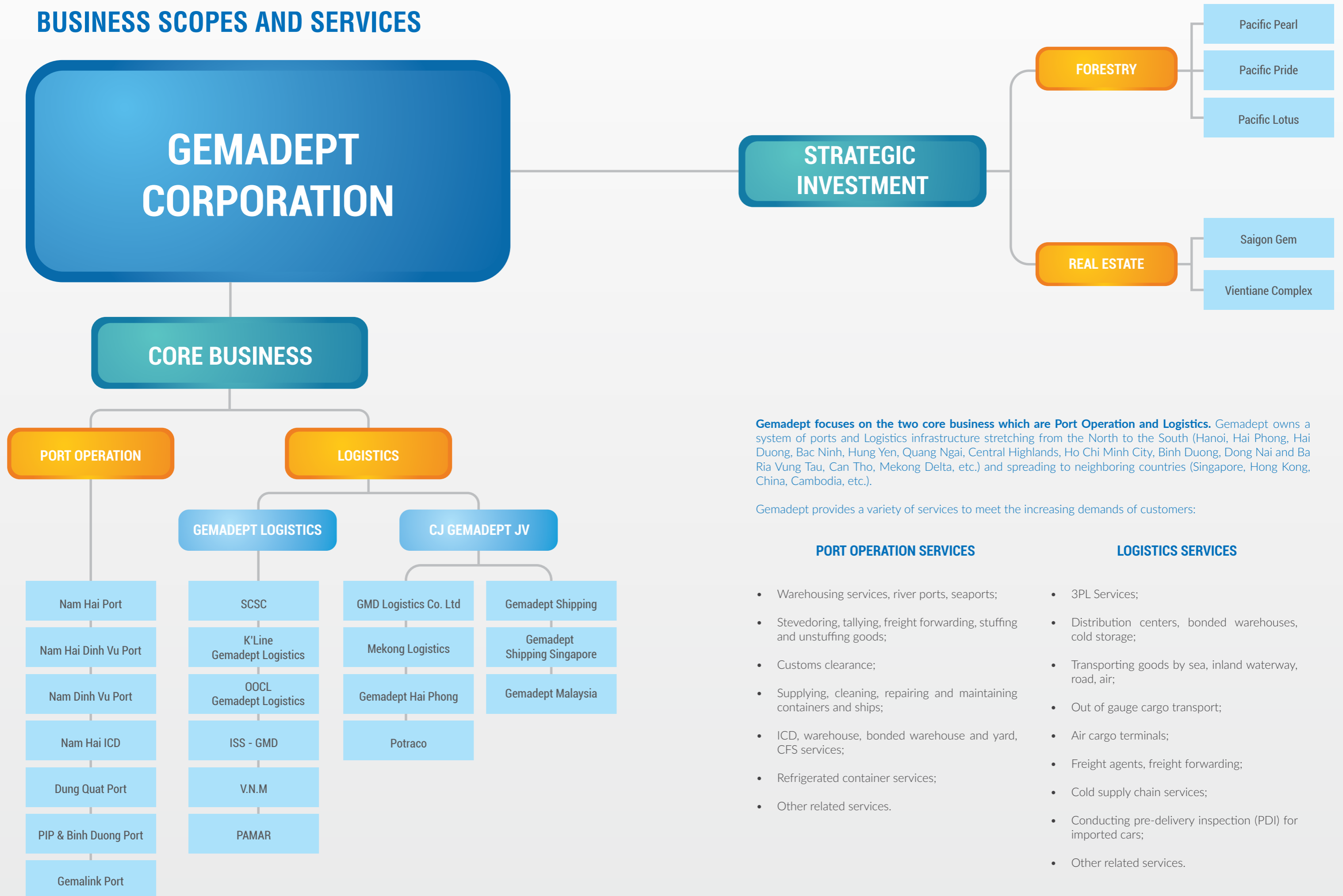


GEMADEPT CORPORATION



TOP 2

BUSINESS SCOPES AND SERVICES



Gemadept focuses on the two core business which are Port Operation and Logistics. Gemadept owns a system of ports and Logistics infrastructure stretching from the North to the South (Hanoi, Hai Phong, Hai Duong, Bac Ninh, Hung Yen, Quang Ngai, Central Highlands, Ho Chi Minh City, Binh Duong, Dong Nai and Ba Ria Vung Tau, Can Tho, Mekong Delta, etc.) and spreading to neighboring countries (Singapore, Hong Kong, China, Cambodia, etc.).

Gemadept provides a variety of services to meet the increasing demands of customers:

PORT OPERATION SERVICES

- Warehousing services, river ports, seaports;
- Stevedoring, tallying, freight forwarding, stuffing and unstuffing goods;
- Customs clearance;
- Supplying, cleaning, repairing and maintaining containers and ships;
- ICD, warehouse, bonded warehouse and yard, CFS services;
- Refrigerated container services;
- Other related services.

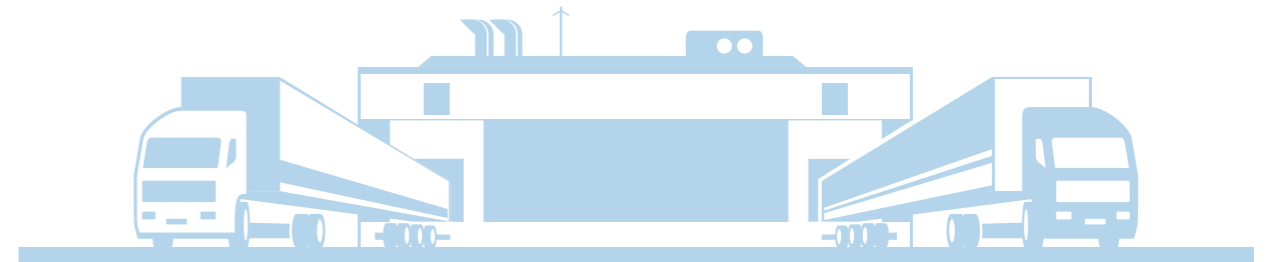
LOGISTICS SERVICES

- 3PL Services;
- Distribution centers, bonded warehouses, cold storage;
- Transporting goods by sea, inland waterway, road, air;
- Out of gauge cargo transport;
- Air cargo terminals;
- Freight agents, freight forwarding;
- Cold supply chain services;
- Conducting pre-delivery inspection (PDI) for imported cars;
- Other related services.

SUBSIDIARIES - ASSOCIATED COMPANIES, JOINT VENTURES

List of subsidiaries to be consolidated

Company's name	Address	Benefit rate		Voting right	
		Ending balance	Beginning balance	Ending balance	Beginning balance
Nam Dinh Vu Port Joint Stock Company	CA1, Nam Dinh Vu Industrial Park, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam	60.00%	60.00%	60.00%	60.00%
Nam Hai Dinh Vu Port Joint Stock Company	6th Km Dinh Vu, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam	84.66%	84.66%	84.66%	84.66%
Nam Hai Port Joint Stock Company	201 Ngo Quyen, May Chai Ward, Ngo Quyen District, TP. Hai Phong, Vietnam	99.98%	99.98%	99.98%	99.98%
Nam Hai ICD Joint Stock Company	Lot CN3, MP Dinh Vu Industrial Park, Dong Hai 2 Ward, Hai An District, TP. Hai Phong, Vietnam	65.00%	65.00%	65.00%	65.00%
Gemadept Dung Quat International Port Joint Stock Company	Berth 1 - Dung Quat General Port, Binh Thuan Commune, Binh Son District, Quang Ngai Province, Vietnam	80.40%	80.40%	80.40%	80.40%
Phuoc Long Port Company Limited	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	100%	100%	100%	100%
Truong Tho Transport Service Joint Stock Company (i)	Quarter 7, Truong Tho Ward, Thu Duc District, TP. Ho Chi Minh, Vietnam	46.00%	46.00%	54.00%	54.00%
Pacific Maritime Equipment and Service Company Limited	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	100%	100%	100%	100%
ISS - Gemadept Company Limited	45 Vo Thi Sau, Da Kao Ward, District 1, TP. Ho Chi Minh, Vietnam	51.00%	51.00%	51.00%	51.00%
Pacific Shipping Company Limited	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	100%	100%	100%	100%
Pacific Rubber Industry Company Limited	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	100%	100%	100%	100%



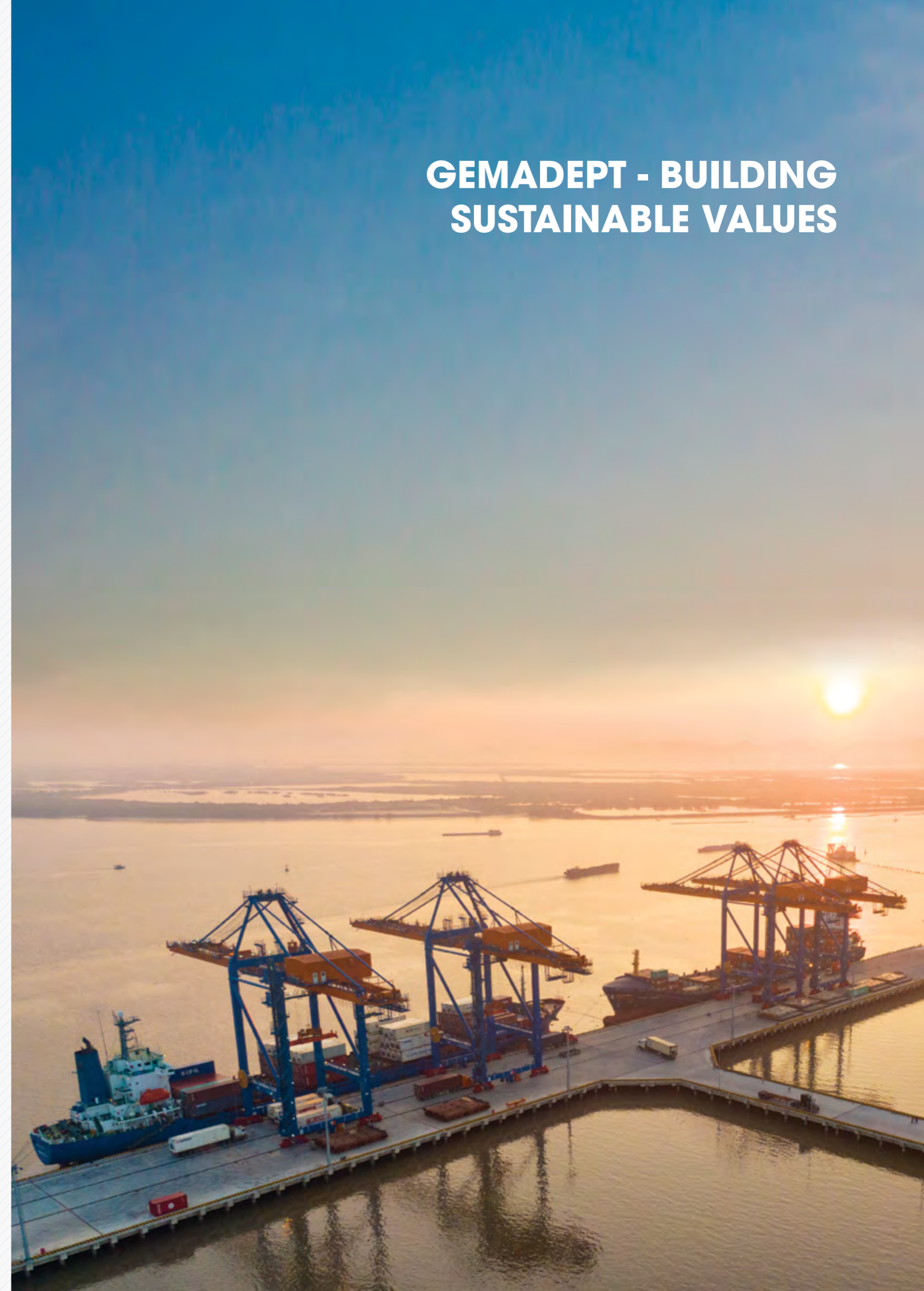
Company's name	Address	Benefit rate		Voting right	
		Ending balance	Beginning balance	Ending balance	Beginning balance
Pearl Pacific Joint Stock Company	61 Road 468, Toul Tumpoung 2 Ward, Chamkarmon District, TP. Phnom Penh, Cambodia	100%	100%	100%	100%
Pacific Lotus Joint Stock Company	18B Road 500, Phsar Deum Thkov Ward, Chamkarmon District, TP. Phnom Penh, Cambodia	100%	100%	100%	100%
Pacific Pride Joint Stock Company	947 Por Prok Khang Tbong Village, Kar Karb Ward, Po Sen Chey District, TP. Phnom Penh, Cambodia	100%	100%	100%	100%
V.N.M General Transportation Service Co., Ltd.	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	100%	100%	100%	100%
Gemadept Infrastructure Development Investment Joint Stock Company	147 Nguyen Thai Binh, Ward 3, TP. Tan An, Long An Province, Vietnam	50.00%	50.00%	50.00%	50.00%
Gemadept Vung Tau Joint Stock Company	1 / 1A Pham Hong Thai, Ward 7, TP. Vung Tau, Ba Ria - Vung Tau Province, Vietnam	70.00%	70.00%	70.00%	70.00%
Gemadept Nhon Hoi International Port Joint Stock Company	98 Pham Hung, Ly Thuong Kiet Ward, TP. Quy Nhon, Binh Dinh Province, Vietnam	53.20%	53.20%	53.20%	53.20%
Vi Tin Informatics Service Company Limited	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	100%	100%	100%	100%

(i) The Company took control of Truong Tho Transport Service Joint Stock Company due to the authorization of a number of shareholders to reach the voting right rate in the General Meeting of Shareholders at 54%.

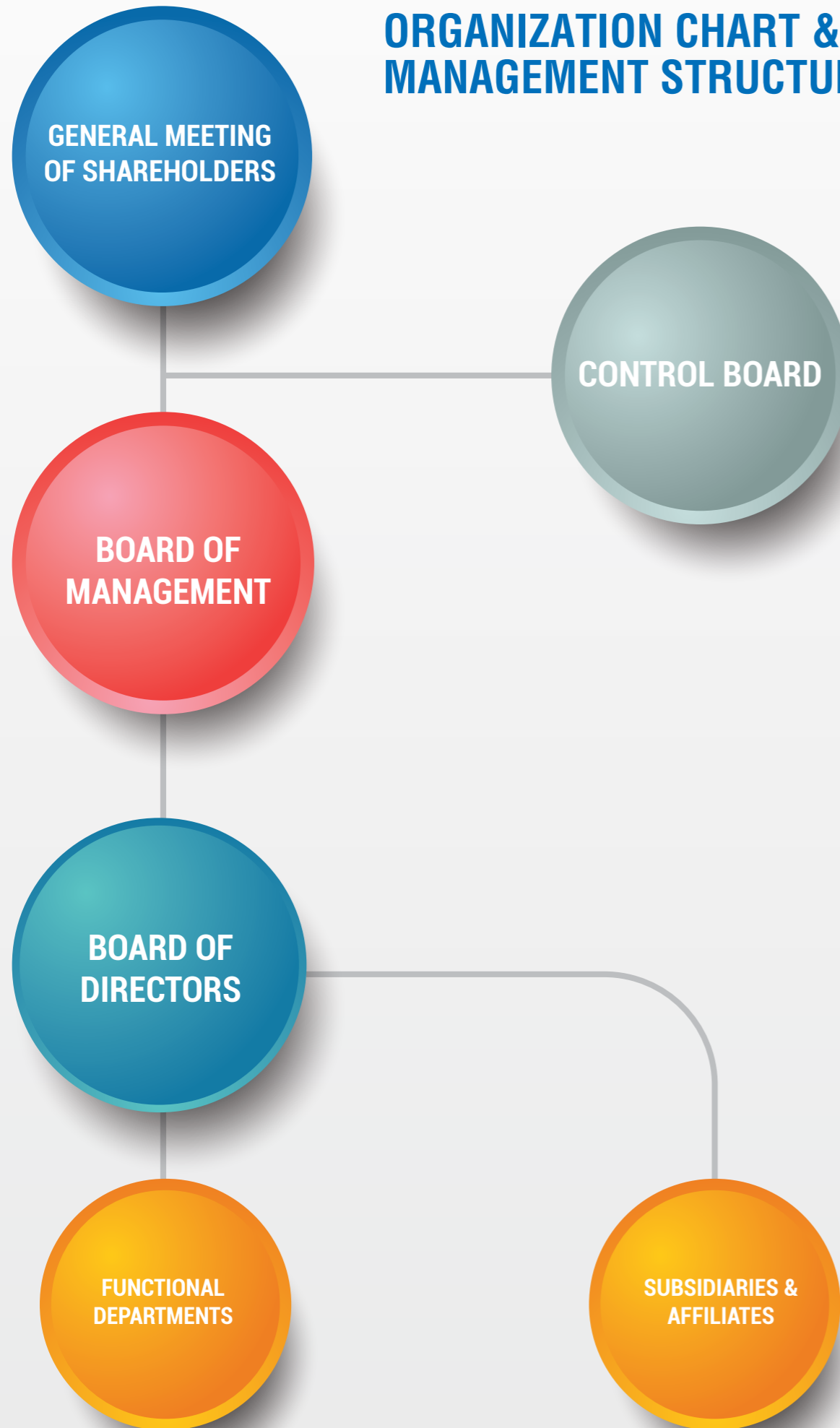
List of joint ventures and affiliates reflected in the consolidated financial statements in accordance with the equity method

Company's name	Address	Benefit rate		Voting right	
		Ending balance	Beginning balance	Ending balance	Beginning balance
CJ Gemadept Logistics Holdings Company Limited	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	49.10%	100%	49.10%	100%
Gemadept Logistics Company Limited	J1, Road No. 8, Song Than Industrial Zone 1, Di An Ward, Di An Town, Binh Duong Province, Vietnam	49.10%	100%	49.10%	100%
Mekong Logistic Joint Stock Company	Song Hau Industrial Park, Dong Phu Commune, Chau Thanh District, Hau Giang Province, Vietnam	25.02%	50.96%	25.02%	50.96%
Gemadept Hai Phong Company Limited	Floor 6, Lot 20A, TD Plaza Business Center, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, TP. Hai Phong, Vietnam	49.10%	100%	49.10%	100%
CJ Gemadept Shipping Holdings Limited Company	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	51.00%	100%	50.00%	100%
Gemadept Shipping Company Limited	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	51.00%	100%	50.00%	100%
Gemadept Shipping Singapore Pte. Ltd.	63 Market Street #05 – 01A Bank of Singapore Centre, Singapore, 048942	51.00%	100%	50.00%	100%
Gemadept (Malaysia) Sdn. Bhd.	No.68B, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia	51.00%	100%	50.00%	100%
Gemadept - Terminal Link Cai Mep Port Joint Stock Company	Cai Mep Area, Phuoc Hoa Commune, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam	65.13%	65.13%	50.00%	50.00%
Saigon Cargo Services Joint Stock Company	30 Phan Thuc Duyen, Ward 4, Tan Binh District, TP. Ho Chi Minh, Vietnam	36.43%	32.89%	36.43%	32.89%
"K" Line - Gemadept Logistics Company Limited	6 Le Thanh Ton, Ben Nghe Ward, District 1, TP. Ho Chi Minh, Vietnam	50.00%	50.00%	50.00%	50.00%
Golden Globe Company Limited	Village Sibunhuong, Chanthabouly District, Vientiane, Laos	40.00%	40.00%	40.00%	40.00%
Golden Globe Trading Company Limited	117 Le Loi, Ben Thanh Ward, District 1, TP. Ho Chi Minh, Vietnam	45.00%	45.00%	45.00%	45.00%
Foodstuff Combinatorial Joint Stock Company	267 Quang Trung, Quang Trung Ward, Ha Dong District, TP. Hanoi Vietnam	26.56%	26.56%	26.56%	26.56%
Minh Dam Tourist Joint Stock Company	Cau Tum, Hai Tan Town, Phuoc Hai Town, Dat Do District, Ba Ria - Vung Tau Province, Vietnam	40.00%	40.00%	40.00%	40.00%
Vung Tau Trading Port Joint Stock Company	973 street 30/4, Ward 11, TP. Vung Tau, Ba Ria - Vung Tau Province, Vietnam	26.78%	26.78%	26.78%	26.78%
OOCL Logistics Company Limited (Vietnam)	13th floor, Sai Gon Trade Center building, 37 Ton Duc Thang, District 1, TP. Ho Chi Minh, Vietnam	49.00%	49.00%	49.00%	49.00%

GEMADEPT - BUILDING SUSTAINABLE VALUES



ORGANIZATION CHART & MANAGEMENT STRUCTURE



BOARD OF MANAGEMENT CONTROL BOARD BOARD OF DIRECTORS

The Board of Management consists of 11 members, the Control Board consists of 5 members and the Board of Directors consists of 5 members.

BOARD OF MANAGEMENT ("BOM")

Mr. Do Van Nhan	Chairman
Mr. Chu Duc Khang	Vice chairman
Mr. Phan Thanh Loc	Vice chairman
Mr. Do Van Minh	Member
Mrs. Bui Thi Thu Huong	Member
Mrs. Nguyen Minh Nguyet	Member
Mr. Vu Ninh	Member
Mr. Bolat Duisenov	Member
Mr. David Do	Member <i>(Tenure began on May 30th, 2018)</i>
Mrs. Le Thuy Huong	Member <i>(Tenure began on May 30th, 2018)</i>
Mrs. Ha Thu Hien	Member <i>(Tenure began on May 30th, 2018)</i>

CONTROL BOARD

Mr. Luu Tuong Giai	Chief
Mrs. Vu Thi Hoang Bac	Member
Mr. Tran Duc Thuan	Member
Mrs. Phan Cam Ly	Member
Mrs. Tran Hoang Ngoc Uyen	Member <i>(Elected as a member of the Control Board since 30/05/2018)</i>

BOARD OF DIRECTORS ("BOD")

Mr. Do Van Minh	General Director
Mr. Chu Duc Khang	Deputy General Director
Mr. Pham Quoc Long	Deputy General Director
Mr. Nguyen Thanh Binh	Deputy General Director
Mr. Tran Quang Tien	Deputy General Director <i>(terminated Labor contract on 31/10/2018)</i>

INFORMATION ON SHARE CAPITAL AND SHAREHOLDERS

I. RATIO OF OWNERSHIP

No.	Shareholder	Number of shares	Ratio (%)	Number of shareholders		
				Organization	Private	Total
1	State shareholders	-	0.00%	-	-	-
	Founding shareholders / FDI shareholders	-	0.00%	-	-	-
2	- Local	-	0.00%	-	-	-
	- Foreign	-	0.00%	-	-	-
	Major shareholders (owning from 5% of share capital)	127,119,937	42.81%	2	1	3
3	- Local	21,237,451	7.15%	-	1	1
	- Foreign	105,882,486	35.66%	2	-	2
	Labor union	-	0.00%	-	-	-
4	- Local	-	0.00%	-	-	-
	- Foreign	-	0.00%	-	-	-
5	Treasury shares	-	0.00%	-	-	-
6	Shareholders owning preferred shares (if any)	-	0.00%	-	-	-
	Other shareholders	169,805,020	57.19%	134	7,929	8,063
7	- Local	144,992,714	48.83%	78	7,594	7,672
	- Foreign	24,812,306	8.36%	56	335	391
	TOTAL	296,924,957	100.00%	136	7,930	8,066
In which:	Local	166,230,165	55.98%	78	7,595	7,673
	Foreign	130,694,792	44.02%	58	335	393

II. STRUCTURE OF SHAREHOLDERS

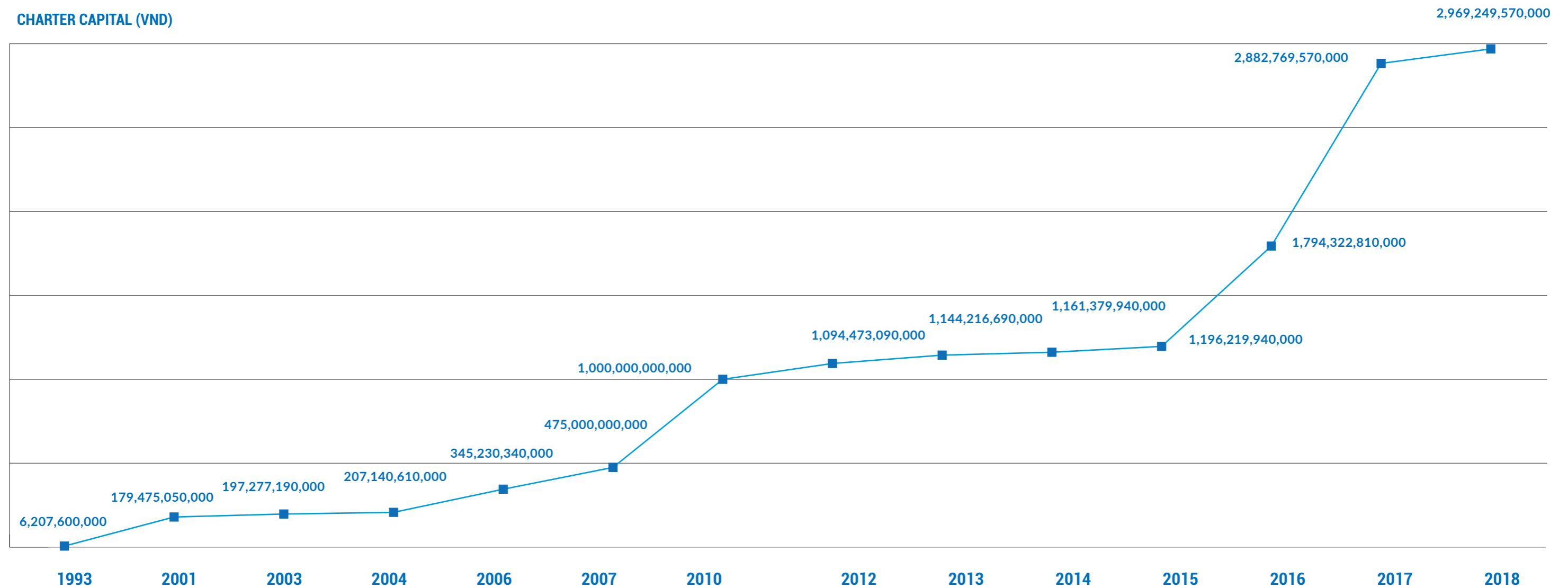
No.	Category	Number of shares	Ratio (%)	Number of shareholders		
				Organization	Private	Total
1	Major shareholders (owning from 5% of share capital) who are not professional share investors	21,237,451	7.15%	-	1	1
	- Local	21,237,451	7.15%	-	1	1
	- Foreign	-	0.00%	-	-	-
2	Professional share investors who are major shareholders owning from 5% of share capital.	105,882,486	35.66%	2	-	2
	- Local	-	0.00%	-	-	-
	- Foreign	105,882,486	35.66%	2	-	2
3	Professional share investors who are major shareholders owning less than 5% of share capital.	28,955,872	9.75%	116	-	116
	- Local	4,899,635	1.65%	61	-	61
	- Foreign	24,056,237	8.10%	55	-	55
	TOTAL	156,075,809	52.56%	118	1	119

III. STOCK TRANSACTIONS OF INTERNAL PERSONS AND RELATED PERSONS IN 2018

Seq	Transactor	Relationship with internal shareholder	No. of shares owned at the beginning of the year		No. of shares owned at the end of the year		Reason for increasing or decreasing (purchase, transfer, bonus, etc.)
			Number of shares	Ratio	Number of shares	Ratio	
1	Mr. Vu Ninh	Member of BOM	530,799	0.18%	645,799	0.22%	Receive more issued shares
2	Mrs. Le Thuy Huong	Member of BOM	21,287,201	7.38%	21,237,451	7.15%	Transfer of shares
3	Recollection Pte. LTD	Major shareholders	21,494,566	7.46%	18,140,756	6.11%	Transfer of shares
4	Mr. Do Loc	Related person of Mr. Do Van Nhan - Chairman of the BOM	366,028	0.13%	205,028	0.07%	Receive more issued shares
5	Mrs. Pham Thuy Linh	Related people of Mr. Pham Quoc Long - Deputy General Director	243,000	0.08%	0	0.00%	Transfer of shares
6	Mr. Luu Tuong Bach	Related people of Mr. Luu Tuong Giai - Head of Control Board.	0	0.00%	1,540	0.00%	Purchase of share

PROCESS OF SHARE CAPITAL INCREASE SINCE ESTABLISHMENT

CHARTER CAPITAL (VND)



REPORT OF THE BOARD OF MANAGEMENT



1. Members and Structure of the Board of Management:

On May 30th, 2018, the five-year tenure of Gemadep Board of Management ended and the members of Board of Management for the new five-year tenure from 2018 to 2023 was elected by the General Meeting of Shareholders.

Board structure:

The Board of Management of tenure 2018-2023 consists of 11 members, including:

- 4/11 female members;
- 3/11 foreign members;
- 5/11 members from investment organizations;
- 6/11 members are working at Gemadep

Assignment and appointment:

The first meeting of the Board of Management voted for the positions of Chairman, Vice Chairman, Person in charge of corporate governance, and appointed General Director of Gemadep Corporation for the tenure 2018-2023. Particularly:

Chairman of the Board : Mr. Do Van Nhan
 Vice Chairman of the Board : Mr. Chu Duc Khang
 Vice Chairman of the Board : Mr. Phan Thanh Loc
 General Director : Mr. Do Van Minh
 Person in charge of corporate governance: Mr. Vu Ninh

List of Board of Management, position and number of shares owned at the end of the management report (January 22nd, 2019) as follows:

SEQ	Member of BOM	Position	Ending balance	Ratio
1	Mr. Do Van Nhan	Chairman	1,459,924	0.49%
2	Mr. Chu Duc Khang	Vice Chairman of BOM	742,437	0.25%
3	Mr. Phan Thanh Loc	Vice Chairman of BOM	-	-
4	Mr. Do Van Minh	Member of BOM	503,000	0.17%
5	Mrs. Bui Thi Thu Huong	Member of BOM	322,518	0.11%
6	Mrs. Nguyen Minh Nguyet	Member of BOM	605,012	0.20%
7	Mr. Vu Ninh	Member of BOM	645,799	0.22%
8	Mr. Bolat Duisenov	Member of BOM	-	-
9	Mr. David Do	Member of BOM	-	-
10	Mrs. Le Thuy Huong	Member of BOM	21,237,451	7.15%
11	Mrs. Ha Thu Hien	Member of BOM	-	-

Note: Mr. Phan Thanh Loc, Mr. David Do, Mrs. Ha Thu Hien and Mr. Bolat Duisenov - are representatives of organizations, do not own GMD shares. (Source: Report on corporate governance, Publication of information pursuant to laws, posted on GMD website)

2. Non-executive members of the BOM:

The current Board of Management has 5 members who are not involved in managing and operating business of Gemadep:

	Title	Ending balance	Ratio
Mr. Phan Thanh Loc	Vice Chairman of BOM	0	0
Mr. Bolat Duisenov	Member of BOM	0	0
Mr. David Do	Member of BOM	0	0
Mrs. Le Thuy Huong	Member of BOM	21,237,451	7.15%
Mrs. Ha Thu Hien	Member of BOM	0	0

3. Assessment of activities of the BOM non-executive members:

New non-executive members of BOM are financial experts, experienced investors in different areas. In 2018, the non-executive members fully participated in the Board meetings and annual events. The BOM consulted the independent members and received valuable advice on development strategy, investment, finance, banking, shareholders' relations. The non-executive members also helped find partners, supported training and provided materials on corporate governance.

4. Meetings of the BOM:

In accordance with the governance regulations and based on the business situation, in 2018, the Board of Management held 13 official meetings and a number of other extended sessions to comment on important issues of the Company.

The quorum of every meeting complied with the Company Charter.

Three new members elected in 2018 attended 5 meetings while other members attended all meetings.

In 2018, BOM passed 30 minutes and resolutions on the following matters:

- Electing key positions of the Board of Management and the General Director
- Purchasing container ships
- Financing for business development
- Payment of dividends in the year
- Employee stock purchase plan
- Business of the Company's subsidiaries (appointment and dissolution)
- Releasing the limitation of foreign ownership to the rate as prescribed by law.

Date, list of participants, agenda and resolutions of each meetings are stated in the "Report of company management in 2018", which is posted on the Company website www.gemadep.com.vn

SEQ	Members of BOM	Title	The start / end date of the BOM's term	Number of meetings attended	Ratio	Reason for not attending
1	Mr. Do Van Nhan	Chairman	29/5/2013	13	100%	
2	Mr. Chu Duc Khang	Vice chairman	29/5/2013	13	100%	
3	Mr. Phan Thanh Loc	Vice chairman	29/5/2013	13	100%	
4	Mr. Do Van Minh	Member	29/5/2013	13	100%	
5	Mr. Pham Hong Hai	Member	29/5/2013	8	62%	Tenure expired
6	Mrs. Bui Thi Thu Huong	Member	29/5/2013	13	100%	
7	Mrs. Nguyen Minh Nguyet	Member	29/5/2013	13	100%	
8	Mr. Vu Ninh	Member	29/5/2013	13	100%	
9	Mr. Pham Tien Tinh	Member	29/5/2013	8	62%	Tenure expired
10	Mr. Bolat Duisenov	Member	29/5/2013	12	92%	Business trip
12	Mr. David Do	Member	30/5/2018	5	38%	Tenure started
13	Mrs. Le Thuy Huong	Member	30/5/2018	5	38%	Tenure started
14	Mrs. Ha Thu Hien	Member	30/5/2018	5	38%	Tenure started

5. BOM's assessment of the Company's activities:

2018 is a pivotal year in Gemadep's five-year business plan from 2016 to 2020. Despite many fluctuations in the world economy and the maritime market, the Company has achieved good results as follows:

With respect to business: Business environment in 2018 were greatly affected by the regional market. The regional market was strongly influenced by the tension in US-China relations, which caused a lot of sudden changes in import and export output. In Vietnam, changes of environmental policies had a major impact on controlling imports and output through ports. Issues such as sedimentation in channels change of port tariff and increasing competitiveness in Logistics industry have directly affected the revenue of Gemadep. However, thanks to many strong and flexible measures, Gemadep's main business activities still have good growth.

In 2018, Gemadep exceeded two important targets on consolidated revenue and profit before tax. Consolidated revenue reached VND 2,708 billion and consolidated pre-tax profit reached VND 2,182 billion.

Regarding Port operation, Phuoc Long – Binh Duong ports in the South, four ports in Hai Phong (Nam Dinh Vu, Nam Hai Dinh Vu, Nam Hai and Nam Hai ICD) and Dung Quat port in the Central region performed stably and completed the plan, especially many companies achieved high growth.

In 2018, the Logistics companies under the control of Holding companies between Gemadep and CJL, has made new developments in organization, customers and markets. Gemadep is rated as the leader among Logistics companies operating in Vietnam (according to Vietnam Report's assessment).

With respect to progress of projects: Nam Dinh Vu Port welcomed the first ship in February 2018 and was officially opened in May 2018. This project was completed within a record time to catch up the market situation. In 2018, Binh Duong Port has been expanded and upgraded to increase capacity. Financial arrangement, appointment of contractors and licenses for Gemalink deep-water port project have been completed and the construction has resumed so that the port will be ready for operation in 2020.

In 2018, a number of Logistics projects have also been implemented, such as purchasing a young and modern vessel named Green Pacific, launching three 200-Teus S1 vessels, expanding system of Logistics warehouses, cold storage, automotive logistics centers, and other warehouses in many provinces, also providing Logistics consultancy service, which will bring a new direction for business development for Gemadep.

6. Compliance with regulations on corporate governance:

In 2018, the Board of Management and Board of Directors strictly complied with the regulations on corporate governance such as:

- Holding the General Meeting of Shareholders as prescribed by laws, which approved the amendment of the charter, internal regulations.
- Holding meetings of the Board of Management, regular briefings; implementing labor regulations, remuneration policies, etc.
- Announcing information accurately and timely to authorities and shareholders. Many articles on business performance of the Company has been posted on website www.gemadep.com.vn

7. Changes and improvements in management policies of the Company:

- From the second half of 2018, Gemadep re-appointed the General Director for the tenure of 2018-2023. The Board of Directors consists of four members in charge of different fields.
- In the subsidiaries and affiliates, the directors and deputy directors of Nam Hai Port, Nam Hai Dinh Vu, Nam Dinh Vu, Nam Hai ICD and other Logistics companies were appointed in order to enhance management and competitiveness.
- The centralized management of finance, procurement, human resources, technology and legal affairs has made positive changes and actively supported directors of the subsidiaries and affiliates to focus on business.
- The Board of Management supervised the activities of the Board of Directors and held monthly meetings with the Board of Directors and regular meetings with the board of directors of key subsidiaries and affiliates.

8. Training on corporate governance:

In 2018, Gemadep assigned members of the Board of Management, Control Board, Board of Directors, and some other managers to fully participate in training courses on corporate governance organized by the State Securities Commission and Ho Chi Minh Stock Exchange. Members of BOM fully participated in the training programs such as Leader Mindset; career training; Coaching program, etc.

9. Plan & Direction of the BOM in 2019:

Mission for 2019 is to achieve business targets to create a stepping stone to accomplish the 2020 vision and to prepare for the long-term plan to 2025. Principal guidance for 2019 includes:

- **Regarding business:** taking market advantages to increase output through ports and warehouses; selecting suitable routes to improve shipping.
- **Regarding finance:** fulfilling targets of revenue and profit of 2019 and dividend payment as approved by the General Meeting of Shareholders.
- **Regarding company management:** strengthening centralized management of main fields, including marketing, improving operational efficiency and cutting costs.
- **Regarding learning and development:** implementing projects related to culture, successor and human resource training.

10. Plans to increase effectiveness in management activities in the coming time:

Gemadep is implementing BSC / KPI program. Therefore, internal governance activities will focus on the following aspects:

- Supervising the implementation of the Resolution of the Business Conference held in March 2019, and monthly meeting minutes of the Board of Directors;
- Promoting the implementation of centralized management of five key fields, risk management, procurement and cost cutting;
- Supporting to improve the management structure at the Head Office and key affiliates through delegation of authority (DOA) to increase operational efficiency;
- Ensuring that construction projects and projects related to corporate governance will be completed on time.

REPORT OF THE CONTROL BOARD

In 2018, Vietnam's economy grew steadily at a moderate rate. However, public debt ratio and budget deficit are still high. Under such circumstances, Gemadept used its best efforts to achieve encouraging business results by controlling risks, cutting costs and restructuring business activities to improve supply chain and meet the demands of the economy.

I. ACTIVITIES OF THE CONTROL BOARD

The Control Board consists of five members, which were elected by the General Meeting of Shareholders in 2018. The Control Board performed its functions and duties in accordance with laws and the Company's Charter. In 2018, with the close coordination of the Board of Management and Board of Directors, the Control Board inspected business activities and made recommendations to enhance risk management and improve the quality of management of the Company.

In 2018, the Control Board has a business trip to Da Nang to inspect the operation of the Company's branch and proposed solutions to enhance efficiency of business activities. Quarterly, the Control Board supervised the organization of business activities and financial management of the Company, reporting on advantages, difficulties, achievement and weakness to the Board of Management and the Board of Directors.

Appraisal of the 2018 financial statements was carried out quarterly and at the end of the year. The Control Board agreed with the Company's 2018 financial statements audited by A&C Auditing And Consulting Company Limited.

- Performance indicators, solvency, financial structure are all at high levels.
- Profit from business activities exceeded targets approved by the 2018 General Meeting of Shareholders.

II. MEETINGS OF THE CONTROL BOARD

In 2018, the Control Board held 04 meetings as follows:

Date	Number of Members attended	Contents
10/05/2018	4/4	<ul style="list-style-type: none"> • Summary of activities of the Control Board in 2017 and orientation of 2018. • Appraisal of the 2017 financial statements of the Company. • Adoption of the Control Board's draft report at 2018 Annual General. • Meeting of Shareholder.
08/06/2018	5/5	<ul style="list-style-type: none"> • Election of the Chief of the Control Board. • Approval of the amended operational regulation of the Control Board. • Assignment of duties among members of the Control Board. • Preliminary review of the Control Board' activities in the first 6 months of 2018 and orientation for the last 6 months. • Appraisal of quarterly financial statements.
10/11/2018	5/5	<ul style="list-style-type: none"> • Appraisal of financial statements, business activities in the first 6 months of 2018. • XReview and evaluation of the implementation of Resolution of the 2018 General Meeting of Shareholders. • Assessment of Gemadept Da Nang Branch.
18/12/2018	5/5	<ul style="list-style-type: none"> • Appraisal of financial statements, business situation in the first 9 months of 2018 • Assessment of the implementation of the Company's projects in 2018. • Approval of the Control Board's operational plan in 2019.



III. REMUNERATION AND EXPENSES FOR THE CONTROL BOARD

The General Meeting of Shareholders approved the remuneration for the Board of Management and the Control Board as set forth in the Resolution of the Annual General Meeting of Shareholders on May 30, 2018.

IV. SUPERVISION OF PERFORMANCE OF THE RESOLUTION OF 2017 ANNUAL GENERAL MEETING OF SHAREHOLDERS

In 2018, the Control Board focused on the tasks of reviewing and assessing the activities of the Board of Management related to the implementation of the financial and operational plans of 2018, which were approved by the General Meeting of Shareholders, and supervising the compliance with laws and the Company's Charter.

- + Distribution of profits and allocation of funds in 2017: Done.
- + Business results in 2018: Although the general economic situation in 2018 was better, the shipping industry was still in difficulty. However, according to the 2018 audited financial report, Gemadept exceeded the revenue target by 13% and the profit before tax target by 2%.

V. PLAN FOR ACTIVITIES OF THE CONTROL BOARD IN 2019

In 2019, the Control Board will continue to improve its working procedures, cooperating with the Risk Management Department to enhance risk management. Based on assignment of duties, members of the Control Board will directly monitor and evaluate the activities of relevant units to improve management capability and ability to seize opportunities for sustainable development. The Control Board sincerely thanks shareholders for their trust.

Ho Chi Minh City, February 1st, 2019

ON BEHALF OF THE CONTROL BOARD



CHIEF

Luu Tuong Giai



REPORT OF THE BOARD OF DIRECTORS

I. ASSESSMENT OF 2018 BUSINESS PERFORMANCE:

a) Assessment of 2018 business results, economic development, markets and industry:

Implementing the five-year development plan from 2016 to 2020, in 2018, Gemadep continued to accelerate and concentrate all resources to develop the two core businesses, including Port Operation and Logistics.

Logistics is becoming an economic sector that attracts the attention of businesses, all levels of state management and society. The establishment of the Prime Minister's Decision 200/QĐ-TTg in 2017 on enhancing competitiveness and developing Logistics services by 2025 has opened a new stage for Logistics development in Vietnam. And in the spirit of Resolution 36-NQ/TW in October 2018 on the strategy of sustainable development of Vietnam's marine economy to 2030, vision to 2045, Logistics businesses need to meet domestic market demand better, deeply involved in the supply chain, step by step increase the international market share. As one of the leading enterprises, in the past years, Gemadep has continuously made efforts to develop diversified services and grow in size, network and service capacity.

Since 2008, Vietnam's GDP growth in 2018 has exceeded 7% for the first time, inflation at 3.54% and import-export activities have achieved the largest trade surplus ever. With a series of positive signals from the economy, the Port operation business of Gemadep has achieved positive results, making important contributions to the business results of Gemadep. Especially, after one year of intensively implementing construction, Nam Dinh Vu Port - the 6th port of Gemadep - has been completed and officially welcomed the first ship right from the early days of 2018, contributing strongly to strategically expand Gemadep's port system in the most vibrant port area of the country. At the end of 2018, Gemadep's ports have achieved very positive results, enhanced service quality, maintained good support of existing customers, and developed more new customers.

Summarized in 2018, with the right orientation of the General Meeting of Shareholders, proper governance as well as the determination and consensus of all employees, Gemadep has exceeded the business targets committed with the General Meeting of Shareholders.

With achievements and pioneering spirit, proactively improving service quality, customer and market development efforts, Gemadep believes in accomplishing business targets in 2019 as plan approved by The General Meeting of Shareholders, creating momentum for the next years in Vision 2020 that Gemadep set.

GRAND OPENING & OPERATION OF NAM DINH VU PORT CLUSTER



b) Analysis of revenue, profit and cost:

Business sector	Unit: Billion VND					
	2016		2017		2018	
	Value	%	Value	%	Value	%
Port Operation	1,624	43.4%	1,829	45.9%	2,279	84.2%
Logistics	2,116	56.6%	2,153	54.0%	426	15.7%
Office Leasing	1	0.0%	2	0.1%	3	0.1%
TOTAL NET REVENUE	3,742	100.0%	3,984	100.0%	2,708	100.0%

In 2018, Gemadep's net revenue reached VND 2.708 billion. Port operation accounts for 84% and Logistics business accounts for 16% of net revenue.

Revenue from port operation reached VND 2,279 billion, up 25% compared to the previous year. Effective port business results due to business growth in most business areas. Port business activities in the Southern region have been growing well with business efficiency being improved due to production rationalization, cost cutting and optimization of services. Northern port business grew strongly in revenue and gross profit, especially with the contribution of Nam Dinh Vu Port put into operation from the beginning of 2018 besides stable development in the remaining ports.

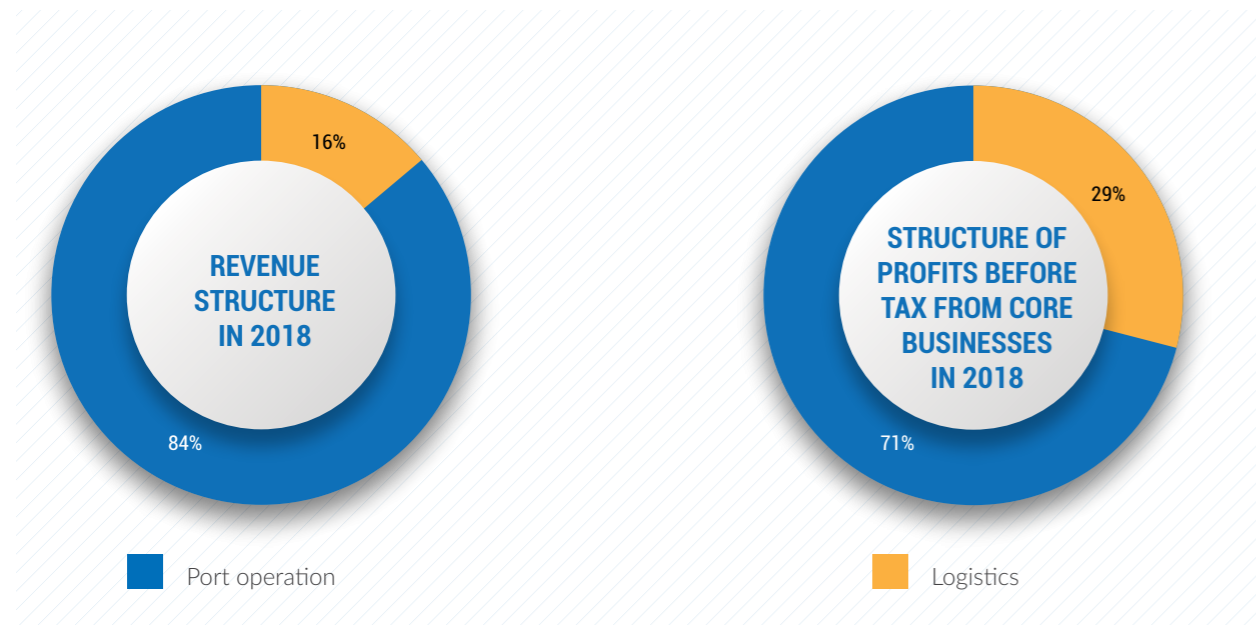
Revenue from Logistics activities reached VND 426 billion, down from the previous year, mainly due to the transfer of a part of contributed capital of the group of companies belonging to Logistics business activities, so it did not consolidate the business results of this group.

Target	Unit: Billion VND		
	2016	2017	2018
Net sales	3,742	3,984	2,708
Cost of goods sold	2,723	2,955	1,739
Selling expenses	63	87	102
General and administration expenses	297	344	321
Loan interest expenses	121	144	129
Financial expenses excluding loan interest expenses	30	2	(85)
Ratio to net sales			
Net sales	100.0%	100.0%	100.0%
Cost of goods sold	72.8%	74.2%	64.2%
Selling expenses	1.7%	2.2%	3.8%
General and administration expenses	7.9%	8.6%	11.8%
Loan interest expenses	3.2%	3.6%	4.8%
Financial expenses excluding loan interest expenses	0.8%	0.1%	(3.1%)

- Cost of goods sold / net sales ratio decreased by 10%, leading to a corresponding increase in gross profit margin due to strong revenue growth and good profit margin.
- Selling expenses / net sales ratio increased by 1.6% in line with the trend of supporting revenue growth in a competitive business environment.
- General and administration expenses / net sales ratio increased by 3.2% compared to the previous year mainly due to the increase of budget to expand business operations and to boost revenue growth.
- Loan interest expenses / net sales ratio only increased slightly by 1.2%, mainly from increased investment in key projects of Gemadept, although Gemadept's loan interest rate is good compared to the market because it is always appreciated by credit institutions for good credit rating.
- Loan interest expenses / net sales ratio decreased due to reversal of provision for financial investments.

Profit

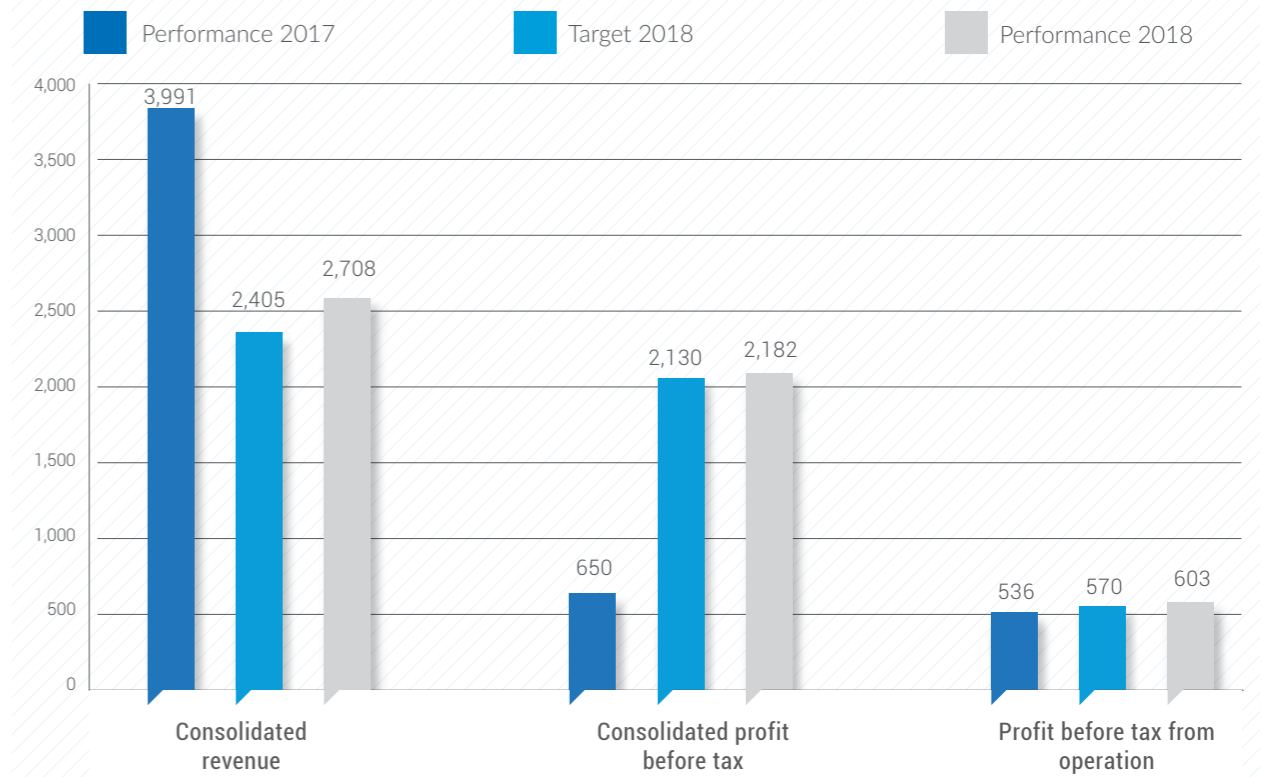
The revenue structure had a difference due to the fact that Gemadept did not consolidate the revenue of Logistics in 2018, however, the profit structure of 2 core businesses of Gemadept is Port Operation and Logistics still maintained a good rate Good: 71% - 29%, showing the balance in the core development strategy of Gemadept.



c. Analysis of implementation results compared with the plan and the previous year:

Gemadept's net revenue reached VND 2,708 billion compared to the previous year, decreased over the previous year and exceeded 13% of the yearly plan. The net revenue decreased compared to the previous year but exceeded the plan target because Gemadept transferred a part of its equity in a group of Logistics companies and focused strongly on port operation. The port business in the Northern region in addition to the stable growth of the existing ports, also contributed significantly to the operation of Nam Dinh Vu port phase 1 from the beginning of 2018. Port business in the Central region surpassed the plan due to the increase in key customers' output of wood chips and good cost cutting.

Gemadept's pre-tax profit reached VND 2,182 billion, an increase of 236% over the previous year and 2% higher than the yearly plan. Profit before tax increased highly compared to the previous year mainly because the main business activities continued to grow well and the results from financial investment activities achieved relatively good results. During the year, the Company transferred all 51% contributed capital in subsidiary company Hoa Sen Gemadept Logistics and International Port Joint Stock Company and transferred a part of contributed capital in Logistics companies. Besides, profit before tax was good as a result of 22% growth in investment in associates.



Unit: Billion VND

BUSINESS RESULTS	Performance 2017	Target 2018	Performance 2018	Performance 2018/ Performance 2017	Performance 2018/Target 2018
Revenue	3,991	2,405	2,708	68%	113%
Profit before tax	650	2,130	2,182	336%	102%
Include:					
Profit before tax from normal business of GMD	536	570	603	113%	106%
Profit before tax from capital transfer	114	1,560	1,579	1385%	101%
Profit before tax from ordinary business GMD, including that of GLH and GSH	536	655	636	119%	97%

d. Material changes in business strategy, acquisition transactions, business cooperation:

2018 can be said to be an impressive year of Vietnam's economy with highlights of international economic integration when the Comprehensive and Progressive Agreement for Trans - Pacific Partnership (CPTPP) officially takes effect after 7 years with 40 rounds of negotiations. This is also the year Vietnam economy has experienced impressive growth of 7.08%, the highest growth rate in the last 10 years; total disbursed FDI reached a record level within 30 years of FDI attraction - reaching US \$ 19.1 billion - up 9.1%; Import and export activities achieved the

largest trade surplus ever, and inflation continued to be the third consecutive year under good control under 4%, at 3.54%.

With efforts in reforming and creating an increasingly equal and transparent business environment of the Government, Vietnam continues to be expected to become one of the highlights of Asia region's growth. Logistics has thus become one of the attractive service industries in recent years. Along with the opening for integration of the economy, the open

investment environment and the attraction from the growth of domestic enterprises, investment activities through M&A of foreign businesses have become more vibrant and attractive than ever. In 2018, Gemadept cooperated with many partners to expand the network of distribution centers in the South and the North, creatively diversify and actively improve the quality of services provided to customers. At the end of the year, Gemadept was honored to be the leading position in the list of "Top Ten Most Reputable Transportation and Logistics Companies in 2018 in Vietnam - Forwarding and Warehouse Group" published by Vietnam Report and VietnamNet Newspaper.

In the field of port operation, Gemadept continued to invest in expanding Binh Duong port project and resumed construction of the largest deep-sea

port project in Vietnam - the Gemalink deep-sea port project right at the beginning of the new year 2019. Urgently, fiercely and determined to the end, Gemadept's port projects across the S-shaped strip of land will contribute to bringing Gemadept's total port capacity to 5 million Teu / year, further affirming Gemadept's position on the map of Vietnam port operation.

Steady with the challenges, very fast changes and fluctuation of the market, Gemadept always catches and promotes opportunities, concentrates, minimizes risks and perseverance with strategic goal that has been set. In 2018, Gemadept has achieved very positive results, continue to strengthen the leading position of a proud Vietnamese brand that is rapidly moving and increasingly strong on the way forward.

e. Status of implementation of property investment projects in 2018, achieving/not meeting the schedule; Causes of success/failure to achieve progress (Remedies in case of failure to reach the schedule):

In 2018, Gemadept has invested in the following projects: Unit: Billion VND

TT	Project	Disbursed	Total investment	% Performance
1	Nam Dinh Vu Port - Phase 1	1,500	1,500	100%
2	Binh Duong Port	300	300	100%
3	Mekong Logistics Project	669	669	100%
4	Invest in 1 more barge	22	22	100%
5	Invest in 1 more vessel	188	188	100%
TOTAL		2,679	2,679	100%

f. Assessment of the performance of subsidiaries and affiliates:

Operational efficiency of Gemadept subsidiaries continues to grow and develop well.

The total capital contributed by the joint venture company as of the end of 2018 is VND 2,481 billion, up VND 282 billion compared to the same period last year.

Profit in associates and joint ventures represents the profit corresponding to the ownership ratio of Gemadept in associates and joint ventures during the reporting year. Profit from associates and joint ventures was recorded at VND 132 billion in 2018, 222% higher than the previous year, equivalent to

VND 24 billion compared to the previous year's profit. The profit from associates and joint ventures with good growth compared to the previous year was mainly attributable to the contribution of interest from joint-venture company of Gemadept's core business, namely Saigon Cargo Services Joint Stock Company SCSC that Gemadept owns 36.43% of charter capital.

In 2018, Gemadept transferred a part of its investment in a group of Holdings companies in logistics and shipping. Gemadept's current investment in Logistics and Shipping Holdings is VND 132 billion and VND 105 billion respectively.

In addition, Gemadept continued to increase its capital contribution in the "K" Line - Gemadept joint

venture to expand its logistics center project to serve imported cars, making KGL joint venture become the pioneer and largest enterprise in this service in Vietnam

g. Improvement in organizational structure - Management and administration policies:

Consistent with the Vision to become a leading enterprise in Vietnam in the field of providing Logistics solutions and Port operation, Gemadept always identifies human resources as a key factor determining success and development. Therefore, Gemadept has learned and actively implemented improvements, improved organizational structure, management and administration policies to optimize production and business efficiency.

The following is a list of major changes related to Gemadept's organizational and management structure in 2018:

*** Organizational structure:**

Following the Resolution of the General Meeting of Shareholders on May 30, 2018, Gemadept actively implemented the following tasks:

- Develop policies to build good human resources to meet the development of projects.
- Maximize existing resources and train high quality management and expert teams.
- Issuance of shares under Employee Stock Purchase Program (ESPP) in 2 years 2016 and 2017.

- Clearing foreign ownership ratio in Gemadept to 49%.

*** Policy of management and execution:**

- **Centralized administration:** Continuing to implement strongly and deeply the administration focused at Gemadept with functions of supporting production and business such as finance, human resources - salary, risk management, procurement, legislation, information technology. This model will focus resources, create synergy, bring the highest efficiency for businesses. The centralized management so that the Company maximizes high quality resources and at the same time, helps conditional production and business units to focus on the main tasks.

- **Information technology:** Continue to focus on developing the application of information technology in production and business activities through the implementation of software under the Strategic Plan for overall development of information technology like Human resources management software, e-office software, port operation software, etc. for subsidiaries and Gemadept group.

- **Training and human resource development program:** The company has focused on improving the quality of Gemadept's elite human resources through training programs such as: Training program for middle managers at Head-Office; soft skills training programs, customer care skills for units such as Phuoc Long port, Gemadept Shipping, Gemadept Logistics, at Mekong Logistics ...



- **Improving labor productivity:** The company has continued to implement many solutions for sustainable development of human resources through the synthesis of material and non-material factors in accordance with “income must be associated with work efficiency” principle, restructuring human resources, reducing unskilled labor instead of outsourced labor to ensure the best income for employees. Besides, Gemadept has well implemented appropriate welfare and insurance policies to attract and retain good, skilled and enthusiastic personnel to contribute to the overall development of Gemadept.

Gemadept's motto of management and administration is to benefit the home country and bring benefits to the company, shareholders and society.

h. Gemadept's key projects in 2019:

1. Nam Dinh Vu Port Project - Phase 2

- **Location:** Lot CA1, Non-tariff Zone and Nam Dinh Vu Industrial Park, Hai Phong City.
- **Scale:** The whole project has an area of over 66ha, is a complex of 6-7 berths with a total length of 1.5km of piers, designed to catch ships with a capacity of 30,000 DWT. Phase 1 of the project has an area of more than 20ha, investment capital of nearly VND 1,700 billion, capacity of 600,000 Teu / year has been put into operation since February 4, 2018.
- **Phase 2** of the project is equivalent to phase 1, will be implemented from the third quarter of 2019 and is expected to go into operation after 1 year of construction.
- **Outstanding features:**
 - The project is under the port development plan of the Government and has a prime location right at the nearest seaport gateway compared to other ports in the region, with deep draft and wide turning basin that allows receiving ships to 40,000 DWT.
 - Nam Dinh Vu Port project will play the role of connecting commodity trade with the world of not only Hai Phong but also the Northern key economic region in the future.
 - The establishment of Nam Dinh Vu Port is expected to create a new turning point and a new face for Gemadept in further enhancing the position of a leading operator, port operator and Logistics in Vietnam.

- **Implementation progress:** Gemadept is implementing necessary tasks to be able to start the second phase of the project in the second half of 2019.

2. Gemalink deep-sea port project - Phase 1:

- **Location:** Located at the mouth of Cai Mep River - the gateway to Cai Mep-Thi Vai - Ba Ria Vung Tau port complex.
- **Partner:** The world's third-largest shipping company - CMA CGM helps to ensure the source of goods for the project, not only from CMA CGM but also from members of CMA CGM's Ocean Alliance.
- **Scale:**
 - Total area: more than 72ha
 - Length of main berths for mother ships: 1,150m
 - Length of berth for feeder ship: 370m
 - Capacity: 2.4 million Teu
- **Phase 1:**
 - Area: 33ha
 - Length of main berths for mother ships: 800m
 - Length of berths for feeder ships: 260m
 - Modern equipment: 6QC and 21RTG
 - Total investment capital: 330 million USD
 - Capacity of Phase 1: 1.5 million Teu capacity
- **Outstanding features:**
 - The only port in Vietnam capable to receive the world's largest vessels in sizes, up to 200,000 DWT;
 - The largest and most modern deep-sea port in Vietnam;
 - The port with the longest and only main wharf in the area that can receive 3 mother ships into cargo handling at the same time;
 - The only port in the port cluster with dedicated berths for feeder vessels, which helps to handle cargo at the same time for mother ships and feeder vessels.
- **Progress of implementation:** Resumed on February 20, 2019 and plans to put the project into operation from the third quarter of 2020.

i. Development plan in the coming period:

In order to complete Vision of 2020 and Mission of Gemadept, the Board of Directors has proposed the action plan for 2019 in the 5-year development strategy for the period 2016-2020 as follows:



Action orientation for the 2016-2020 period:

- **Overall growth:** The goal is to double the profitability of Logistics and port operation after 2020.
- **Production and business activities:** Promoting the growth of core business activities in the direction of strengthening cooperation and strong investment in both width and depth, developing new services, new markets, customers using chain services and continue to study divestment of investment areas that are inefficient and not in core business areas.
- **Governance:** Managing the restructuring of companies according to the core businesses and the group of investment companies; continue to promote the strength of centralized management of functional departments.
- **Human resources:** Building a strong and professional personnel system, developing and attracting high quality and suitable human resources and meeting well the development of Gemadept's projects and imbuing Gemadept culture; standardize professional skills and foreign languages; attaching remuneration to KPIs, discipline and responsibility.
- **Technology:** Online application on an integrated system.
- **Finance:** Integrating, restructuring and optimizing assets.

Orientation of activities by geographic area:

Domestic market:

- **In the North:**
 - Effectively operating the system of 4 ports: Nam Hai Port, Nam Hai Dinh Vu Port, Nam Hai ICD and Nam Dinh Vu Port (phase 1).

- Deploying and putting into operation on schedule Nam Dinh Vu Port (phase 2).
- Expanding the rear, increase output and market share.
- Enhancing Logistics activities.
- M&A of ports / depot in the area with favorable conditions.

• In the Central:

- Effectively operating Gemadept Dung Quat International Port.
- Aiming to FDI projects in the region.
- Enhancing network expansion and connect Logistics services.
- Investing in more equipment, expanding networks and services.

• In the South & Mekong Delta:

- Putting into operation on schedule the largest deep-sea port project of Gemalink in Vietnam (phase 1).
- Maximizing the efficiency of Phuoc Long Port, Binh Duong Port, Mekong Logistics project and PDI project of K'line Gemadept Logistics.
- Investing and effectively develop SCSC Aviation cargo port and strengthen connecting Logistics chain services.
- Investing in ICD / River Port.
- Investing more transport means and equipment.

• Indochina and Southeast Asia markets:

- Strengthening cooperation with major partners with capacity, scale and global network to expand the scope of activities, diversify supply services as well as develop a solid customer system.
- Enhancing Gemadept's position in the Logistics and Port operation market in the region.

II. FINANCIAL ANALYSIS:

a) Analysis of financial indicators (total assets, net revenue, profit from business activities, other profits):

Analysis of financial indicators:

In 2018, net revenue reached VND 2,708 billion, an increase of 13% compared to the plan. Profit before tax reached VND 2,182 billion, up 2% compared to the plan, up 236% over the previous year. In particular, core business activities on Port and Logistics continue to develop sustainably.

Unit: Billion VND

Indicators	Target 2018 (1)	Performance 2018 (2)	Performance 2017 (3)	% (2)/(3)	%(2)/(1)
Total assets		9,984	11,291	88%	
Net sales	2,405	2,708	3,984	68%	113%
Net operating profit		2,260	733	308%	
Other income		(78)	(83)	94%	
Profit before tax	2,130	2,182	650	336%	102%
Profit after tax		1,900	581	327%	
Dividend payout ratio		**	15%		

** Note: In 2018, the company made a 95% dividend payment, including 65% special dividends, 15% dividend for 2016 and 15% dividend for 2017.

Business results:

Unit: Billion VND

Target	2017	2018	% 2018/2017
Net sales	3,991	2,708	68%
Profit before tax	650	2,182	336%
Profit after tax	581	1,900	327%
Total assets	11,291	9,984	88%
Owner's equity	7,095	6,529	92%
Shares equity	2,883	2,969	103%
Total liabilities	4,197	3,455	82%

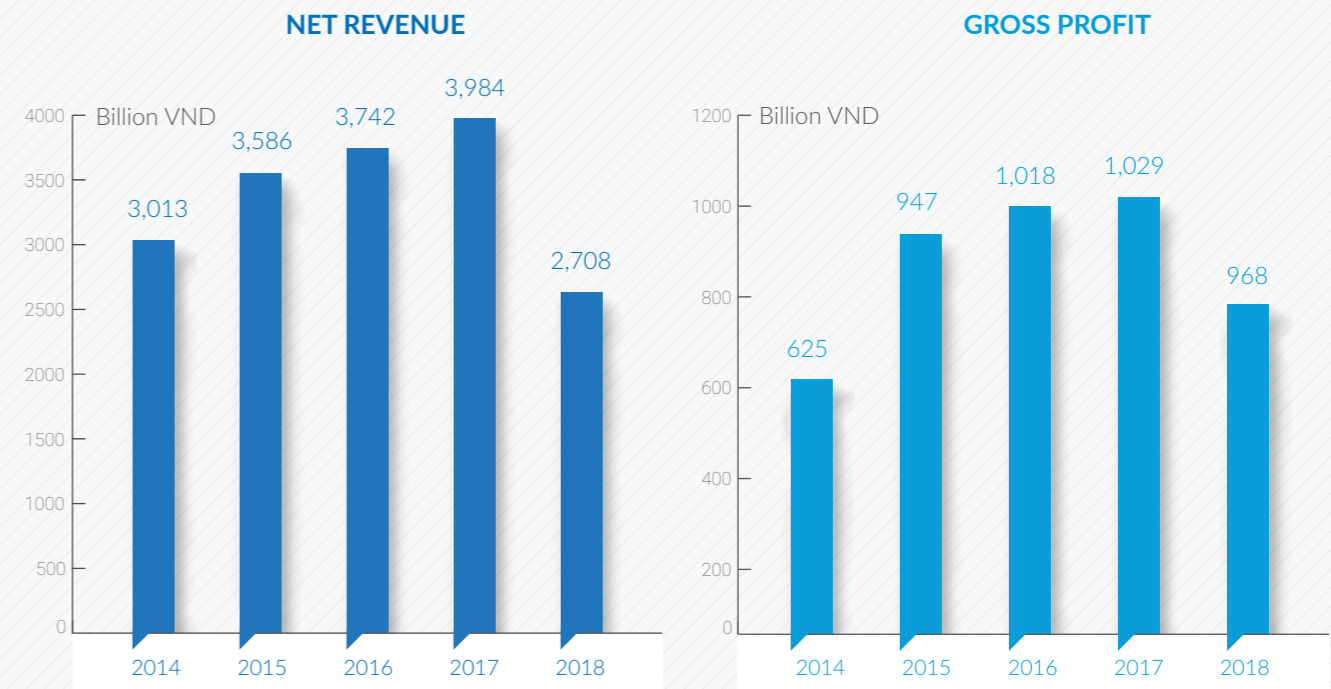
The company continued to maintain financial stability in 2018 in the financial ratios, profit before tax and profit after tax increased by 236% and 227% respectively over the previous year, the target of total liabilities decreased 17.7% over the previous year. Equity decreased by 8% mainly due to special dividend payment and annual dividend of 15%.

The profit margin of core business is good growth of Port and Logistics. In 2018, Gemadept's gross profit reached VND 966 billion. Gemadept's gross profit margin in 2018 reached 36%, much higher than previous years due to the main contribution from port operation - better profit margin than Logistics.

Business results in the last 5 years:

Unit: Billion VND

BUSINESS RESULTS	2014	2015	2016	2017	2018
Net revenue from sales and service provision	3,013	3,586	3,742	3,984	2,708
Cost of goods sold	2,388	2,640	2,723	2,955	1,739
Gross profit	625	947	1,018	1,029	968
Gross profit / Net revenue ratio	21%	26%	27%	26%	36%



b) Main financial indicators: with good business results and strict financial management, the Company continues to maintain financial indicators at the safe level as follows:

1. Liquidity ratios	2017	2018	Notes
+ Current ratio	0.83	0.89	Times
+ Quick ratio	0.79	0.85	Times
2. Debt ratios	2017	2018	
+ Debt / Total Assets	37%	35%	
+ Debt / Equity	59%	53%	
3. Efficiency indicators	2017	2018	
Inventory turnover	30.3	20.1	Times
Asset turnover	0.37	0.35	Times
4. Profitability ratios	2017	2018	
Return on sales (ROS)	14.6%	70.2%	
Return on assets (ROA)	5.4%	17.9%	
Return on equity (ROE)	9.0%	27.9%	
Profit from operations / Net sales	18%	83%	



SALARY, BONUS, REMUNERATION, AND OTHER BENEFITS OF KEY MANAGEMENT

Remuneration policy of the Company:

The salary department surveys, reviews and recommends to the BOM suitable and competitive remuneration policy. The determination of remuneration for each key management member is approved through a transparent process; none of the member is free to decide his/her salary/remuneration.

Salary, remuneration and salary structure:

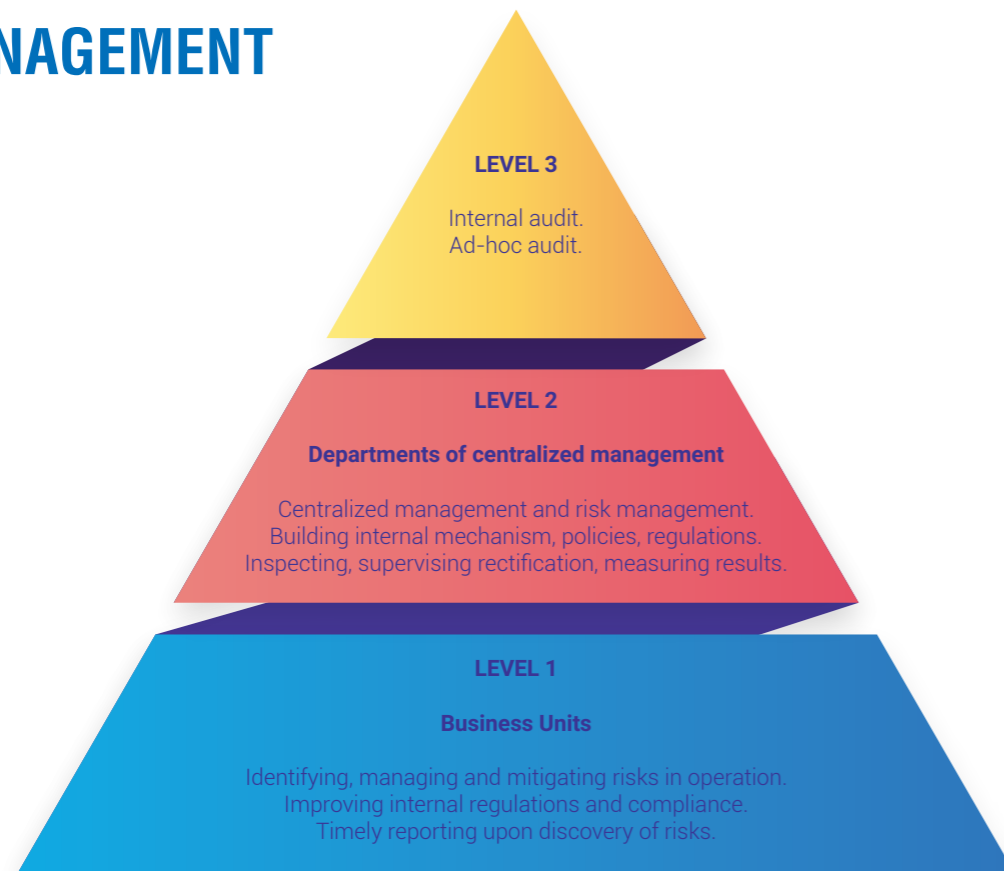
The remuneration and salary levels must be appropriate to attract, retain and encourage members of key management for successful corporate administration. Part of the salary will be based on the Corporation's business results and each individual's performance.

On determining remuneration and salary levels, the Corporation has always considered factors on salary and employment in the industry, compared to other companies in similar size and scopes of operation and based on the Company's business results as well as each individual's performance.

Structure of remuneration and benefits of Board of Management, Control Board and Board of Directors in 2018:

	Full name	Title	Salary	Bonus	Remuneration	Total
BOARD OF MANAGEMENT						
1	Mr. Do Van Nhan	Chairman	75%	21%	4%	100%
2	Mr. Chu Duc Khang	Vice Chairman	74%	21%	5%	100%
3	Mr. Phan Thanh Loc	Vice Chairman (Non-executive member)			100%	100%
4	Mr. Do Van Minh	Member	75%	21%	4%	100%
5	Ms. Bui Thi Thu Huong	Member	70%	22%	8%	100%
6	Ms. Nguyen Minh Nguyet	Member	72%	20%	8%	100%
7	Mr. Vu Ninh	Member	70%	20%	10%	100%
8	Mr. Bolat Duisenov	Non-executive member			100%	100%
9	Mr. David Do	Non-executive member			100%	100%
10	Ms. Le Thuy Huong	Non-executive member			100%	100%
11	Ms. Ha Thu Hien	Non-executive member			100%	100%
CONTROL BOARD						
1	Mr. Luu Tuong Giai	Chief			100%	100%
2	Ms. Vu Thi Hoang Bac	Member	70%	21%	9%	100%
3	Mr. Tran Duc Thuan	Member	65%	23%	12%	100%
4	Ms. Phan Cam Ly	Member			100%	100%
5	Ms. Tran Hoang Ngoc Uyen	Member			100%	100%
BOARD OF DIRECTORS						
1	Mr. Do Van Minh	General Director	75%	21%	4%	100%
2	Mr. Chu Duc Khang	Deputy General Director	74%	21%	5%	100%
3	Mr. Tran Quang Tien	Deputy General Director (terminated Labor contract from 31/10/2018)	75%	25%		100%
4	Mr. Pham Quoc Long	Deputy General Director	79%	21%		100%
5	Mr. Nguyen Thanh Binh	Deputy General Director	78%	22%		100%

RISK MANAGEMENT REPORT



I. RISK MANAGEMENT SYSTEM

In order to ensure safe, stable operation, protection and management of efficient use of assets and resources, at the same time ensure full, truthful, timely and lawful reports and internal regulations, processes, Gemadept Joint Stock Company has established and maintained risk management control system throughout the company to warn and prevent risk reduction, timely prevention and limit processing losses, turning risks into opportunities.

The company risk management system is established, built on the basis of risk management consisting of three independent levels of protection and mutual control, including:

THE FIRST LEVEL OF PROTECTION is carried out at the production and business units. The unit is responsible for identifying, controlling and minimizing risks arising daily during the operation process, promptly and fully reporting when detecting arising risks. Periodically supplement and complete mechanisms, policies, internal processes and regulations to control, prevent and promptly handle risks to achieve the set objectives.

THE SECOND LEVEL OF PROTECTION are organized in functional departments (PBCN) including Risk Management Division and centralized management departments of the company. Functional departments are responsible for developing governance policies and regulations in each area (administrative, human resources, legislation, technology, financial accounting, procurement and risk management) in order to manage and control vertical monitoring, ensuring compliance with the company's laws and regulations, measuring and correcting errors after inspection.

THE THIRD LEVEL OF PROTECTION is carried out through internal audit or thematic audit programs. The annual audit plan is based on the list of key risks identified on the basis of the business plan targets of the units during the year.

The risk management system is provided with sufficient resources, people and tools to operate effectively and is uniformly implemented from the highest level to each officer and employee in the Company.

II. RISK MANAGEMENT PERFORMANCE IN 2018

2018 marked many fluctuations of the global economy, especially the great influence from the US-China trade war, Brexit plan, conflicts in the Middle East, constantly changing oil prices, etc has pulled global GDP growth in 2018. Due to the big fluctuations of the world economy, Vietnam's economy has achieved the mark when the national GDP increased by 7.08%, the highest increase since 2008 onwards. However, the ranking of investment environment index of Vietnam has dropped by one rank compared to the previous year, indicating that despite many efforts to reform, there are still untied bottlenecks to create a healthy investment environment more attractive to foreign investors.

In the context of domestic and foreign economic conditions, there were many advantages and disadvantages, with the efforts of the Board of leadership and all employees, Gemadept Company continued to maintain stable operation and achieve encouraging business result.

In 2018, risk management procedure of the Company has performed well the following tasks:

- Monitoring the implementation of targets of production and business plan in 2018;
- Monthly monitoring and evaluating costs cutting of units;
- Identify a list of critical risks for planning tests, protection and response;

- Coordinate with units to analyze operational efficiency as well as assess the risk level of each business project to select suitable and effective business projects;
- Review and monitor the performance of each unit, alert the factors affecting the ability to achieve the plan objectives so that units can quickly improve and overcome;
- Supervise and evaluate the synergistic effect of Gemadept cooperation - CJ units belong to 2 Holdings companies: CJ Gemadept Shipping Holdings and CJ Gemadept Logistics Holdings;
- Review, contribute additional policies, adjust processes and regulations to match production and business activities of units;
- Prepare and implement internal control inspection plans, process compliance;
- Report of assessing and monitoring implementation.

Thereby, a number of shortcomings arising in the year were discovered and handled promptly, not affecting the general operation of the company. In addition, the cooperation between two Holdings CJ GMD Shipping and CJ GMD Logistics has also been gradually effective. In 2018, Gemadept was honored as the first in the Top Ten Most Reputable Transportation and Logistics Companies in 2018 in Vietnam (announced by Vietnam Report).



III. RISK MANAGEMENT PLAN IN 2019

In 2019 the global economy is expected to grow slowly due to trade war, exchange rate fluctuations, interest rates, Brexit plans, the risk of terrorist attacks. In the country, besides the difficulties such as economic growth is not sustainable, labor productivity and competitiveness are still low, the Vietnamese economy has many bright points, the trend of shifting production from China to Vietnam, Vietnam began to implement its commitments on Free Trade Agreements (FTAs) at a wide level, opportunities to attract and utilize FDI, booming Logistics in e-commerce - retail trade and M&A in branch, etc.

Identifying favorable internal and external difficulties, based on the general plan objectives of the Group and each unit in 2019, the company identifies the list of 10 key risk groups in 2019 as follows:

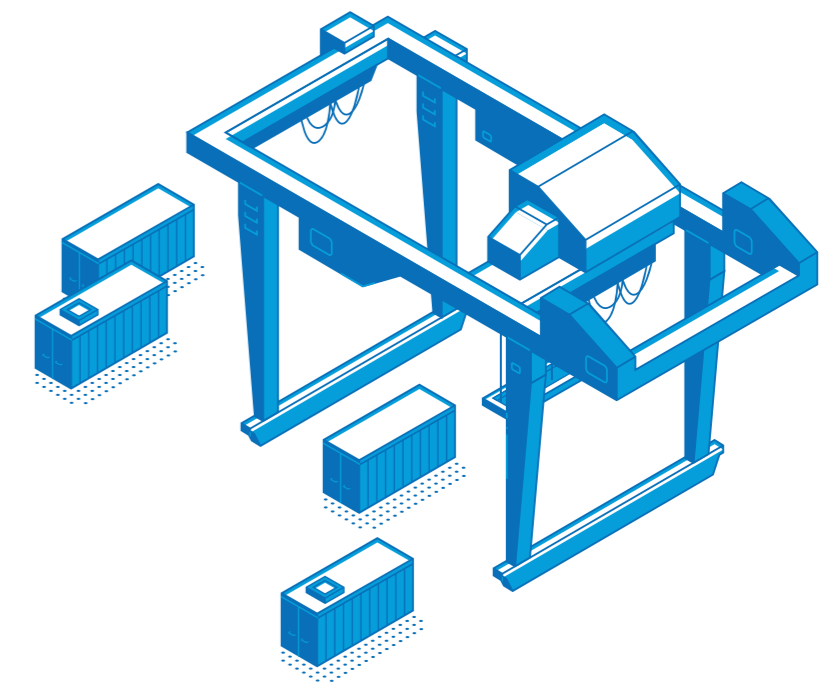
LIST OF MAIN RISKS IN 2019

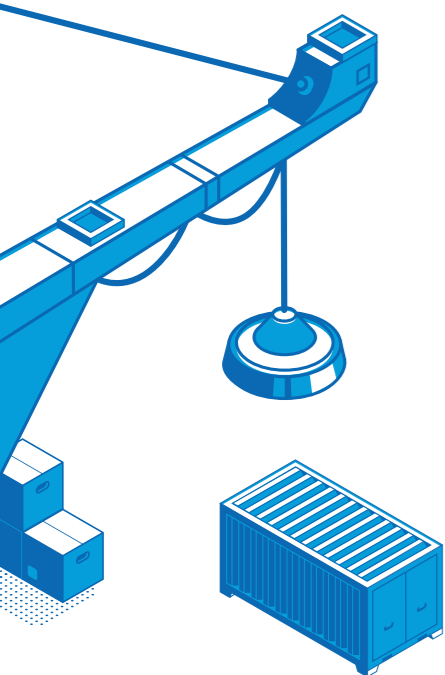
- | | |
|----|---|
| 1 | Risk of rapid volatility of the global economic market and Vietnam, the units's plan is no longer appropriate |
| 2 | Risks of lack of personnel, production scale increases faster than personnel, cannot recruit sufficient numbers |
| 3 | Risk of lack of adjacent staff, important position due to the inability to find the right person within the required time |
| 4 | Risk of losing important customers strongly affects revenue / profit |
| 5 | Competitive risk, competitors grow faster or have different advantages |
| 6 | Risk of supplier volatility, input service prices increase faster than output selling prices |
| 7 | Risk of Network security, risk of confidential information leakage, system interruption |
| 8 | Risk of incidents during operation (the process is not strict, complete, lack of compliance with the process, etc.) |
| 9 | HSSE risks (maintenance, asset maintenance, protection procedures, HSSE processes, etc.) |
| 10 | Environmental impacts (storms, floods, droughts, crops, etc.) |

Accordingly, the risk management work in 2019 will focus on the following main tasks:

- Prepare risk management plan, develop defense and response plans.
- Supervise the implementation of 2019 business and production plans at the units, warning the factors affecting the ability to fulfill the plan objectives.
- Perform internal inspection and control to promptly detect and warn early to overcome timely errors.
- Promoting the effectiveness of Gemadep – CJ cooperation to units of CJ GMD Holdings.
- Prepare and implement inspection plans, internal controls, process compliance and monitoring of corrective results as required by The Balanced Scorecard.
- Promoting the strength of the centralized management unit, strengthening the role of risk management, good support for the operation of units.
- Monitor implementation enforcement, improve after auditing.
- Summarize the assessment report of risk management control system.

Determining risk management work always plays an important role and along with the operation of the company, all units in the company are responsible for maintaining and improving the operation of the risk management control system regularly and continuously, together with the supervision of the Risk Management Board and the Centralized Management Departments, will contribute to the implementation of business plan targets for 2019, ensure benefits for investors and shareholders.





REPORT ON INVESTOR RELATIONS ACTIVITIES

As one of the top listed companies in Vietnam, officially listed since 2002, Gemadep always attaches great importance to investor relations, ensuring transparency and full information to investors on the operation as well as changes in the management and operation of the Corporation to ensure the best interests for shareholders, investors and stakeholders.

Gemadep strictly comply with the regulations of the State in disclosing information, updating changes and events through the Corporation's website, the media, the State Securities Commission and related organizations to help the investors access and update the results of business activities of Gemadep.

2018, for the third time in a row Gemadep was honored by Forbes Vietnam as one of the 50 best listed companies in Vietnam. This again confirmed the position of Gemadep in the market as well as in the eyes of investors.

TOP 50

Best Vietnamese

Listed company

by Forbes



In 2018, Gemadep welcomed more than 100 delegations of domestic and foreign businesses, investment funds, organizations and individuals to learn about the Company and seek opportunities for cooperation and investment such as SSI, HSC, Dragon Cap, VinaCap, PYN Elite, Maybank, Pureheart, Credit Suisse, etc.

Not stopping there, Gemadep regularly organized regular, annual meetings and exchanges as well as participated in business and investment forums carried out by professional organizations with the participation of numerous investors to promptly evaluate and update production and business results. Typically, in 2018, Gemadep participated in Vietnam Access Day of SSI, INVEST ASEAN event organized by Maybank KimEng in London, in collaboration with HSC in the Analyst Meeting.

Besides that, for those investors who could not join direct meetings, the Corporation organized telephone conferences, online meetings, email communications, as well as through conferences, seminars, etc as well as abroad. In addition, Gemadep regularly organized visits to ports,

distribution centers and air-cargo terminal to provide investors with experience and practical assessments on all aspects of the Corporation's operation in the network of Gemadep from the North to the South. Through this, investors could witness and better understand business activities of the Corporation. All opinions and recommendations of investors were always honored and promptly responded.

Investor Relations (IR) activity is a good tool to help optimize the enterprise values and acting as a connecting bridge between the Corporation and its shareholders/investors. Through this, Gemadep has been recognized by the State; domestic and foreign organizations for their achievements in production and business activities and positive contributions to the society with many titles and awards that the Corporation has achieved such as many consecutive years in the Top 500 largest enterprises in Vietnam, Top 1000 enterprises contributing to the national budget, Top 50 best listed companies, etc. In the future, Gemadep will attract more investor relations activities, improve the value of the business and meet the expectations of shareholders, partners and stakeholders.





**LEADING IN
PORT OPERATION
AND LOGISTICS**

PHUOC LONG PORT

With the pioneering spirit, “dare to think and dare to do” of the people who paved the way to bring the concept of “ICD - dry port” first entered Vietnam in the early 90s, after nearly 25 years of establishment and development, Phuoc Long ICD Port today has achieved proud achievements.

With the advantage of operating 02 container yards (CY) with pier and berth including CY ICD3 (Truong Tho Port) and CY BDP (Binh Duong port, after being upgraded and expanded to increase capacity), combined with well-invested, proactive and professional transport investment (including inland waterway transport, road transport), Phuoc Long ICD has met not only the needs of partners and carriers but also bringing convenience to each import-export customer when using the Port's service.

In 2018, although there were many restrictions on the area of yards, traffic congestion in the inner HCM city area often happens but the production and business results of Phuoc Long Port are quite impressive. By the end of 2018, production reached more than 740 thousand Teus through, 17% over the same period; revenue, profit in turn exceeded 7% and 26% compared to the plan, continue to be proud of being one of the excellent members of the Group.

Continuing the achievements, surpassing the challenges and difficulties of the market, proactively strengthening resources, investing in equipment and infrastructure of terminals and ready to welcome impressive output growth from Cai Mep area, in 2019, Phuoc Long Port aims to continue to maintain good profit growth, reaching at least 15% over the same period.



Volume

740,000

TEUS

17% over the same period



Revenue Up **7%**

Profit Up **26%**



NAM HAI PORT



Nam Hai Port was a bright spot and an impressive success of Gemadept Group in the Northern region. With only 145m of berths, site and equipment conditions are more limited than those of regional ports, but due to the emphasis on improving service quality, serving existing shipping lines and linking in cooperation with local ports, Nam Hai port has always operated beyond the capacity of 150,000 Teus right from the first year of operation with the berthing window always being filled.

2018 continued to be a difficult year for Cam River upstream ports in general and Nam Hai Port in particular. The trend of shifting cargo from upstream ports to downstream area was still a mainstream. The shipping market was highly fluctuated with the restructuring of routes of shipping lines. Along with that, the competition between ports in the region was also becoming fiercer and fiercer.

However, despite the difficulties of the market, with the close direction of the management, the solidarity of the company, Nam Hai Port has successfully achieved the operation plan and ensuring safety of ships calling at port, maintaining and taking care of existing customers, strengthening and enhancing port service quality, well implementing cost cutting, etc.

Result in 2018, output through the pier reached 184,151 Teus, exceeding 4% compared to the plan, continuing to hold a high output position among the ports in the region. Over the past decade, Nam Hai Port has always surpassed the planned targets, bringing the total throughput for nearly 10 years of operation in excess of 2 million Teus through thousands of safely loaded ships.

In order to achieve these encouraging results, in addition to the support of the Group's management, the effectiveness of centralized management from functional departments was a high consensus in the Board of Directors and great efforts from staff and employees with synchronous and close solutions on many aspects:

- Keeping abreast of the market situation, maintaining existing customers;
- Ensuring productivity, improving the quality of services, investment, technological innovation in operation;
- Improving the executive ability and professionalism of employees;
- Thoroughly saving, managing costs well, ensuring business efficiency;
- Successfully implementing the module connecting with electronic customs system, increasing utility for customers, reducing barcode inspection time when changing customs clearance orders.

Entering 2019, Nam Hai Port continues to maintain a transparent and targeted goal of "The most competitive enterprise in Hai Phong area", the growth rate at least 12%, ensuring the handling production, coordinating well with Gemadept's domestic fleet to effectively operate, seeking new customers, improving operating ability and strengthening the professionalism of employees, ensuring business efficiency and superior service quality.

NAM HAI DINH VU PORT



Nam Hai Dinh Vu port is Gemadept's second seaport in Hai Phong. The port was established in 2015 with a 3 times larger scale than Nam Hai Port, becoming an important transport hub between the No. 5 highway and Dinh Vu Industrial Park and Dinh Vu port complex. Since its operation, the Port has affirmed its position as a large, modern and best-operating port in the region.

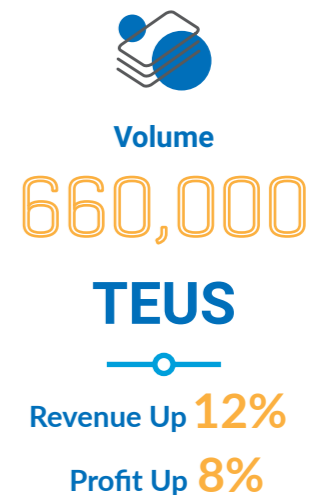
In 2018, Hai Phong City has achieved outstanding and stable high results, being a bright spot of the country in socio-economic development. Total products in Hai Phong (GRDP) in 2018 was estimated at VND 154,712.7 billion - an increase of 16.27% compared to the same period last year. The output of goods through the city reached 109,022 thousand tons - an increase of 18.44% over the same period. Particularly, container throughput in 2018 reached 4,967,000 teus - an increase of 8% compared to 2017.

Besides the general growth of the whole industry and the economy of the port city, the port operation market in Hai Phong still faced many difficulties due to changes in the structure and output of goods, fierce competition between both old and new ports, delay in navigation channel dredging, the depth of channel is reduced, directly affecting the amount of goods imported and exported on each vessel.

Overcoming objective difficulties from the market, with the close direction of the management of the Group, the company's management as well as the solidarity of all employees, the company has overcome difficulties, restructured the organization, maintained and well cared for existing customers, strengthened service quality, well operated and ensured absolute safety for vessels calling at the port.

Summarizing in 2018, the total output through the Port reached 660,000 Teus - an increase of 30% compared to the design capacity, revenue and profit exceeded 12% and 8% respectively compared to the set plan, security and order of the Port was maintained, stabilized jobs and life for employees, along with Gemadept Port group in the North contributed significantly to the overall financial results of the Group.

Continuing the growth momentum of the previous years, with the plan for 2019, Nam Hai Dinh Vu Port in addition to improving service quality in all aspects, upgrading infrastructure, facilities and equipment, enhancing applications Information technology in management and operation, the Port will coordinate to implement well the Group's policy on centralized management, optimizing cost cutting, maintaining the best business results, coordinating with Nam Dinh Vu Port to increase the competitiveness of Gemadept ports in the downstream area.



NAM DINH VU PORT

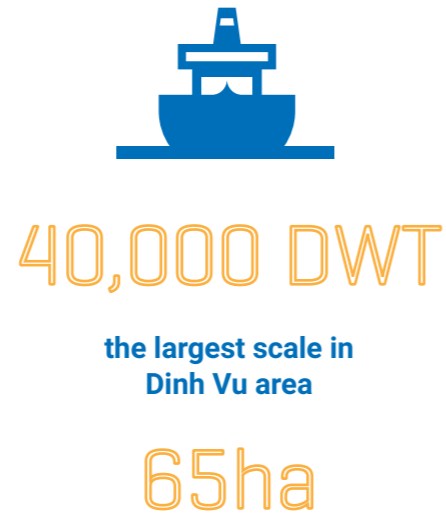
The position of Gemadept on the port operation map in Hai Phong was officially confirmed after the first phase of Nam Dinh Vu Port Project officially welcomed the first safe ship operation on February 4, 2018.

Nam Dinh Vu Port not only stands out with the most favorable position right at the nearest gateway to the sea, with largest scale up to 65ha but also because this is the only port capable of receiving the largest vessels coming in and out Dinh Vu area - size up to 40,000 DWT.

As a new port operating in the region, Nam Dinh Vu Port has faced certain challenges. The Port's customers must change the Customs area in comparison with the same ports in the system, delay in navigation channel maintenance and dredging, direct competition from downstream ports on ship throughput, etc.

However, with the synchronous, modern investment and experience, determination of all employees of the Port, right in the first year of operation, all ships arrived at Nam Dinh Vu Port had been fully handled safely, production reached 37% of design capacity with revenue exceeding 14% of the plan.

Nam Dinh Vu port is a strategic project, a breakthrough point of Gemadept in Hai Phong. Following



the success of phase 1, phase 2 of the project with equivalent capacity is expected to be started this year to be put into operation from the end of 2020, contributing to boost the economic flow, connecting trade goods with the world of not only Hai Phong city but also of the Northern key economic region in the future.



NAM HAI ICD



connected to the main roads and adjacent to the port system in the area. In addition, the project is planned to be developed as a large-scale ICD, motivating the development of Port and Logistics operations of Hai Phong City in particular and the Northern region in general.

In 2018, Nam Hai ICD was in operation for the second year. Determined the fierce competition of the market of Depot in Hai Phong, Nam Hai ICD has found a new direction for itself. The port has reorganized the operation of Nam Hai ICD and satellite Depots to increase flexibility, meeting customers' needs, improving the quality of inspection, cleaning and repairing services, deploying model of on-site customer care staff and Log-team model 24/7 internal connection with ICD with shipping lines, customers, seriously implementing and initially having good results of 5S program, etc. Thereby, the Port not only retained traditional customers but also extended and diversified customer list.

Nam Hai ICD continued to be a strong rear of group of 3 ports of Gemadept in Hai Phong, including Nam Hai Port, Nam Hai Dinh Vu Port and Nam Dinh Vu Port, contributing to improve the Port operation capacity of Gemadept in the area, connecting complete, continuous, rhythmic and unified value chains between the port system - ICD - Depot and Logistics.

By the end of 2018, Nam Hai ICD has surpassed the plan for both throughput volume as well as financial targets, revenue and profit, surpassing 7% and 51% respectively.

The project has advantages of geographical location when located in Dinh Vu MP Industrial Park, directly

Confidently towards 2019, Nam Hai ICD strives to improve operation capacity, increase competitiveness based on differences and service quality, continue to become an effective extension arm of the Seaport chain and Logistics of Gemadept in Hai Phong.



GEMALINK DEEP-SEA PORT



If Nam Dinh Vu is a key port of Gemadep in the North, in the South, at the gateway of the deep-sea ports of the Country, Gemalink Port is a special mark of not only Gemadep but also the whole country.

Gemalink port is Vietnam's largest deep-sea port project in Cai Mep - Thi Vai, Ba Ria - Vung Tau deep-sea ports with an area of up to 72ha. The Project was contributed capital by 2 big corporations in maritime and port operation Gemadep (75%) and CMA-CGM (25%) to carry out investment.

Gemalink port has an outstanding competitive advantage compared to other ports in the region, such as a prime location (located at the river mouth with the deepest draft, convenient for ship maneuvering); In addition, Gemalink has the longest main berth that can receive 3 mother ships in and out; on the other hand, this is the only deep-sea port in Cai Mep - Thi Vai area with a dedicated berth for feeder vessels connecting HCMC and Mekong Delta; The port has modern equipment, designed to receive the world's largest tonnage vessels up to 200,000 DWT.



When the world economy in general and the shipping industry in particular had many positive signs, in 2018, Gemalink Company decided to prepare all activities to resume the project after actively rescheduling construction from January 2012 with natural soil improvement under sand surcharge to save costs and wait for the market to recover.

The resumption of the Project has been actively implemented. Gemalink organized a bidding for infrastructure package with the participation of many prestigious domestic and foreign contractors under the advice and evaluation of Royal Haskoning DHV - the world's leading consultancy unit in port design field. Promptly by the end of 2018, Gemalink has completed necessary procedures and preparations for starting construction. At the same time, the arrangement of loan for the project has also been completed with the financing of prestigious and largest credit institutions in Vietnam right in 2018.

All stages have been basically completed to prepare a special event right from the beginning of the new year: on February 20, 2019, the first phase of the project has officially resumed.

Plan for 2019, in parallel with the infrastructure items, Gemalink invited to offer the package of supplying equipment for the port from the world's leading reputable and large crane suppliers, bidding the items of superstructure packages, information technology and other ancillary items.

All works are carried out positively and promptly with a professional and effective coordination between the Investor, contractors and consultants. The objective of the third quarter of 2020, phase 1 of the project will be officially put into operation.

It can be said that in the very near future, Vietnam will have one of the largest and most modern deep-water ports in the country, contributing to affirm the position of the S-shaped country which is expanding and growing on the deep-sea port operation map of the world.



DUNG QUAT PORT

Located in the sunny and windy Central Region, Gemadept Dung Quat Port is the only single port in Gemadept's port system, connecting Gemadept's ports in two regions of the country.

Gemadept Dung Quat port has special competitive advantages compared to other ports in the region. This is the only bulk cargo port that can receive the largest vessels entering and leaving the region - the size of wood chip vessels with a tonnage of up to 70,000 DWT and 50,000 DWT general cargo ships. Moreover, Gemadept Dung Quat achieves highest loading rate in the region with about 20,000 tons / day.

In addition to wood chip, the Port is also capable to handle equipment and project cargo, diversifying services in Logistics chains such as shipping agency services, customs clearance service, etc. to anticipate an increasing investment wave in the region.

In 2018, surpassing the economic characteristics of the Central region as well as the difficulties and challenges in the seaport industry in the region, the commodity market was continuously broken down when a number of ports formed and were put into operation. The volume of goods through the port has been increasing and increasingly diversified. In 2018, the cargo throughput of the port reached 2.12 million tons - equivalent to 115% of the yearly target. Not only successfully completing the business mission, 2018 was also the 2nd consecutive year Gemadept Dung Quat International Port was honored to become a typical Enterprise of Quang Ngai province, expressing the recognition of the business community and entrepreneurs in the province for the Port.

In 2019, from the positive changes of the commodity market in the region, the unit focused on investing in more transport and warehousing fleets, gradually establishing an infrastructure network to closely connect the Port services, creating a continuous chain of Port Services - Project cargo transport - Logistics services. As a result, Gemadept Dung Quat is one of the few businesses able to provide customers with solutions to handle and transport project cargo in Dung Quat Economic Zone and Chu Lai Economic Zone.

Noting that key goods of the region (wood chips) still fluctuate, however, with many advantages in infrastructure, synchronous and advanced loading and unloading equipments and enthusiastic and experienced workers, Dung Quat Port put its business targets for 2019 increase by 10% over the same period.



Volume

2.12 million tons
 ≈ 115% target



LOGISTICS

2018 was the third year in the second 5-year strategy to focus on Logistics development of Gemadept, whereby Gemadept has achieved significant results in developing new services as well as expanding customer base.



2018 was the third year in the second 5-year strategy to focus on Logistics development of Gemadept, whereby Gemadept has achieved significant results in developing new services as well as expanding customer base.

Gemadept Logistics network continues to expand nationwide as: Hai Duong, Hai Phong, Bac Ninh, Binh Duong, Tp. HCM, etc.

Besides expanding the network, Gemadept continues to develop new types of services for e-commerce, retail, etc. The outstanding highlight of 2018 is that Gemadept Logistics has had the first customers in the solution consulting sector - Digiworld and TTC. This is an important step to improve Gemadept's service

quality, gradually stepping Gemadept to the role of a leading Logistics solutions consultant in Vietnam.

The most significant in 2018 was the synergy between Gemadept and strategic shareholder partner - CJ Logistics Group (CJL). This was the first year of cooperation between Gemadept and Korea No.1 Logistics Enterprise. The initial result of cooperation is the coordination and implementation of cooperation projects with Korean customers. The two sides have jointly carried out important projects, won some bidding packages, exchanged experiences and had positive mutual support in terms of information technology in order to increase warehouse management and transport management capacity.





The synergies of strengths, networks and technologies between Gemadept and CJL in Logistics and Shipping field will help both parties significantly enhance the competitiveness in the market, reaching the expected growth targets, at the same time, increase the value, service and benefits brought to customers in the near future.

As a proud result, in 2018, Gemadept Logistics was honored to be at the top position in the list of **"Top 10 Prestigious Transportation and Logistics Companies in 2018 - Logistics and Warehouse Group"**.

Entering 2019 with many opportunities and potentials for development of the market in general and Logistics industry in particular, Gemadept Logistics has set out the plan and criteria as follows:

- Developing Logistics solution consulting services;
- Safe operation - Security - Quality is the top priority;
- Continue to expand the network and scale of operation (both in the area of distribution centers, warehouses and transport distribution);
- Promote the development of new customers / expand existing customer chain services;
- Develop construction to have a system of suppliers who are strong partners capable of meeting the increasing demand for Logistics infrastructure, equipment, facilities, tools, human resources and service;
- Search and develop new business models;
- Promote production and business development - Register growth target of 26% compared to 2018;
- Perform excellent operation;
- Promote the application of information technology, catch up with the revolutionary trend of 4.0;
- Good training and retraining of human resources;
- Build a team with creative and innovative spirit.

Working together faster and further, the synergy between Gemadept and CJL in the field of Logistics is expected to help the two sides go straight to the goal of becoming a No.1 comprehensive Logistics & Supply Chain Management solution provider in Indochina market and doubling Logistics profit in 2020.



INTERNATIONAL AND DOMESTIC CONTAINER TRANSPORTATION

As part of the plan to build and develop the fleet to increase competitiveness in the domestic transport market, effectively support the Group's Logistics and Port operation, Gemadept determined that it is necessary to build a vessel fleet strong in capacity, young in age and bring high economic efficiency.

In 2018, the world transport market continued to witness the restructuring of shipping lines. Vietnam sea transport has not escaped from the difficult cycle due to falling freight rates, fierce market competition, excess supply, and unpredictable fluctuations in oil prices, often congestion of ports and ICDs, etc.

For the domestic transport route, the number of domestic ships increased compared to 2017, although the level is not much, the demand for goods does not have a long peak season and depends on the border situation, falling freight rates, etc.

In addition, tropical low pressure, storms, and monsoon intensification, etc. were also the causes of port congestion in Hai Phong, Hong Kong, and Singapore, significantly affecting the operation plan and increasing the cost of sea shipping routes.

Facing the general difficulties of the market, Gemadept Shipping has implemented the reasonable restructuring routes, actively cooperating with partners to maintain its position and divide risk, focused on optimizing costs, at the same time restructured the organizational structure, improved the quality of human resources and applied

information technology in management and administration, etc. With efforts in business activities, in 2018, Gemadept Shipping carried out 281,160 Teus - increasing 11% year on year, maintaining its position and market share on domestic sea routes as well as waterways in Mekong Delta and Cambodia.

In 2019, the domestic route is expected to have positive signals on the demand for goods in Hai Phong - Ho Chi Minh City along with the recovery of freight rates. Gemadept Shipping will strengthen cost control, rationalization of cooperation routes and enhance sales - marketing, enhance and provide deeper, more diverse quality of service to each customer, in order to contribute to maintaining the position of shipping segment in Gemadept's comprehensive service chain.



Volume

281,160

TEUS



Up 11%

OUT OF GAUGE CARGO TRANSPORT

Project cargo transport is a specific area, specializing in transporting out of gauge cargo for different projects.

Despite its smaller scale compared to other competitors in the market, being ranked the 2nd best in the market is a strong testament to Gemadept's professional performance of such specific services.

Starting 2018 with the focus on deploying planned projects, Out of Gauge (OOG) Cargo Transport prioritizes connecting traditional customers and constantly seeking new customers, keeping abreast of the market through various information channels.

Keeping pace with the active market of project logistics in the last months of the year, Gemadept OOG Cargo Transport promptly got access to a series of solar power projects in the Central and Southern regions.

The trend of electrical energy production moving to using renewable energy sources is accelerating. The Government's policies supporting price and connection to the national electrical grid have facilitated the development of a series of solar power projects in the central region where there is sun and wind during the year. Such solar power projects are quite small in scale of both infrastructure and investment. Opportunities and challenges caused Gemadept OOG Cargo Transport to its strategies on services and costs. Accordingly, the management and employees of Gemadept OOG Cargo Transport have assigned their tasks and prepared to overcome any obstacles and to implement many projects at the same time in order to take advantage of available human resources and minimize costs while still ensuring business efficiency.

The fierce competition in the market affected the schedule of large projects, which in turn had significant impact on the 2018 business operation. But with determination to seek and implement effective solutions, Gemadept OOG Cargo Transport has excellently completed its planned targets.

In 2018, Gemadept OOG Cargo Transport has transported 16 turbines for the Mui Dinh wind power plant, which has an operating capacity of 37.6 MW and is built on an area of 12 hectares in Tu Thien village, Phuoc Dinh commune, Thuan Nam District, Ninh Thuan Province. After being put into operation, Mui Dinh wind power plant is expected to provide approximately 105 million KW of electricity per year to the national grid.

Safely and timely completing the project of Mui Dinh wind power plant has helped Gemadept OOG Cargo Transport to strongly affirm its capacity and prestige in the field of OOG cargo transport, opening many new opportunities for Gemadept in wind power projects in particular and other projects in general which are being expanded across the country in 2019.

Seeing new opportunities for 2019 with a series of projects using renewable energy inside and outside Vietnam, Gemadept OOG Cargo Transport is determined to build effective solutions with optimal cost to improve competitiveness, capture all opportunities, and maintain its leading position in the field of OOG cargo transport in Vietnam.



SHIPPING AGENCY

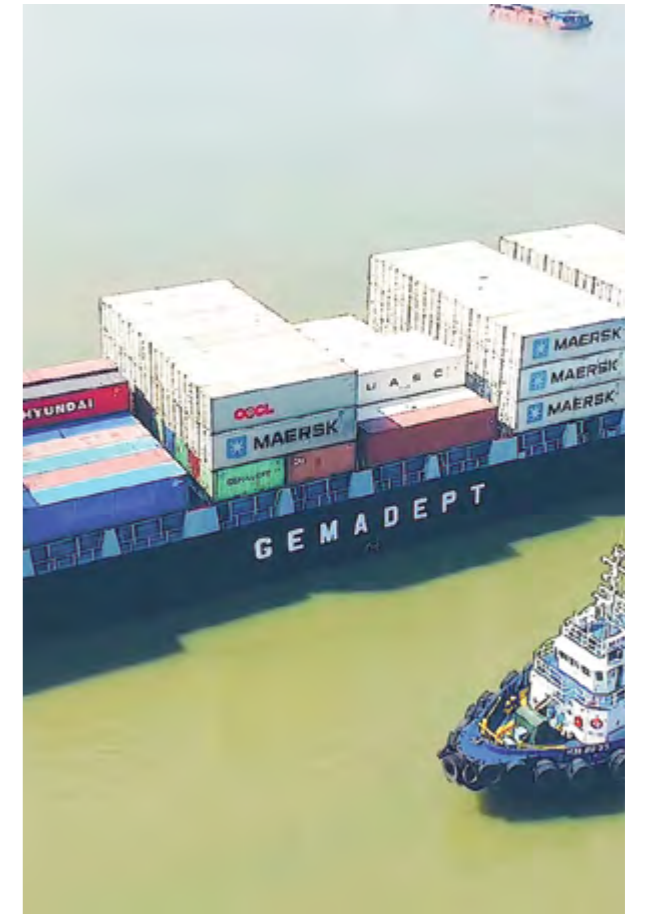
Shipping agency is the traditional service of Gemadept from the beginning of its business. For many years, with professionalism and prestige, shipping agency service continues to affirm its position in the industry and gain many support from partners.

Although the shipping market has encountered many difficulties in the past few years, Gemadept has been active in serving traditional customers and seeking new customers to expand the opportunities for cooperation.

Gemadept's ship agency served 609 ship calls (including 57 general cargo ships and 552 container ships) and provided auxiliary services. Profit exceeded planned target by 31%. The ISS-Gemadept joint venture served 139 shipments.

The market in 2019 is forecasted to face many difficulties due to the merger of several shipping lines, reducing the number of appointed agency companies. Small agency companies continue to decrease price, which seriously affects the general market. The increase of number of shipping agency companies also reduces the overall market share, while the number of shipping lines continues to decrease due to merger and bankruptcy, etc.

Despite such difficulties, Gemadept's department of ship agency will continue to make constant efforts to find new customers and develop new services by proactively applying appropriate policies for each customer, promoting sales - marketing through multiple channels and providing some extra services to increase revenue and profit for Gemadept.





VESSEL FLEET INVESTMENT AND MANAGEMENT

Although the year of 2018 saw some signs of recovery, the Vietnamese shipping market has not escaped from difficulties and there are still many issues to be improved. Vietnamese vessel fleet is in surplus of small tonnage vessels and dry bulk vessels, while still lack of specialized vessels such as vessels for carriage of liquefied petroleum gas, bulk cement, clinker and large tonnage vessels running on international route. If overall growth rate of container ship fleet in the world during recent years is 7.7%, the growth rate of Vietnamese vessel fleet is only approximately 1%. The portion of container ships in the world accounts for 12.8% of the whole fleet, while Vietnam's container fleet only accounts for 3.3%. Moreover, the average age of more than 700 ships in Vietnam's fleet operating domestic route is 15.5 years old (the average ship in the world is 10 years). Old ships require regular maintenance and upgrading, which affects the operation plan, leading to lower transport efficiency and higher fuel consumption and operating costs.

Realizing that trend, Gemadept determined to reform the existing container vessels fleet. The goal

is to decrease the average ship age and increase the total tonnage of the fleet.

In early April 2018, Gemadept purchased a 1,060 Teus container ship named "M.V. Pride Pacific" and liquidated one 699 Teus container ship named "M.V. Pacific Pearl" at the end of 2018. In October 2018, Gemadept newly built and launched one 198 Teus river ship named "Phuoc Long 10". At the present, the Company owns and manages 4 sea vessels and more than 10 new and largest river vessels in Vietnam.

By owning and managing a large number of ships, together with appropriate capacity, experience and development plans, the Company gradually affirms its sustainable position in the domestic and international shipping market. Despite the difficulties of the shipping industry, with courage and profound experience, the fleet management team always has timely proposals to ensure efficient operation, navigation safety in severe weather conditions, saving the cost of management and operation.

SCSC AIR CARGO TERMINAL



Pre-tax Profit
Up **21,4%**

SCSC's Air Cargo Terminal at Tan Son Nhat International Airport was built in June 2009 and completed in August 2010. From October 2010 to the end of 2011, the project was tested, commissioned and put into operation.

With the counsel of foreign experts including Lufthansa Consulting Company (LCG-Germany), Japan Airport Consulting Company (JAC), SCSC cargo terminal has a total investment up to VND 1,065 billion (equivalent to about 51 million USD), located in the south-west of the passenger terminal - Tan Son Nhat international airport, which covers an area of 143,000 m², adjacent to N^o.1, N^o.2 N^o.3 berths of the aircraft parking yard Tan Son Nhat.

The cargo terminal consists of three areas:

- Parking area: 52,421 m², accommodating three B747F aircrafts or five A321 aircrafts at the same time
- Cargo station area: 26,670 m². Cargo terminal has a designed capacity of 200,000 tons of cargo (phase 1) and 350,000 tons of cargo (phase 2).
- Warehouse, parking area, roads and office buildings, and others: 64,000 m².

SCSC cargo terminal is invested with modern equipment of international standards to meet stringent requirements of the air industry and airlines customers.

SCSC is approved by the People's Committee of Ho Chi Minh City, Vietnam Aviation Administration and Vietnam Customs to construct a cargo terminal at Tan Son Nhat Airport. SCSC's cargo terminal is the only Vietnamese terminal that meets international standards of IATA (International Air Transport Association).

Following the above developments, SCSC has successfully obtained ISAGO quality certification, TAPA A certificate issued by Transported Asset Protection Association, and RA3 certificate.

Following successes in recent years and complying with current regulations, SCSC has registered for securities trading on UpCom system of Hanoi Stock Exchange in July 2017.

To increase transparency and enhance the Company's reputation, in early 2018, the company has implemented to list stocks on the Ho Chi Minh City Stock Exchange and received a listing approval No.227/QĐ-SGDHCM dated 26/06/2018 by Ho Chi Minh City Stock Exchange.



On August 3, 2018, SCS stock were officially traded on the Ho Chi Minh Stock Exchange.

International cargo output of Tan Son Nhat airport border gate in 2018 reached 460,799 tons, increased by 4.75% compared to that of 2017. SCSC carried out 156,127 tons, accounting for 33.9% of market share. Total cargo output of SCSC in 2018 is 204,943 tons, increased by 10% compared to that of 2017.

The financial results are quite impressive with revenue and profit before tax increased by 15%

and 21.4% respectively compared to that of the last year.

In 2019, SCSC plans to increase production by 9%, profit before tax increases by 15% compared to that of 2018. Moreover, in order to increase revenue and improve service quality, SCSC has plans to construct SCSC's second office building and Factory provides air ration in 2019.



MEKONG LOGISTICS

Mekong Logistics, a joint venture between Gemadep Corporation and Minh Phu Seafood Corporation known as "King of Shrimp", owns the largest modern pure cold storage facility in Southeast Asia.

The project has a total area of 15ha. The cold storage serving seafood, food, cold storage materials, is designed with an area of 4.8 ha and can accommodate up to 50,000 pallets. Mekong Logistics cold storage is invested with advanced technology and designed with optimal solutions, low energy consumption, and meets the highest standards for preservation of frozen seafood.

Mekong Logistics is conveniently linked to both the road and the waterway. Taking advantage of the Hau river channel dredged to accommodate ships of up to 20,000 DWT and promoting the spirit of initiative in business activities, Mekong Logistics has been actively seeking for new customers and diversifying product portfolio including fresh fruits, fruit juices, pork, herbal medicines, aquatic products, imported fish, etc. in order to reduce risks caused by seasonal demands in the region.



the cold storage

4.8 ha

Capacity

50,000 pallets

Regarding business results in 2018, Mekong Logistics has achieved a profit growth of 5% compared to the plan, concentrating on safe production and increasingly improving service quality, stabilizing material and spiritual life of employees. Mekong Logistics' key customers are Minh Phu and many seafood customers in the Mekong Delta region.

With Mekong Logistics - the largest pure cold storage center in Southeast Asia, Gemadep once again expanded to the West, boosting the economic flows, strengthening trade between the Mekong Delta region and the world.



K'LINE GEMADEPT AUTOMATIVE LOGISTICS



K'Line Gemadept Logistics (KGL) experienced many fluctuations and difficulties in 2018. Three Japanese container lines, "K"line, NYK and OOCL, have merged into The ONE line since April 1, 2018, which greatly affected CY (Container Yard) activity of KGL. In addition, Decree no. 116/2017/NĐ-CP of the Government has set up new barriers. Specifically, regulations on controlling and limiting imported vehicles has caused automakers to suspend their import plans in the first half of 2018 because they need prepare to meet the requirements of the Decree on import licenses and other types of certificates.

Despite the difficulties from the market, KGL has actively sought new solutions to stabilize its business operations.

From 9/2018, KGL has a new customer, Mercedes, in addition to its traditional customers such as Isuzu, Ford, Toyota, thereby, helping to ensure business operations.

In 2019, the market is expected to be better. Traditional customers like Isuzu and Mitsubishi will also increase volume of import, which will enhance the revenue from PDI service. Moreover, after signing a contract with Mercedes and completing construction of warehouses and lean-tos on an area of 2.5 hectares, KGL will serve Mercedes's products from June 2019. It is expected that KGL's revenue and profit will be significantly improved in 2019.

RUBBER PLANTATION



Implementing resolutions of the General Meeting of Shareholders and strategy of the Board of Management, in 2018, Gemadep focused mainly on taking care of planted areas, doing no new planting and preparing for latex harvest period. In 2018, Gemadep has achieved its main objectives that had been specifically determined at the beginning of the year, including:

- Regarding the planted areas, taking good care to improve the quality of planted rubber gardens over the years; significantly improving growth of the trees at the present and in long-term.
- Regarding management, building a model of production management suitable to the working habits of indigenous people; obtaining consensus of the majority of management and employees when they are allocated land areas; making positive changes in mindset of actively building work plans and seeking labor sources to complete the assigned jobs. Labor wages and welfare benefits are paid to the workers directly.
- Regarding technical work, timely applying the processes and technical facilities to the

garden care items despite the unfavorable weather last year (heavy rain, early stop of rain season); gradually improving mechanization rate associated with the balance of maintaining enough unskilled workers for the project.

- Effectively cutting cost but still ensuring performance in some construction items such as plowing and basic construction.
- Organizing technical training courses, improving knowledge for supervisors, team leaders and workers
- Maintaining good relations with local authorities, the Ministry of Agriculture, partners and proactively carrying out environmental and social affairs, etc

In 2019, the rubber market is expected to continue its upward trend with many favorable developments. Gemadep set targets to focus on taking care of planted gardens, and preparing for latex harvest period; using bulldozers to fight against encroachment, arranging road patrols to protect the land; making efforts to find more partners for cooperation.

REAL ESTATE



Real estate is one of selected investment activities of Gemadept. Following the success of Gemadept Tower project which was transferred to partners in 2017, Gemadept is completing necessary procedures to implement two projects of Saigon Gem and Vientiane - Laos complex.

Saigon Gem project is located in the golden land of Ho Chi Minh City with a total area of 3,640 m2. This is a 49-storey complex including commercial center, 4-5-star hotel, and office. In 2018, the project was granted Land Use Right Certificate and is in the process of completing legal procedures to start the construction in early 2020.

The 6,715 m2 real estate project in Vientiane is located in a favorable position right at Lane Xang Avenue. The project is designed with 7 floors and 1 basement with a total floor area of 21,329 m2. Currently, the project has been licensed for construction, and is completing the work of testing piles and installing transformer stations of 315KVA in order to be ready for construction of large pile work and basements in 2019.

At the same time, in accordance with the Resolution of the Annual General Meeting of Shareholders on concentrating resources for core businesses and divesting strategic investment sectors, Gemadept has been seeking potential partners and investors for real estate projects to be able to divest in a suitable and convenient time.

With an extremely privileged position, Gemadept's two real estate projects promise to become symbolic works in the two busiest commercial and economic centers of both Vietnam and Laos.



Saigon Gem Complex
3,640 sqm

2019 BUSINESS PLAN – VISSION 2020 & ORIENTATION UP TO 2025

The world is changing fast and the economy is also seeing remarkable and diverse changes. Basing on its firm foundations and significant changes from within the company, Gemadept has set up the business plan for 2019, vision to 2020, and orientation to 2025.

a. 2019 Business Plan

2019 is the year for speeding up to accomplish the Company's 2020 vision. In order to achieve its objectives, Gemadept determines to focus on the following key tasks:

- Successfully completing the business targets set by the General Meeting of Shareholders;
- Continuing to invest in and develop core business activities of port operation and Logistics;
- Stably developing production, maintaining the growth rate of key units;
- Concentrating all resources to ensure the construction progress of Gemalink Port and to put this project into operation from the third quarter of 2020; Preparing for construction of Nam Dinh Vu Port phase 2 in the second half of 2019;
- Investing in equipment and assets; renovating and upgrading the yards to improve productivity and service quality;
- Effectively exploiting resources from cooperation with partners in all areas;
- Optimizing the management mechanism and focusing on improving the quality of Gemadept's human resources.



b. Development strategy for the future (mid-term and long-term):

For the purpose of sustainable development and longevity, Gemadept's managers has jointly developed a strategic map to 2025, which balance the following four elements:

1

FINANCE:

- Leading in terms of market share in two main businesses;
- Significantly increasing revenue;
- Maximizing profits, investment performance, assets and cash flow.

2

CUSTOMERS:

- Increasing the number of customers using chain services, fully connecting the internal services;
- Improving value and brand identity of Gemadept in the market;
- Developing service networks inside and outside Vietnam

3

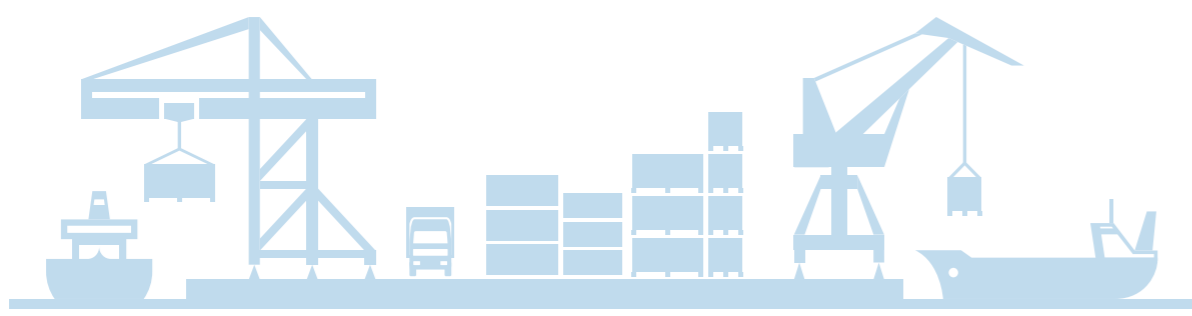
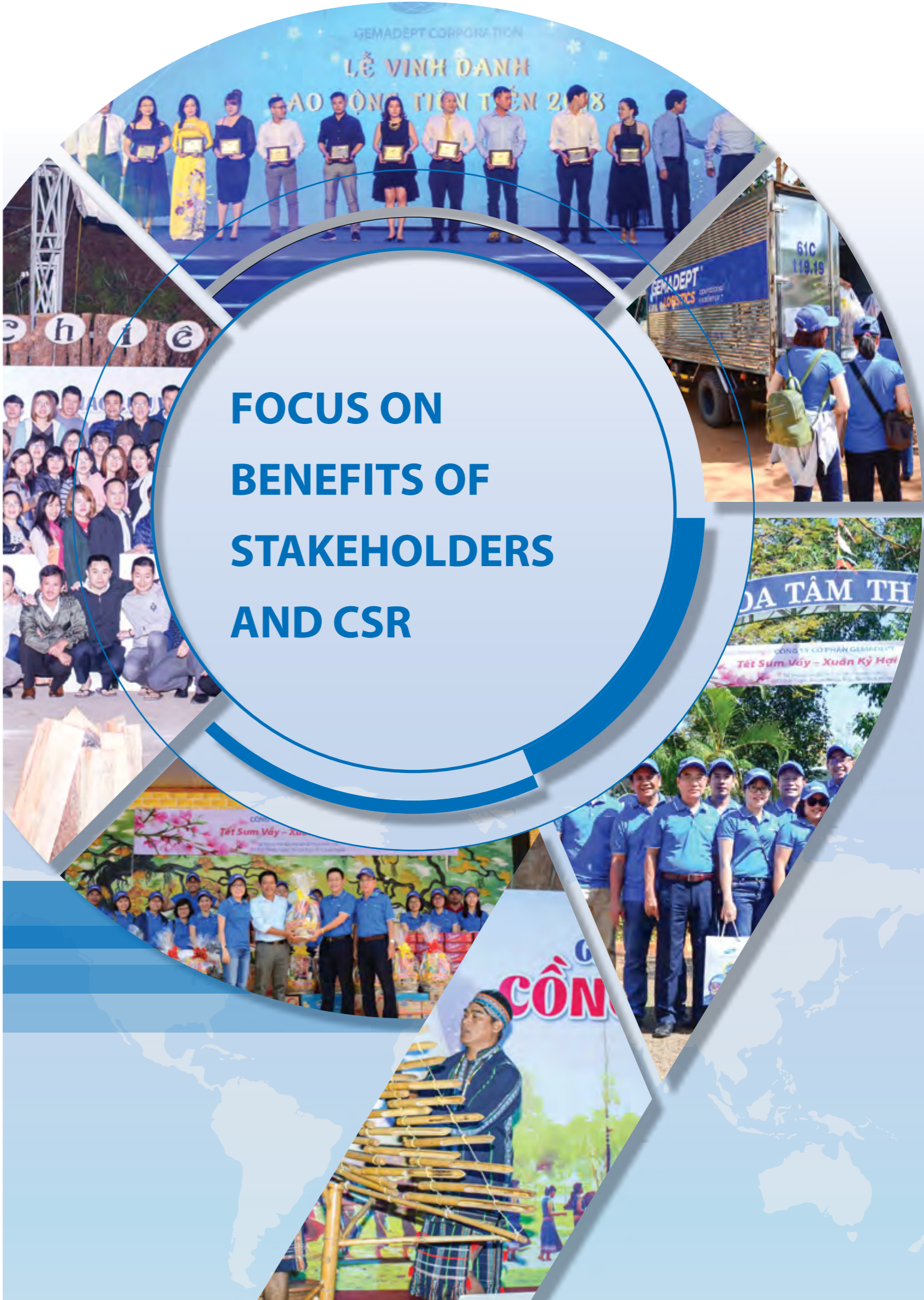
PROCESS:

- Optimizing the management system, technology, operational excellence and ability to replication;
- Optimizing the synergies between member units and partners;
- Strengthening research and investment activities.

4

LEARNING AND DEVELOPMENT:

- Developing internal experts and specialists in port operation and Logistics;
- Developing competent successors having the Gemadept gene;
- Developing a professional and proud company culture.



GEMADEPT - BUILDING SUSTAINABLE VALUES



Dear Shareholders, Customers, Partners and Stakeholders,

The year of 2018 went by with many difficulties and advantages. The country's economy has many remarkable points. Although the Logistics industry has grown dramatically, there are still many limitations on infrastructure, capital scale, management level and information technology application of Vietnamese enterprises. With respect to port operation and shipping industry, although throughput continues to grow, competition is getting fiercer. Shipping lines around the world continue to cooperate / merge and use larger vessels, etc.

The market is changing rapidly. As a pioneer in the industry, Gemadept has been making every effort to carry out its mission, promoting economic flows, creating sustainable added value for the country, enterprises and partners.

Completing the revenue and profit plan assigned by the 2018 General Meeting of Shareholders is Gemadept's top priority task. In addition, in order to create a solid foundation for long-term development in the future, Gemadept has been and will deploy a series of important management projects, aiming to a professional and proud working environment for every member of Gemadept.

In addition to its vision and business strategy, Gemadept has been actively sharing with the community. The awareness of environmental protection, energy saving has penetrated deeply into each Gemadept person, reflected in all business activities, from offices to field, from ports, terminals, and distribution centers to all over the roads, on every ride and every ship...

Baggage on the shoulder is ready. It is the cultural foundation with the core values imbued with the national spirit, pioneering spirit of a group of responsible, upright, progressive and connected people. These values are the red thread orienting all activities of Gemadept, since its establishment until now, and forever afterwards.

CEO
Do Van Minh

SUSTAINABLE DEVELOPMENT ACTIVITIES



For nearly 30 years of establishment and development, Gemadept has been always pursuing the goal of sustainable development on the basis of developing human resources, improving organizational structure and management model to better adapt to the change of market and the trend of deep and wide integration across all sectors of the economy.

Corporate social responsibility is always associated with the policy of sustainable development, which is the guideline for all business activities of Gemadept. Gemadept's sustainable development policy has been implemented through timely, practical and long-term actions.

In particular, in 2018 and the following years, Gemadept has and will focus on promoting

sustainable development policies in the following areas:

- **Working environment:** Continuing to build an open, transparent, fair and proud working environment, attracting and retaining good employees.
- **Gemadept's culture:** Creating the characteristics and distinctness of Gemadept Culture, in which the spirit of nationalism and pioneering is always highly appreciated. Gemadept consists of people who are responsible for themselves, their families, companies and society, always upright, progressive, and actively connected with colleagues, partners, customers and companions.
- **Remuneration and welfare regime:** Continuing to build a highly competitive remuneration and welfare regime, which helps attract, retain and develop high-quality human resources, encouraging creativity and personal competence, and creating a foundation for collective strength to overcome all challenges and achieve the Company's goals and vision.
- **Social responsibility:** Focusing on maintaining environmental hygiene and green - clean - beautiful landscape; ensuring energy saving; creating more jobs for local people; implementing voluntary works through charity programs which help orphans, people with mental illness, and disadvantaged children, etc.



CORPORATE TRANSPARENCY AND MECHANISM FOR RECEIVING RECOMMENDATIONS FROM STAKEHOLDERS

Gemadep always respects and complies with regulations on information disclosure promulgated by the State Securities Commission, the Stock Exchange and other stakeholders. Besides, Gemadep promptly and fully updates its Shareholders and investors on its business performance, market information, and cooperation opportunities via many different channels such as the Annual General Meeting of Shareholders, seminars, conferences, the Company's website, media, face-to-face meetings, online meetings, emails, letters, etc.

Besides, one of the important activities of investor relations is organizing field visit. Gemadep's air cargo terminals, ports and distribution centers spreading all over the country are always the most attractive destinations for potential investors.

In the customer perspective, this is one of the key factors for Gemadep's development. Gemadep always pays attention to customer care by constantly upgrading its facilities, establishing a convenient communication system to departments, divisions and person in charge, etc. As a result, Gemadep's customer care services have been highly appreciated

by customers. Gemadep always respectfully listens to and promptly responds all comments, suggestions and requests of customers.

For Gemadep, human is the most important factor, deciding the success and creating the characteristics of Gemadep. Therefore, Gemadep is always ready to listen to the employees' desire, having open communication and conducting widespread surveys to collect opinions of employees, thereby making appropriate adjustments to existing policies. The Company's Labor Union has been fulfilling its responsibility as an important bridge connecting the employees and the Company's leadership. All optimal solutions are given by high consensus, helping employees feel secure to work, develop themselves, and create sustainable values for their families, the Company and the society.

In 2018, Gemadep, for the third time in a row, was honored by Forbes Vietnam as one of the Top 50 Best Enterprises in Vietnam. This recognition once again reflects and affirms the Company's prestige and the belief that community, enterprises and investors have for Gemadep.



COMMITMENTS TO STAKEHOLDERS



- 1
 - **TO THE GOVERNMENT:**
 - Promoting the spirit of nationalism and pioneering to become a model enterprise in the industry of port operation and Logistics in Vietnam;
 - Complying with laws, policies and regulations of the Government relating to the Company's businesses
 - Developing business to contribute to the State Budget;
 - Contributing to the socio-economic development of the country; and
 - Reporting fully as prescribed by laws.
 - **TO SHAREHOLDERS – INVESTORS:**
 - Guaranteeing legitimate rights of and increasing sustainable values for shareholders and investors;
 - Actively making reports and information disclosure as prescribed by laws;
 - Providing timely, transparent and complete information; and
 - Creating favorable conditions for shareholders and investors to learn about the Company's business activities.
- 2
 - **TO CUSTOMERS – PARTNERS:**
 - Focusing on service quality to develop business;
 - Providing customers and partners with the most effective and excellent solutions;
 - Affirming commitments to customers and partners, and developing together.
 - **TO THE EMPLOYEES:**
 - Jointly building a good, professional and proud working environment based on 6 core values and 9 cultural principles;
 - Improving policies of salary, bonus and welfare, encouraging the development of high quality human resources, upholding success in work and happiness in life;
 - Developing competent successors for all levels to prepare for the Company's acceleration in sustainable development in the coming years, and longevity.
- 3
 - **TO THE COMMUNITY - SOCIETY:**
 - Fulfilling corporate social responsibility;
 - Contributing to the benefits of the community;
 - Contributing to environmental protection;
 - Creating more jobs for local people and contributing to build a Wealthy and Strong Country.

TYPICAL AWARDS AND RECOGNITIONS

Gemadept has been recognized and honored by the government, local and foreign organizations for its positive contribution to the society, community and remarkable achievement.

The titles, awards, and certificates of merits which Gemadept has achieved in the recent 3 years is briefly summarized as follows:



TOP 50 BEST ANNUAL REPORTS IN 2016

awarded by the Ho Chi Minh Stock Exchange (HOSE), Securities Investment Newspaper and Dragon Capital Management Company.



TOP 500 LARGEST ENTERPRISES IN VIETNAM IN 2017 - VNR 500

jointly awarded by Vietnam Report and VietnamNet.



TOP 50 BEST LISTED COMPANIES IN VIETNAM

in three consecutive years of 2016, 2017 and 2018, which is awarded by Forbes Vietnam.



LEADING IN TOP 10 REPUTABLE TRANSPORT AND LOGISTICS COMPANIES IN 2018

Category of Logistics and Warehouse, jointly awarded by Vietnam Report and VietnamNet.



TOP 1000 ENTERPRISES HAVING THE LARGEST CONTRIBUTION OF CORPORATE INCOME TAX TO NATIONAL BUDGET (V1000) FOR MANY YEARS

, which is jointly awarded by Vietnam Report, VietnamNet, and Taxation Newspaper - General Department of Taxation.



TOP 50 ENTERPRISES HAVING THE MOST EFFECTIVE BUSINESS IN THREE CONSECUTIVE YEARS OF 2016, 2017 AND 2018

which is jointly awarded by Nhịp cầu đầu tư Magazine and Thien Viet Securities JSC.



GEMADEPT DUNG QUAT INTERNATIONAL PORT IS HONORED TO BE OUTSTANDING ENTERPRISE OF QUANG NGAI PROVINCE FOR THE PERIOD OF 2015 - 2016 AND 2017 - 2018

by Quang Ngai Provincial People's Committee.



BEING ONE OF TEN ENTERPRISES AWARDED CERTIFICATE OF MERIT FOR EXTRAORDINARY ACHIEVEMENT AND CONTRIBUTION TO THE DEVELOPMENT OF VIETNAM LOGISTICS FOR THE PERIOD OF 2017 - 2018

by Ministry of Industry and Trade.

ENVIRONMENT AND ENERGY

For a public company, transparency and social responsibility are key factors to ensure the sustainable development. Gemadept's projects have stretched out to the whole country and the region... Gemadept always shows its high commitment on corporate social responsibility to every province and city where its projects are being operated.

Potential environmental impacts caused by Gemadept's projects, including deep-sea ports, air cargo terminals, distribution centers and other business, are strictly assessed. All projects are designed and built in the manner of environmentally friendly, space optimizing and energy saving.

1. Solutions of management, energy and fuel saving in operation

Safety and cost cutting are very important in production and business. So controlling and reducing fuel consumption is a prioritized task to help reduce costs, increase operational efficiency and contribute to protecting the environment and natural resources.

Gemadept regularly and continuously controls consumption of fuel and energy by implementing various measures, including but not limited to:

- Complying with requirements of water and electricity suppliers;
- Installing modern electric equipment with high stability and replacing old equipment in order to reduce unnecessary energy consumption;
- Installing transformer stations to save fuel consumption for running generators;
- Using container management software at CYs (Container Yards) and Depots to reduce the movement of containers, which saves fuel consumed by forklifts. RTGs;
- Using advanced software for fuel consumption management of equipments;
- Carrying out periodical maintenance, repair and upgrading of equipments in accordance with standards instructed by manufacturers;
- Replacing filament bulbs and compact bulbs with LED bulbs, which helps increase brightness, improve durability and save energy;
- Daily checking electricity meters in each area to control consumption of electricity and prevent malfunction (if any);
- Using steel roof tole for natural light to reduce the use of daytime lighting, using natural ventilation systems and insulation panels to ensure ventilation inside the buildings;
- Controlling software systems such as fire protection system, BMS system, I-Manager, X-WEB3000, and wastewater treatment system, etc. to optimize energy saving;
- Maintaining machinery and equipment in accordance with the approved annual maintenance plan and the manufacturer's instructions to ensure smooth and stable operation of machine, reduce malfunction and increase durability;
- Adjusting the schedule of closing / interrupting air-conditioning systems, lights, ventilation fans, energy-consuming equipment through systems of centralized management such as BMS system, I-Manager system, X system -WEB3000, etc.;
- Separating lights lines and fan lines, doing suitable planning of functional areas and programming of lights and fans control in some functional areas to optimize the use of electricity;
- Monitoring electricity meters daily to control activities of all areas and promptly handling any problem;
- Using electrical forklifts and specialized vehicles, etc. in ports, distribution centers, warehouses and air cargo terminals to prevent pollution;
- Following guidance of the Board of Directors and the Management, and improving employees' consciousness of energy saving;
- Implementing fuel saving for the vessel fleet, land transport and reducing fuel norms;
- Organizing training courses on 5S methodology, and reminding each department, each employee of electricity saving and turning off the power when leaving or when not in use;

- Encouraging business units to give space for green trees and space and keep working environment clean.

2. System of water supply and waste water treatment

- Monitoring water meters daily to prevent and promptly handling any problem.
- Rain water is drained to the underground pools of fire fighting and prevention system to serve the system and to water plants.
- Waste water and sewage treatment are strictly done in compliance with the law on environment protection and regulations of relevant authorities.
- To enable good operation of the systems, sewerage hygiene and dredging are periodically done as planned.
- Entering into contracts with professional companies in collection and treatment of liquid sewage mixed with oil in accordance with regulations of relevant authorities.

3. Environment protection – Industrial safety – Security – Fire prevention and fighting

- The Company has set up a mechanism of inspection and control managed by the Risk Management Department and functional departments at each business unit to supervise the compliance with regulations on industrial safety, port operation, sea navigation, fire fighting and prevention, waste water and sewage treatment, and energy and fuel saving. The Company also highly encourages planting more green trees to create a green, clean and beautiful view of the project sites.
- Hiring professional companies to clean the yards and warehouses, collect and gather waste into separate areas. Classifying and labelling domestic and hazardous wastes for easy collection and treatment in accordance with regulations.
- Regularly working with the Center of Sea environment observation to study, measure and analyze the environment parameter and make report of environment observation periodically.
- Using services provided by professional companies for oil spill response.

- Selecting professional companies to collect liquid waste mixed with oil.

- Complying with regulations of environment protection in business operation.

- Continuing to build green ports (Eco-Port) in the up coming years.

- Effectively utilize the assets (maximum utilization of ports, 93-95% of DCs, 80-90% of truck fleet, and over 80% of vessel fleet, etc.). Avoiding wasting by implementing 5S methodology, standard operating procedures (SOP) and key performance indicators (KPI).

- SCSC has achieved many international certificates including certification of IATA safety audit for ground operations (ISAGO), TAPA certificate of approval of facility security (Class A- the highest grade) applicable to air cargo terminal, and certificate of EU Aviation Security Validated Regulated Agents (RA 3).

- Being proactive in fire prevention and fighting. Setting up automatic and mobile fire protection systems.

- In terms of occupational safety and health (OSH), the Company arranges personnel in charge of occupational safety at each unit. The OSH officer is responsible for checking, supervising, reminding and speeding up the implementation of internal labor regulations and labor safety and hygiene regulations issued by the Company, and making monthly report on OSH.

- Organizing periodical health checks and buying health insurance for all employees.

- Annually providing protective equipment and uniforms pursuant to regulations.

- Organizing annual and demand-based training on OSH for employees.

- Making general reports on the situation of labor accidents to governmental authority pursuant to applicable regulations.

- Issuing procedures to prevent and minimize labor accidents and occupational diseases.

ECONOMY

1. Ensuring effective businesses and economic results:

Since its establishment, Gemadept has accumulated large assets and maintain sustainable growth of revenue and profit, even during the economic downturn and difficulties. In 2018, Gemadept once again exceeded the business targets set by the General Meeting of Shareholders.

2. Contribution to the economy of Vietnam:

In the first days of starting business, Gemadept was just a small enterprise in the maritime industry with two main services of forwarding and shipping agency. After more than 28 years of development, Gemadept today has grown to become one of the leading corporations in the field of Port Operation and Logistics with a network covering all three Indochina countries. Gemadept has been becoming a pioneer in many economic fields, overcoming all difficulties and challenges to develop constantly.

2.1/Contribution to Port industry:

Gemadept started port operation very early by introducing the first inland port model in Vietnam - Phuoc Long port in Ho Chi Minh City in 1995. To exploit the potential of port operation, Gemadept has in turn launched Nam Hai port, Nam Hai Dinh Vu port, Nam Dinh Vu port and Nam Hai ICD in the North, Gemadept Dung Quat port at the Central, and Phuoc Long ICD, Binh Duong Port and Gemalink deep-sea port in the South, creating an integrated chain of 8 ports along the length of the Country. Upon completion of all port projects, Gemadept will own and operate 4.5 km of berths with a total capacity of up to 5.8 million Teus and 4 million tons, contributing to boost trade between economic regions.

With good experience and port exploitation capacity, Gemadept has been and will be the first choice of major shipping lines and importers and exporters in the region and the world.

2.2/ Contribution to Logistics industry:

The Country integrates more and more deeply, which is a favorable premise for developing Logistics industry in Vietnam. In particular, Gemadept, one of the leading enterprises in the industry with the advantage of a wide network and diversified, integrated service chain, has been meeting the increasing demands of customers.

The modern distribution centers in Can Tho, Nha Trang, Buon Ma Thuot, Binh Duong, Hai Phong, Hai Duong, Bac Ninh, Hung Yen, and Hanoi, etc. have gradually completed the Logistics system of Gemadept in vibrant economic regions. The integration of the distribution centers and services of air cargo terminals, river fleets, sea-going vessels, and land transport vehicles has enriched the entire closed supply chain of Gemadept.

It can be said that Gemadept is the only company in Vietnam that can serve various types of goods ranging from bulk cargo to container cargo, from refrigerated cargo to cars, from small items displayed on retail shelves to out of gauge goods serving big projects of the Country.

Gemadept is present at any places that need logistics, from the ground to the sky, on the roads, from the rivers and reaching out to the great sea.

Pioneering, difference and excellence are the core values of Gemadept. Gemadept has been implementing its important mission, fulfilling its responsibility of member in many associations, and contributing to foster the economic flow of the Country.

3. Bringing value and benefits to related parties:

Contributing to the National budget: Gemadept has been in the Top 1,000 enterprises having the most contribution to the national budget for many years. Particularly, in 2018, the Company has paid tax of approximately 485 billion VND.

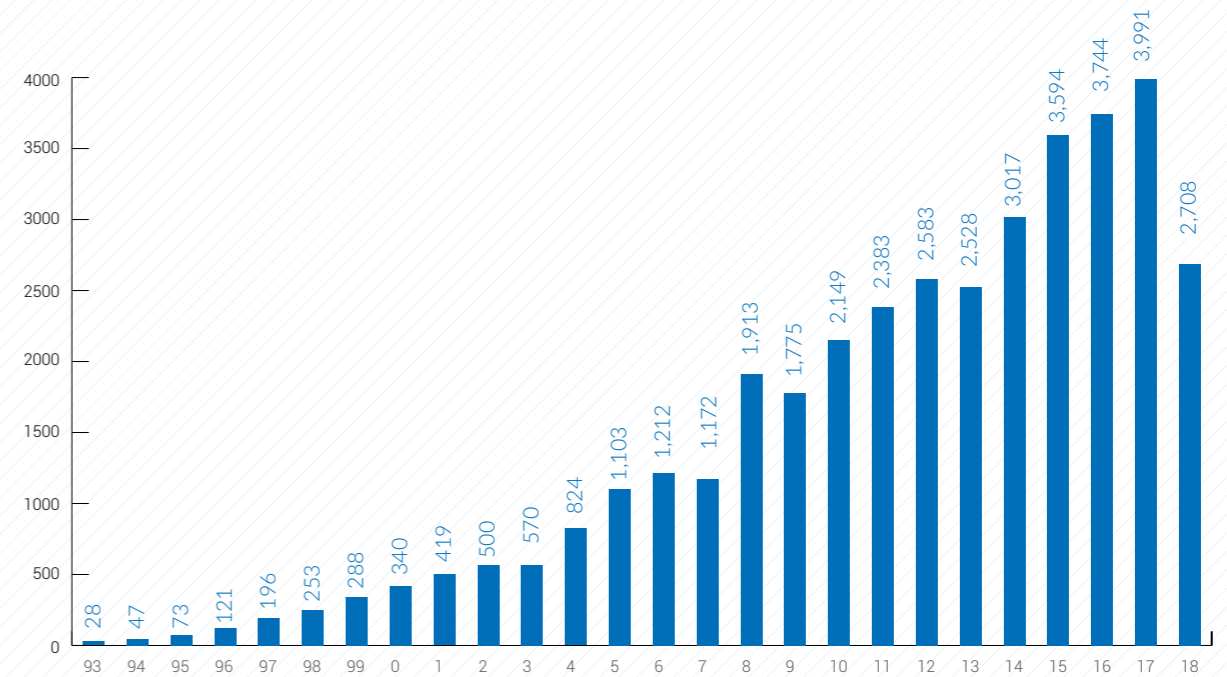
Contributing to foster Vietnam's export-import growth: Gemadept provides efficient port services and logistics solutions with reasonable costs, contributing to improve the competitiveness of import-export enterprises in the period of global economic integration.

Enhancing Vietnam's good partnership with other countries: Strengthening economic cooperation relationship between Vietnam and neighboring countries and ones in the region where Gemadept has partnerships and implements projects such as France, Japan, Singapore, Korea, China, Laos, and Cambodia, etc.

Bringing economic benefits to shareholders: In addition to contributing to society and the industry, one of the top tasks of a business is to increase economic benefits for its shareholders and

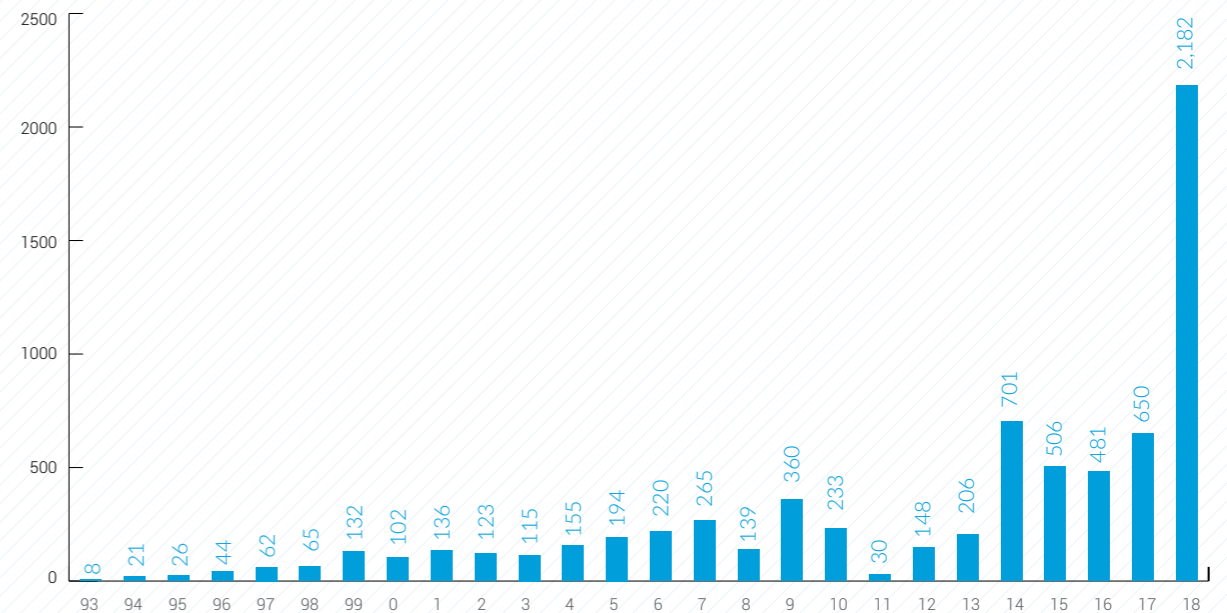
REVENUE

Unit: Billion VND



PROFIT BEFORE TAX:

Unit: Billion VND



stakeholders. Gemadept has paid dividends and bonus shares, etc. to its shareholders pursuant to the Resolution of the General Meeting of Shareholders.

Bringing benefits to employees: The total cost of salary paid to employees in 2018 was more than 415 billion VND and welfare programs for employees were developed. In addition to the implementation of social insurance, health insurance, and unemployment insurance for employees as prescribed by laws, the Company also buys more comprehensive health insurance programs for employees and families.

Bringing benefits to customers and partners: Through implementing KPIs committed to customers, ensuring that goods are loaded, unloaded, stored, transported and distributed safely, in the right quantity, with the right quality and on committed time.

4. Aiming to mid-term and long-term development strategy:

In 2019 and the following years, the Country is faced with new opportunities and challenges in the context of the world being subject to substantial changes in economy, politics, society, science and technology. Gemadept's management and employees are determined to pursue strategy of sustainable development with the following objectives:

- Continuing to promote core business activities of Port Operation and Logistics;
- Enhancing integration and cooperation with strategic partners;
- Building a professional and proud working environment based on six core values and nine cultural principles;
- Improving quality of human resources through policies of salary, bonus, welfare, development of internal experts and competent successors;
- Improving application of information technology in management, operation and service quality;
- Optimizing production processes and operational efficiency;
- Bringing sustainable value-added to customers, partners, shareholders, employees and stakeholders;
- Contributing positively to society, building a transparent business environment, contributing to promoting Vietnam's economic development.



SOCIETY

During nearly three decades of establishment and development, Gemadept has built and owned a valuable human resource of more than 1,800 people who are dedicated every day to a common goal of developing the Company. The valuable support of the community, shareholders, customers, partners and governmental authority also contributes to realizing Gemadept's vision. The achievements of Gemadept in the past years are great encouragement to all employees of the Company to keep moving forward with confidence and responsibility for the community.



• Policy to employees:

The quality of human resources is a core and decisive factor, making the difference and directly contributing to Gemadept's success. Indeed, Gemadept's employees receive appropriate treatment through reasonable policies and work in an open, equal, disciplined and professional working environment with typical company culture formed from the first days of establishment. The Company also cares about and uses its best efforts to improve the life of the employees' family.

Gemadept's compliance with regulations on labor and management issued by local authority has been highly appreciated as indicated in annual inspection results. Social insurance, health insurance, unemployment insurance for individuals and their relatives and welfare programs are fully and promptly

implemented to help employees feel secure and encouraged.

In addition to daily production and business activities, employees are encouraged to participate in art, musical and sport activities organized by the Company or related parties in order to strengthen solidarity and sharing in the community.

• Professional responsibility:

It has been proven that progressive attitude, dedication, professionalism, cooperation and goodwill are the key factors to connect customers and partners with Gemadept during both good and hard times.

Gemadept has constantly made outstanding differences in services provided to customers. Moreover, Gemadept also attaches special importance

to customer service and after-sales policy in order to bring satisfaction and valuable support to customers.

Bringing benefits to shareholders:

Shareholders are the owners of the Company. Therefore, the primary task of the Company is to bring economic benefits to shareholders, stakeholders, and investors who always accompany and support the Company.

Corporate Social Responsibility:

Gemadep has declared its policy of corporate social responsibility (CSR), which indicates its commitment to sustainable development, a transparent and stable business environment and responsibility for the community and society.

With annual growth in production and business, Gemadep has created jobs for thousands of workers and enormously contributed to the National Budget. Moreover, Gemadep has organized many charity activities to share with the community, show

gratitude to meritorious people and help comfort unfortunate lives in society.

Social responsibility is essential in the culture of Gemadep. Charity activities such as scholarships for poor students, visits to social centers and support to lonely old people, orphans, disabled people, people with mental illness, victims of natural disasters, soldiers at remote islands, etc. become the regular action plans of not only Gemadep but also its subsidiaries and affiliates.

Such charity activities have provided each Gemadep person with valuable humanity lessons.



HUMAN RESOURCES DEVELOPMENT

1. Labor structure and remuneration policy

1.1. Labor structure and other related issues:

Labor structure:

Gemadep currently has nearly 2,000 employees, of which nearly 60% having university or postgraduate qualifications, and more than 42% are under the age of 40. Besides, the low severance rate is also a bright spot about human resources, showing the attachment between the Company and its employees.

Labor relations:

All employees of the Company have signed employment agreements, in which their legitimate rights are protected pursuant to the Labor Code of Vietnam.

The Company's collective labor agreement, internal labor regulations and salary scale are duly registered with the labor management agency and updated upon change of regulations.

Use of child labor and forced labor are strictly prohibited.

Labor Union:

Gemadep's Labor union organization was established in 1998. Since its establishment, Gemadep Labor Union has been making connection between employees and the management to care about and ensure legitimate rights of employees.

1.2. Remuneration Policy:

Working environment:

Workers are well equipped with working tools and protective equipment and are trained on occupational safety to work safely and efficiently.

Health care, Tourism:

Employees receive annual health check-ups at high class medical facilities.

Nutritious and hygiene lunches for employees are mostly sponsored by the Company.

The Company offers annual paid vacation and support tourism expenses based on employees's working time.

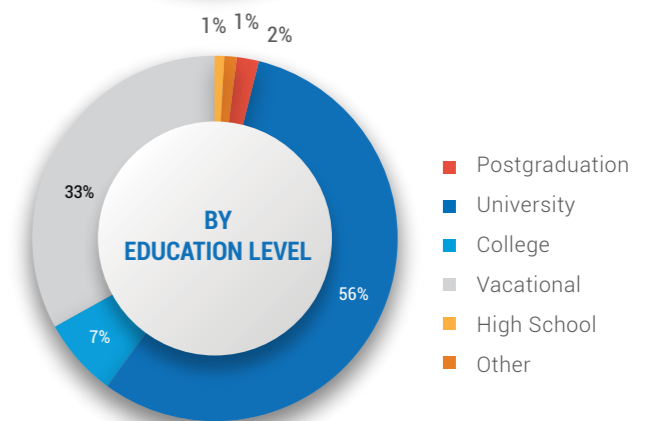
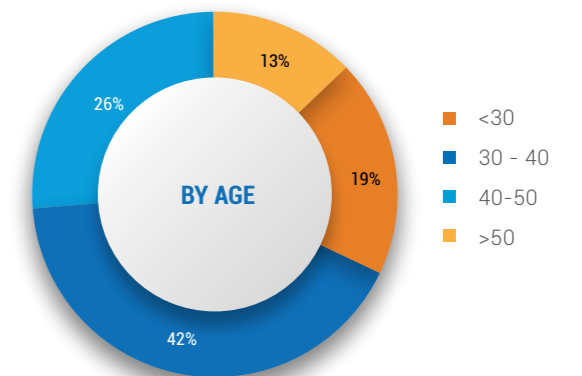
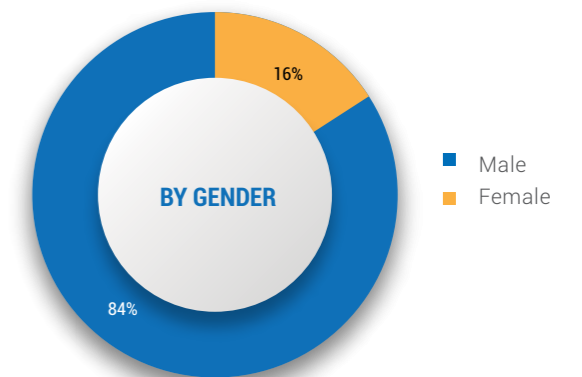
Insurance for employees:

Gemadep fully pays premiums of social, health and unemployment insurance as prescribed by law. The total insurance premiums for employees in 2018 are over 67 billion VND.

In 2018, Gemadep continues the comprehensive health insurance program for employees. Employees are encouraged to take care of their own and their families' health by taking advantage of good insurance conditions.

Care for life of employees:

Since its establishment, Gemadep has always cared about the lives of its employees. The Company gives gifts on the occasion of Tet holiday, New Year, Children's Day, Mid-Autumn Festival, weddings, funerals, and supports employees in sickness and difficulties. Specifically, the Company also gives female employees gifts and congratulations on the occasion of Women's Day (March 8th) and Vietnamese Women'd Day (October 20th).



Employees' Income:

The policy of paying according to labor productivity motivates employees to work more efficiently and creatively. As a result, business results of 2018 have seen positive growth and the average income of employees also increased accordingly.

Employee stock purchase plan (ESPP):

In addition to income from salary, managers and employees having excellent achievements and contributing to the development of the Company also benefit from ESPP. This is an important tool to help the Company attract and retain talents and help employees increase their income and ownership in the Company. Synthesis of this two-way relationship guarantees Gemadept's sustainable development.

2. Human resources development:

People are an essential resource determining the success of Gemadept. Therefore, the Company always focuses on developing young employees who are dynamic, enthusiastic, and willing to dedicate to the Company.

Employees at Gemadept are treated equally and transparently in terms of benefits, promotion and rewards according to their performance. They are encouraged to be creative to make differences in business.

In addition, the Company always pays great attention to the quality of human resources by managing quality of recruitment, organizing intensive training programs to meet future needs.

In 2018, aiming to sustainable development of human resources and a professional and effective working environment, the Company has cooperated with leading consultants such as Talentnet and

Toppon to implement many strategic projects of human resources, including projects of company culture, leader mindset training, functional matrix and job description, and building BSC and KPIs. Gemadept also launched a software of human resource to systematize and manage all personnel, compensation, helping to increase labor efficiency management of human resource throughout the corporation.

Training programs on customer services have been widely organized in the Company and its subsidiaries, for all employees communicate with customers during their works. These training programs have improved attitude towards customers and service quality.

Acknowledging the important role of middle management in accomplishing the 2020 vision and strategic objective, the Company, together with Corporate Training Solutions company, organized a three-month training course for the middle management, in which they are provided with intensive knowledge and skills of management as well as necessary tools to help them perform their tasks creatively and confidently.

In the upcoming time, many projects are and will be put into operation, hence, developing high quality human resources is one of the key tasks. Gemadept will continue to carry out training programs to upgrade professional skills and soft skills for employees.

The Company will give more and more focus for developing human resources and competent successors to promote Gemadept's culture and to facilitate sustainable development and longevity



STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Gemadep Corporation (hereinafter referred to as “the Corporation”) presents this statement together with the Consolidated Financial Statements for the fiscal year ended 31 December 2018 including the Financial Statements of the Corporation and those of its subsidiaries (hereinafter collectively referred to as “the Group”).

Business highlights:

Gemadep Corporation has been operating under the Business Registration Certificate No. 0301116791, registered for the 1st time on 01 November 1993 and amended for the 23rd time on 03 December 2018 granted by Ho Chi Minh City Department of Planning and Investment.

Head office

Address : No. 6 Le Thanh Ton Street,
Ben Nghe Ward, District 1,
Ho Chi Minh City, Vietnam.
Tel : (84-28) 38 236 236
Fax : (84-28) 38 235 236

Board of Management and Executive Officers

The Board of Management and the Executive Officers of the Corporation during the year and as of the date of this statement include:

THE BOARD OF MANAGEMENT	
Full name	Position
Mr. Do Van Nhan	Chairman
Mr. Chu Duc Khang	Vice Chairman
Mr. Phan Thanh Loc	Vice Chairman
Mr. Do Van Minh	Member
Mr. Vu Ninh	Member
Ms. Nguyen Minh Nguyet	Member
Ms. Bui Thi Thu Huong	Member
Mr. Bolat Duisenov	Member
Mr. David Do	Member
Ms. Le Thuy Huong	Member
Ms. Ha Thu Hien	Member
Mr. Pham Hong Hai	Member (resigned)
Mr. Pham Tien Tinh	Member (resigned)

The Corporation has been consistent with its strategy to develop core businesses and to selectively diversify business sectors. The business scopes of the Corporation include port operation, logistics, forestry and real estate.

- **Port operation:** Operating a port system stretching from the North to the South, in big cities and at major industrial zones: Phuoc Long Port, Nam Hai Port, Nam Hai Dinh Vu Port, Nam Dinh Vu Port, Dung Quat Port, Binh Duong Port and Nam Hai ICD Port; investing in the project of Gemalink Cai Mep Deep-sea Container Port;

- **Logistics:** Distribution centers; container liner services; project cargo transport; multi-modal transport, ship and crew management; shipping agency and freight forwarding services; air-cargo terminal, etc.;

- **Forestry:** Planting, exploiting and processing rubber trees and other industrial crops in Cambodia.

- **Real estate:** Building and operating commercial centers, hotels, office buildings in big cities of Vietnam and Indochina including Saigon Gem Mixed-use Development project and Gemadep Mixed-use Development project in Vientiane- Laos.

Legal Representative

The Corporation's legal representative during the year and as of the date of this statement is Mr. Do Van Minh – General Director (reappointed on 08 June 2018).

Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Group's Consolidated Financial Statements for the fiscal year ended 31 December 2018.

Responsibilities of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation of the Consolidated Financial Statements to give a true and fair view of the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group during the year. In order to prepare these Consolidated Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the accounting standards applied to the Group are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements;
- prepare the Consolidated Financial Statements of the Group on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Consolidated Financial Statements are free from material misstatements due to frauds or errors.

THE CONTROL BOARD	
Full name	Position
Mr. Luu Tuong Giai	Chief of the Board
Ms. Vu Thi Hoang Bac	Member
Mr. Tran Duc Thuan	Member
Ms. Phan Cam Ly	Member
Ms. Tran Hoang Ngoc Uyen	Member

THE BOARD OF DIRECTORS	
Full name	Position
Mr. Do Van Minh	General Director
Mr. Chu Duc Khang	Deputy General Director
Mr. Pham Quoc Long	Deputy General Director
Mr. Nguyen Thanh Binh	Deputy General Director
Mr. Tran Quang Tien	Deputy General Director (resigned)

The Board of Directors hereby ensures that all the accounting books have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Consolidated Financial Statements.

Approval on the Financial Statements

The Board of Directors of the Corporation approves the accompanying Consolidated Financial Statements, which give a true and fair view of the consolidated financial position of the Group as of 31 December 2018, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended in conformity with the Vietnamese Accounting Standards and System and other legal regulations related to the preparation and presentation of the Consolidated Financial Statements.

Ho Chi Minh City, 10 April 2019
For and on behalf of the Board of Directors,



Do Van Minh
General Director

No. 1.0903/19/TC-AC

INDEPENDENT AUDITOR'S REPORT

To: **THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND
THE BOARD OF DIRECTORS GEMADEPT CORPORATION**

We have audited the accompanying Consolidated Financial Statements of Gemadept Corporation (hereinafter referred to as "the Corporation") and its subsidiaries (hereinafter collectively called "the Group"), which were prepared on 25 March 2019 (from page 206 to page 224), including the Consolidated Balance Sheet as of 31 December 2018, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

Responsibility of the Board of Directors

The Corporation's Board of Directors is responsible for the preparation, true and fair presentation of the Consolidated Financial Statements of the Group in accordance with the Vietnamese Accounting Standards and System as well as the legal regulations related to the preparation and presentation of the Consolidated Financial Statements; and responsible for the internal control as the Board of Directors determines necessary to enable the preparation and presentation of the Consolidated Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements of the Group are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion of Auditors

In our opinion, the Consolidated Financial Statements referred to above, give a true and fair view, in all material respects, of the consolidated financial position as of 31 December 2018, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and System as well as legal regulations related the preparation and presentation of Consolidated Financial Statements.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.



Nguyen Minh Tri
Deputy General Director

Audit Practice Registration Certificate
No. 0089-2018-008-1

Ho Chi Minh City, 10 April 2019

Hoang Thai Vuong
Auditor

Audit Practice Registration Certificate
No. 2129-2018-008-1

CONSOLIDATED BALANCE SHEET

For the fiscal year ended 31 December 2018

Unit: VND

ITEMS	CODE	NOTE	ENDING BALANCE	BEGINNING BALANCE
A CURRENT ASSETS	100		1,391,476,968,171	2,223,117,121,083
I. Cash and cash equivalents	110	V.1	172,567,048,493	779,802,200,597
1. Cash	111		152,567,048,493	494,938,359,637
2. Cash equivalents	112		20,000,000,000	284,863,840,960
II. Short-term financial investments	120		112,264,578,609	113,000,452,720
1. Trading securities	121	V.2a	140,694,265,680	140,694,265,680
2. Provisions for devaluation of trading securities	122	V.2a	(61,529,687,071)	(74,153,531,152)
3. Held-to-maturity investments	123	V.2b	33,100,000,000	46,459,718,192
III. Short-term receivables	130		948,717,189,064	1,127,689,185,681
1. Short-term trade receivables	131	V.3	415,572,537,439	619,894,329,405
2. Short-term prepayments to suppliers	132	V.4a	313,407,557,232	306,179,387,814
3. Short-term inter-company receivables	133		-	-
4. "Receivable according to the progress of construction contract"	134		-	-
5. Receivables for short-term loans	135	V.5a	25,110,000,000	15,780,000,000
6. Other short-term receivables	136	V.6a	204,403,043,787	199,721,186,951
7. Allowance for short-term doubtful debts	137	V.7	(9,775,949,394)	(13,885,718,489)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140	V.8	65,547,974,159	107,800,595,571
1. Inventories	141		68,666,483,779	110,858,381,291
2. Allowance for inventories	149		(3,118,509,620)	(3,057,785,720)
V. Other current assets	150		92,380,177,846	94,824,686,514
1. Short-term prepaid expenses	151	V.9a	18,685,914,248	11,702,482,727
2. Deductible VAT	152		67,247,820,601	79,350,944,882
3. Taxes and other receivables from the State	153	V.18	6,446,442,997	3,771,258,905
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

ITEMS	CODE	NOTE	ENDING BALANCE	BEGINNING BALANCE
B - NON-CURRENT ASSETS	200		8,592,586,275,948	9,068,100,086,189
I. Long-term receivables	210		54,548,228,370	127,490,383,350
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212	V.4b	358,000,000	358,000,000
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216	V.6b	54,190,228,370	127,132,383,350
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		3,404,108,820,531	3,208,464,134,770
1. Tangible fixed assets	221	V.10	2,919,498,474,108	2,827,737,097,831
- Historical cost	222		4,493,007,287,938	4,816,531,395,729
- Accumulated depreciation	223		(1,573,508,813,830)	(1,988,794,297,898)
2. Financial leased assets	224	V.11	203,471,422,418	64,828,449,857
- Historical cost	225		259,292,255,153	92,987,286,021
- Accumulated depreciation	226		(55,820,832,735)	(28,158,836,164)
3. Intangible fixed assets	227	V.12	281,138,924,005	315,898,587,082
- Initial cost	228		346,696,893,881	375,212,554,403
- Accumulated amortization	229		(65,557,969,876)	(59,313,967,321)
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		1,707,554,353,910	2,457,808,973,398
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.13	1,707,554,353,910	2,457,808,973,398
V. Long-term financial investments	250		2,631,526,440,205	2,310,194,997,897
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2c	2,408,854,342,493	2,198,035,895,580
3. Investments in other entities	253	V.2d	238,333,032,000	238,333,032,000
4. Provisions for devaluation of long-term financial investments	254	V.2d	(15,660,934,288)	(126,173,929,683)
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		794,848,432,932	964,141,596,774
1. Long-term prepaid expenses	261	V.9b	709,062,974,706	837,630,679,562
2. Deferred income tax assets	262	V.14	30,485,029,379	33,016,627,000
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269	V.15	55,300,428,847	93,494,290,212
TOTAL ASSETS	270		9,984,063,244,119	11,291,217,207,272

CONSOLIDATED BALANCE SHEET (Cont.)

For the fiscal year ended 31 December 2018

Unit: VND

ITEMS	CODE	NOTE	ENDING BALANCE	BEGINNING BALANCE
C - LIABILITIES	300		3,455,080,797,582	4,196,680,125,183
I. Current liabilities	310		1,564,164,959,918	2,676,231,766,155
1. Short-term trade payables	311	V.16	403,579,649,960	761,273,221,507
2. Short-term advances from customers	312	V.17	4,780,274,288	44,834,320,046
3. Taxes and other obligations to the State Budget	313	V.18	31,037,822,817	42,803,370,054
4. Payables to employees	314	V.19	64,434,393,519	101,245,754,112
5. Short-term accrued expenses	315	V.20	167,617,217,603	317,045,083,559
6. Short-term inter-company payables	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	9,500,000
9. Other short-term payables	319	V.21a	108,740,670,393	580,734,276,203
10. Short-term borrowings and financial leases	320	V.22a	675,007,320,722	714,513,339,980
11. Provisions for short-term payables	321	V.23	66,507,460,107	66,971,291,211
12. Bonus and welfare funds	322	V.24	42,460,150,509	46,801,609,483
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		1,890,915,837,664	1,520,448,359,028
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336	V.25	230,488,858,099	231,677,582,133
7. Other long-term payables	337	V.21b	68,333,658,840	61,593,495,590
8. Long-term borrowings and financial leases	338	V.22b	1,591,981,449,040	1,220,610,259,547
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341	V.26	111,871,685	6,567,021,758
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

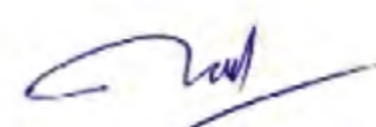
CONSOLIDATED BALANCE SHEET (Cont.)

For the fiscal year ended 31 December 2018

Unit: VND

ITEMS	CODE	NOTE	ENDING BALANCE	BEGINNING BALANCE
D - OWNER'S EQUITY	400		6,528,982,446,537	7,094,537,082,089
I. Owner's equity	410		6,528,982,446,537	7,094,537,082,089
1. Capital	411	V.27	2,969,249,570,000	2,882,769,570,000
- Ordinary shares carrying voting rights	411a		2,969,249,570,000	2,882,769,570,000
- Preferred shares	411b		-	-
2. Share premiums	412	V.27	1,941,832,197,040	1,941,832,197,040
3. Bond conversion options	413		-	-
4. Other sources of capital	414	V.27	71,797,775,902	71,797,775,902
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417	V.27	88,120,738,511	65,512,288,857
8. Investment and development fund	418	V.27	140,506,685,321	140,506,685,321
9. Business arrangement supporting fund	419		-	-
10. Other funds	420	V.27	127,122,474,017	128,055,807,347
11. Retained earnings	421	V.27	541,644,403,653	1,113,091,207,224
- Retained earnings accumulated to the end of the previous period	421a		-	1,113,091,207,224
- Retained earnings of the current period	421b		541,644,403,653	-
12. Construction investment fund	422		-	-
13. Benefits of non-controlling shareholders	429	V.27	648,708,602,093	750,971,550,398
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		9,984,063,244,119	11,291,217,207,272

Ho Chi Minh City, 25 March 2019



Pham Quang Huy
Preparer



Nguyen Minh Nguyen
Chief Accountant



Do Van Minh
General Director

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2018

Unit: VND

ITEMS	CODE	NOTE	CURRENT YEAR	PREVIOUS YEAR
1. Sales	01	VI.1	2,707,556,390,735	3,990,532,084,494
2. Sales deductions	02		-	6,569,407,882
3. Net sales	10		2,707,556,390,735	3,983,962,676,612
4. Cost of sales	11	VI.2	1,739,451,058,619	2,954,816,507,075
5. Gross profit	20		968,105,332,116	1,029,146,169,537
6. Financial income	21	VI.3	1,625,363,701,675	173,076,431,925
7. Financial expenses	22	VI.4	43,698,716,269	145,904,768,287
<i>In which: Loan interest expenses</i>	23		128,796,150,372	143,856,433,218
8. Gain or loss in joint ventures, associates	24	V.2c	132,537,689,049	108,693,530,262
9. Selling expenses	25	VI.5	102,006,248,164	87,241,075,658
10. General and administration expenses	26	VI.6	320,526,194,092	344,481,363,099
11. Net operating profit	30		2,259,775,564,315	733,288,924,680
12. Other income	31	VI.7	29,311,992,257	60,614,141,614
13. Other expenses	32	VI.8	106,947,870,911	143,448,248,481
14. Other profit/ (loss)	40		(77,635,878,654)	(82,834,106,867)
15. Total accounting profit before tax	50		2,182,139,685,661	650,454,817,813
16. Current income tax	51	V.18	285,761,875,411	79,204,813,688
17. Deferred income tax	52	VI.9	(3,872,615,152)	(10,186,272,749)
18. Profit after tax	60		1,900,250,425,402	581,436,276,874
19. Profit after tax of the Parent Company	61		1,847,718,123,862	507,884,325,371
20. Profit after tax of non-controlling shareholders	62		52,532,301,540	73,551,951,503
21. Basic earnings per share	70	VI.10	6,207	1,962
22. Diluted earnings per share	71	VI.10	6,207	1,962

Ho Chi Minh City, 25 March 2019



Pham Quang Huy
Preparer



Nguyen Minh Nguyet
Chief Accountant



Do Van Minh
General Director

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2018

Unit: VND

ITEMS	CODE	NOTE	CURRENT YEAR	PREVIOUS YEAR
I. Cash flows from operating activities				
1. Profit before tax	01		2,182,139,685,661	650,454,817,813
2. Adjustments				
- Depreciation of fixed assets and investment properties	02		335,232,703,722	311,224,396,453
- Provisions and allowances	03	V.2, V.7	(122,892,338,839)	(31,199,526,664)
- Exchange gain/ (loss) due to revaluation of monetary items in foreign currencies	04	VI.3, VI.4	17,639,944,462	(1,214,025,035)
- Gain/ (loss) from investing activities	05	VI.3, VI.7, VI.8	(1,523,621,758,771)	(117,858,891,134)
- Interest expenses	06	VI.4	128,796,150,372	143,856,433,218
- Others	07		-	-
3. Operating profit before changes of working capital	08		1,017,294,386,607	955,263,204,651
- Increase/ (decrease) of receivables	09		12,097,650,902	123,714,499,644
- Increase/ (decrease) of inventories	10		15,577,001,482	(20,762,926,627)
- Increase/ (decrease) of payables	11		(16,602,255,057)	(225,610,296,499)
- Increase/ (decrease) of prepaid expenses	12		(48,506,138,875)	5,965,976,929
- Increase/ (decrease) of trading securities	13		-	2,064,388,947
- Interests paid	14	V.20, V.21, VI.4	(131,292,119,030)	(103,635,847,809)
- Corporate income tax paid	15	V.18	(273,268,027,773)	(72,856,054,832)
- Other cash inflows	16		-	-
- Other cash outflows	17		(30,015,000,134)	(31,266,279,011)
Net cash flows from operating activities	20		545,285,498,122	632,876,665,393

CONSOLIDATED CASH FLOW STATEMENT (Cont.)

For the fiscal year ended 31 December 2018

Unit: VND

ITEMS	CODE	NOTE	CURRENT YEAR	PREVIOUS YEAR
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21		(875,894,805,990)	(1,148,149,211,349)
2. Proceeds from disposals of fixed assets and other non-current assets	22		23,738,902,504	22,481,268,448
3. Cash outflow for lending, buying debt instruments of other entities	23		(180,657,840,992)	(49,659,718,192)
4. Cash recovered from lending, selling debt instruments of other entities	24		187,092,840,992	76,800,000,000
5. Investments into other entities	25		(238,367,453,817)	(24,596,000,000)
6. Withdrawals of investments in other entities	26		1,875,037,192,464	154,654,500,000
7. Interest earned, dividends and profits received	27	V.2, V.6, VI.3	217,066,104,801	127,614,880,989
Net cash flows from investing activities	30		1,008,014,939,962	(840,854,280,104)

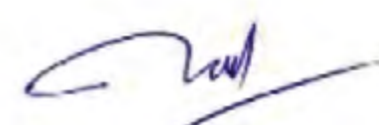
CONSOLIDATED CASH FLOW STATEMENT (Cont.)

For the fiscal year ended 31 December 2018

Unit: VND

ITEMS	CODE	NOTE	CURRENT YEAR	PREVIOUS YEAR
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		86,480,000,000	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33		1,245,028,811,235	853,366,668,224
4. Repayment for loan principal	34		(618,723,219,047)	(528,949,247,431)
5. Payments for financial leased assets	35		(31,919,524,446)	(19,821,961,924)
6. Dividends and profit paid to the owners	36		(2,840,778,555,486)	(40,196,768,938)
Net cash flows from financing activities	40		(2,159,912,487,744)	264,398,689,931
Net cash flows during the year	50		(606,612,049,660)	56,421,075,220
Beginning cash and cash equivalents	60	V.1	779,802,200,597	724,469,956,298
Effects of fluctuations in foreign exchange rates	61		(623,102,444)	(1,088,830,921)
Ending cash and cash equivalents	70	V.1	172,567,048,493	779,802,200,597

Ho Chi Minh City, 25 March 2019



Pham Quang Huy
Preparer



Nguyen Minh Nguyet
Chief Accountant



Do Van Minh
General Director

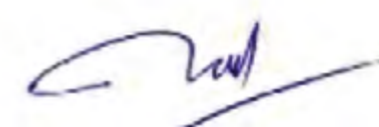
APPENDIX 01: THE OWNERSHIP OF THE GROUP IN JOINT-VENTURES, ASSOCIATES

For the fiscal year ended 31 December 2018

Unit: VND

	Beginning value of the ownership	Capital contribution during the year	Increase due to transfer and receipt of transfer	Gain or loss during the year	Dividends and profit shared during the year	Appropriation for bonus and welfare funds	Transfer value	Other decrease	Ending value of the ownership
Gemadept – Terminal Link Cai Mep Terminal J.S.C.	1,367,125,745,238	-	-	(12,820,960,675)	-	-	-	-	1,354,304,784,563
Saigon Cargo Service Corporation (SCSC Corp.)	512,978,204,979	-	27,194,453,817	139,640,433,847	(184,685,117,500)	(2,914,400,000)	-	-	492,213,575,143
CJ Gemadept Logistics Holdings Company Limited	-	-	133,411,196,946	26,633,679,323	-	(19,025,599)	-	-	160,025,850,670
"K" Line – Gemadept Logistics Co., Ltd.	78,701,261,236	36,649,000,000	-	(3,599,290,693)	-	(136,195,800)	-	-	111,614,774,743
Golden Globe Co., Ltd.	89,355,403,136	6,969,000,000	-	(396,573,410)	-	-	-	(1,332,245,640)	94,595,584,086
CJ Gemadept Shipping Holdings Company Limited	-	-	111,805,652,124	(20,308,408,247)	-	-	-	-	91,497,243,877
Golden Globe Trading Company Limited	77,882,534,978	-	-	3,803,833,711	-	-	-	(17,673,323,247)	64,013,045,442
United Food J.S.C.	32,770,982,211	-	-	(1,391,759,094)	-	-	-	(1,930,264,765)	29,448,958,352
Power Transportation and Service J.S.C (Potraco)	27,555,359,395	-	-	124,344,068	-	-	(27,679,703,463)	-	-
Other joint-ventures, associates	11,666,404,407	-	-	852,390,219	(1,157,040,000)	(221,229,009)	-	-	11,140,525,617
Total	2,198,035,895,580	43,618,000,000	272,411,302,887	132,537,689,049	(185,842,157,500)	(3,290,850,408)	(27,679,703,463)	(20,935,833,652)	2,408,854,342,493

Ho Chi Minh City, 25 March 2019



Pham Quang Huy
Preparer



Nguyen Minh Nguyet
Chief Accountant



Do Van Minh
General Director

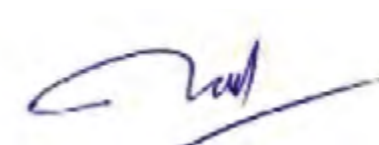
APPENDIX 02: INCREASES/ (DECREASES) OF CONSTRUCTION-IN-PROGRESS

For the fiscal year ended 31 December 2018

Unit: VND

	Beginning balance	Increase during the year	Inclusion into fixed assets during the year	Other decrease	Ending balance
Acquisition of fixed assets	396,188,491,516	45,091,347,967	(372,694,430,718)	(690,000,000)	67,895,408,765
Construction-in-progress	2,061,620,481,882	322,410,758,164	(625,161,687,241)	(119,210,607,660)	1,639,658,945,145
- Rach Chiec Residential Area	51,165,085,825	-	-	-	51,165,085,825
- Pacific Pride Rubber Trees	704,723,258,140	59,672,954,370	-	(22,458,143,880)	741,938,068,630
- Pacific Pearl Rubber Trees	358,756,768,260	32,871,215,218	(141,379,548)	(10,331,132,260)	381,155,471,670
- Pacific Lotus Rubber Trees	472,932,713,220	30,148,609,080	-	(37,681,003,280)	465,400,319,020
- Hau Giang Warehouse	36,855,889,212	-	-	(36,855,889,212)	-
- Nam Dinh Vu Port	394,552,832,185	165,900,892,542	(560,453,724,727)	-	-
- Other projects	42,633,935,040	33,817,086,954	(64,566,582,966)	(11,884,439,028)	-
Total	2,457,808,973,398	367,502,106,131	(997,856,117,959)	(119,900,607,660)	1,707,554,353,910

Ho Chi Minh City, 25 March 2019



Pham Quang Huy
Preparer



Nguyen Minh Nguyet
Chief Accountant



Do Van Minh
General Director

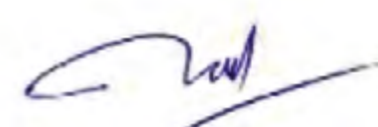
APPENDIX 03: STATEMENT ON FLUCTUATION IN OWNER'S EQUITY

For the fiscal year ended 31 December 2018

Unit: VND

	Capital	Share premiums	Other sources of capital	Exchange difference	Investment and development fund	Other funds	Retained earnings	Benefits of non-controlling shareholders	Total
Beginning balance of the previous year	1,794,322,810,000	1,872,171,604,400	71,797,775,902	62,531,779,733	131,005,909,687	103,480,642,037	1,134,111,091,412	700,475,825,589	5,869,897,438,760
Capital increased during the year	1,088,446,760,000	69,660,592,640	-	-	-	-	-	101,264,966,449	1,259,372,319,089
Capital decreased during the year	-	-	-	-	-	-	-	(7,450,450,000)	(7,450,450,000)
Profit during the year	-	-	-	-	-	-	507,884,325,371	73,551,951,503	581,436,276,874
Appropriation for funds	-	-	-	-	12,847,582,653	25,695,165,306	(38,542,747,959)	-	-
Appropriation for bonus and welfare funds	-	-	-	-	-	-	(56,970,275,464)	(1,517,729,892)	(58,488,005,356)
Dividends shared during the year	-	-	-	-	-	-	(432,415,435,500)	(79,694,266,003)	(512,109,701,503)
Disbursement during the year	-	-	-	-	-	(1,119,999,996)	-	-	(1,119,999,996)
Decrease due to sales of subsidiaries	-	-	-	-	(3,346,807,019)	-	-	(35,658,552,098)	(39,005,359,117)
Other increases/ (decreases)	-	-	-	2,980,509,124	-	-	(975,750,636)	(195,150)	2,004,563,338
Ending balance of the previous year	2,882,769,570,000	1,941,832,197,040	71,797,775,902	65,512,288,857	140,506,685,321	128,055,807,347	1,113,091,207,224	750,971,550,398	7,094,537,082,089
Beginning balance of the current year	2,882,769,570,000	1,941,832,197,040	71,797,775,902	65,512,288,857	140,506,685,321	128,055,807,347	1,113,091,207,224	750,971,550,398	7,094,537,082,089
Capital increased during the year	86,480,000,000	-	-	-	-	-	-	-	86,480,000,000
Profit during the year	-	-	-	-	-	-	1,847,718,123,862	52,532,301,540	1,900,250,425,402
Appropriation for funds during the year	-	-	-	-	-	-	(40,962,084,068)	(388,962,045)	(41,351,046,113)
Dividends shared during the year	-	-	-	-	-	-	(2,319,187,656,000)	(48,102,644,561)	(2,367,290,300,561)
Disbursement during the year	-	-	-	-	-	(933,333,330)	-	-	(933,333,330)
Decrease due to transfer, dissolution of subsidiaries	-	-	-	-	-	-	(39,411,599,353)	(106,303,643,239)	(145,715,242,592)
Other increases/ (decreases)	-	-	-	22,608,449,654	-	-	(19,603,588,012)	-	3,004,861,642
Ending balance of the current year	2,969,249,570,000	1,941,832,197,040	71,797,775,902	88,120,738,511	140,506,685,321	127,122,474,017	541,644,403,653	648,708,602,093	6,528,982,446,537

Ho Chi Minh City, 25 March 2019



Pham Quang Huy
Preparer



Nguyen Minh Nguyet
Chief Accountant



Do Van Minh
General Director

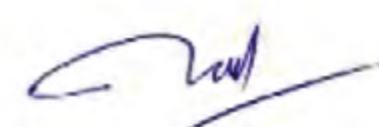
APPENDIX 04: SEGMENT INFORMATION ACCORDING TO THE BUSINESS SEGMENTS (Cont.)

For the fiscal year ended 31 December 2018

Unit: VND

	Port operation	Logistic services	Trading real estate	Planting rubber trees	Deductions	Total
Ending balance						
Direct assets of segment	4,737,958,643,540	2,348,721,447,578	156,904,086,989	2,493,378,341,067		9,736,962,519,174
Unallocated assets						247,100,724,945
Total assets						9,984,063,244,119
Direct liabilities of segment	1,482,684,176,733	943,792,575,558	-	1,002,576,950,853	-	3,429,053,703,144
Unallocated liabilities						26,027,094,438
Total liabilities						3,455,080,797,582
Beginning balance						
Direct assets of segment	4,146,931,845,374	3,392,769,827,332	151,893,467,233	2,814,106,267,176	-	10,505,701,407,115
Unallocated assets						785,515,800,157
Total assets						11,291,217,207,272
Direct liabilities of segment	1,426,404,870,008	1,732,170,375,736	-	969,994,688,299	-	4,128,569,934,043
Unallocated liabilities						68,110,191,140
Total liabilities						4,196,680,125,183

Ho Chi Minh City, 25 March 2019



Pham Quang Huy
Preparer



Nguyen Minh Nguyet
Chief Accountant



Do Van Minh
General Director

THAY ĐỔI ĐỂ TRỞ THÀNH DOANH NGHIỆP HÀNG ĐẦU
CHANGE TO BE THE BEST



GEMADEPT CORPORATION

21st Fl., 6 Le Thanh Ton St., Ben Nghe Ward,
Dist. 1, Ho Chi Minh City, Vietnam

Tel: (84-28) 38 236 236

Fax: (84-28) 38 235 236

Email: info@gemadept.com.vn

Website: www.gemadept.com.vn