Mitigating Risks by Corporate Practices

Submitted by: Vietfracht
WARMEST GREETING TO
Asia-Pacific Economic Cooperation
Secure Trade in the APEC Region
27 - 28 June 2007 Sydney, Australia
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Mitigating Risks
By Corporate Practices

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About VIETFRACHT

Socialist Republic of Vietnam

| Capital: | Hanoi |
| Main cities: | Ho Chi Minh, Hanoi, Danang, Cantho |
| Area: | 331,690 square km |
| Population: | 83 millions (up to Oct. 2006) |
| Religion: | Mahayana, Buddhism |
| Language: | Vietnamese |
| Literacy: | 96% |
| Economy: | Industry, petroleum, metallurgy, food processing, chemicals, paper products, engineering, textiles... |
| Exports: | rubber, tea, coffee, rice, crude oil, fish, shrimp... |

Main scopes of Vietfracht

1. Shipping
2. Chartering & Shipbroking
3. Shipping Agency
4. Freight Forwarding & Logistics
5. Trucking & Warehousing
Vietfracht will ensure to solve successfully any problem in the movement and handling of cargo as required!

• Member of the following International Organizations:
  - Baltic & International Maritime Council (BIMCO)
  - International Federation of Freight Forwarder Association (FIATA)
  - The federation of National of Shipbroker & Agents (FONASBA)
  - The ASEAN Freight forwarder Association (AFA)

• Member of the following Vietnam Organizations:
  - Vietnam Ship-Owners Association (VSA)
  - Vietnam Ship Agents and Brokers Association (VISABA)
  - Vietnam Freight Forwarders Association (VIFFAS)
  - Vietnam Chamber of Commerce and Industry (VCCI)
WHAT IS RISK?

NEGATIVE IMPACT
PRESEN EVENT?

PROPERTY,
SERVICE

FUTURE EVENT

TO AVOID

MITIGATING LOSS
WHERE RISKS OCCUR

SUSTAINING RISKS

Risks by characters

1. Foreseeable risks
2. Unforeseeable risks

MITIGATING FORESEEABLE RISKS

- FREQUENTLY UPDATING BUSINESS INFORMATION, LAW AND REGULATION.
- FAMILIARIZING THEMSELVES WITH CONSULTING ACTIVITIES (BOTH IN LEGAL ASPECTS AND BUSINESS CONSULTANCY).
- THINKING OF CONSULTANCY AS A VITAL FACTOR TO ENSURE SAFETY AND EFFICIENCY (TWO UTMOST IMPORTANT GOALS).

To mitigate unforeseeable risks

Suitable insurance
Making sufficient reserves
Making Before-risks distribution

RISKS BY INVESTMENT PROCESS

- Risks in feasibility study period.
- Risks in project or business management.
- Risks in business.

Mitigating investment process risks

✓ Well managing company business.
✓ Doing business at one’s own capacity.
✓ Duly investigating company’s partners and customers.
To effectively prevent risks and sufferings

- Analyzing business result & financial status.
- Systematically organizing enterprise admin.
- Well collecting and processing information.
- Develop & strictly observe security rules.
- Following procedure in contract processing.