

GEMADEPT CORPORATION

Address: No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 2009

The consolidated financial statements of Gemadept Corporation for the fiscal year ended 31 December 2009 include the financial statements of Gemadept Corporation and its subsidiaries (herein referred to as “the Group”).

I. OPERATION FEATURES

- 1. Investment form** : A joint stock company.
- 2. Operating field** : Exploiting port services, transportation and logistic services.
- 3. Main operations** :
 - To invest, to build and to operate sea port, river port, air cargo terminal. To perform all kinds of stevedoring services.
 - To offer multi-modal transport services, to transport passengers and all kinds of cargo including containers, out of gauge cargo by sea, air, river way and inland trucking.
 - To provide Logistics services; to build, to operate, and to trade all kinds of warehouses and yard; to provide customs brokerage.
 - To provide shipping agency services, shipping agency services, freight forwarding services, ship’s chandler and other related shipping services.
 - To sell, purchase, manage, operate, repair, newly build and charter all types of ocean vessels, river ships, containers, cranes, forklifts and other equipments, materials, spare parts for transportation, port operation and logistics.
 - To manage and man crew members.
 - To undertake direct import and export. To act as petrol trading agency. To exploit mineral.
 - To invest, construct, manage, trade and operate real estates, office buildings, restaurants, catering services, hotels, apartments, residential area, trading center and industrial park and resorts..
 - To undertake financial investment; to trade stocks; to make financial contribution to banks, securities companies, fund management companies and to involve in other financial activities.
 - To undertake other business activities which are decided by the Board of Management in each particular period in accordance with the regulations of the laws and as registered to the relevant authorities.

- 4. Number of subsidiaries** : 13

In which:

Number of subsidiaries consolidated: 12

Number of subsidiaries not consolidated: 01.

In the year 2009, the fact that Sinokor Vietnam Co., Ltd., the company’s subsidiary, has additionally received 2% of its capital investment from Gemadept Corporation has made the rate of capital ownership of Gemadept Corporation in this company increase to 49%. Therefore, in 2009, the amount of investment into Sinokor Vietnam Co., Ltd. will be presented in the consolidated financial statements in accordance with the method of owner’s equity.

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5. List of subsidiaries to be consolidated

<i>Subsidiaries</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
Gemadept (Singapore) Ltd.	120 Lower Delta Road, #15-14/15Cendex Centre, Singapore.	100,00 %	100,00 %
Gemadept (Malaysia) Ltd.	No.49B, Jalan Cungah, 42000 Port Klang, Selangor Darul Ehsan, Malaysia.	100,00 %	100,00 %
V.N.M General Transportation Service Co., Ltd.	22 nd floor, Gemadept Building, No. 2Bis-4-6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00 %	100,00 %
Phuoc Long Port Co., Ltd.	19 th floor, Gemadept Building, No. 2Bis-4-6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00 %	100,00 %
Gemadept Logistics Co., Ltd.	Lot J1, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong Province, Vietnam.	100,00 %	100,00 %
Gemadept Infrastructures Development and Investment Construction J.S.C	No. 142, Nguyen Thong, Ward 3, Tan An Town, Long An Province, Vietnam.	50,00%	50,00%
Gemadept – Vung Tau Corporation	No. 1/1A Pham Hong Thai, Ward 7, Vung Tau City, Vietnam.	70,00%	70,00%
Gemadept Dung Quat International Port J.S.C	Port No. 1 – Dung Quat Port, Binh Thuan Commune, Binh Son District, Quang Ngai Province, Vietnam.	66,20%	66,20%
ISS - Gemadept Co., Ltd.	No. 8, Nguyen Hue, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	51,00 %	51,00 %
Gemadept Hai Phong Co., Ltd.	No. 452 Le Thanh Tong, Van My Ward, Ngo Quyen District, Hai Phong City, Vietnam.	100,00 %	100,00 %
Hoa Sen - Gemadept Logistics and International Port Corporation	No. 05-07, 3/2 Street, Ward 8, Vung Tau City, Ba Ria-Vung Tau Province, Vietnam	51,00%	51,00%
Truong Tho Tourism and Transportation J.S.C (*)	Quarter 7, Truong Tho Ward, Thu Duc District, Ho Chi Minh City, Vietnam.	26,00%	52,00%

(*) Gemadept Corporation has controled Truong Tho Tourism and Transportation J.S.C according to the Vietnamese Accounting Standard No. 25. On the other hand, the company has been given the authority to reach the voting right rate of 52% in the shareholders' meetings by some shareholders.

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Notes to the consolidated financial statements (cont.)**6. Subsidiaries which have not been consolidated in the consolidated financial statements for the year 2009**

<i>Subsidiary</i>	<i>Address</i>	<i>Reason</i>
Gemadept Nhon Hoi International Port Joint Stock Company	No. 98 Pham Hung, Quy Nhon City, Binh Dinh Province, Vietnam	Temporarily stopped operating.

7. List of key associates reflected in the consolidated financial statements in accordance with the method of owner's equity:

<i>Associates</i>	<i>Addresses</i>	<i>Rate of capital ownership</i>
MBN-GMD Vietnam	No. 2 Bis 4-6 Le Thanh Ton, District 1, Ho Chi Minh City, Vietnam.	34,00 %
Vung Tau Commercial Port J.S.C (VCP)	No. 973, 30 April Street, Ward 11, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam.	26,78%
Vinh Hao Mineral Water J.S.C	No. 72, 19 April Street, Xuan An Ward, Binh Thuan Province, Vietnam.	29,00%
Potraco	No. 112, Ngo Quyen Street, Ngo Quyen District, Hai Phong City, Vietnam.	38,00%
Schenker Gemadept Logistics Vietnam Co., Ltd.	Lot J2, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong Province, Vietnam.	49,00%
Huynhai Merchant Marine Vietnam Co., Ltd.	12 th Floor, Fideco Building, 81-85 Ham Nghi, District 1, Ho Chi Minh City, Vietnam.	49,00%
Minh Dam Tourism J.S.C	Hai Tan Quarter, Phuoc Hai Town, Dat Do District, Ba Ria – Vung Tau Province, Vietnam.	40,00%
Saigon Cargo Service Corporation	A2 Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.	23,00%
Lion Lord Corporation	No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	5,00%
Sinokor Vietnam Co., Ltd.	2A-4A Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	49,00%
Nam Hai Port Joint J.S.C	No. 201, May Chai Ward, Ngo Quyen Street, Ngo Quyen District, Hai Phong City, Vietnam.	30,00%
Golden Globe Trading Co., Ltd.	No. 117 Le Loi, District 1, Ho Chi Minh City, Vietnam.	45,00%
Gemadept LCL Cool Logistics	Lot H.04, Road No. 1, Long Hau Industrial Park, Long Hau Commune, Can Giuoc District, Long An Province, Vietnam	49,00%

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II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

The fiscal year of the Group's companies is from 01 January to 31 December annually.

2. Standard currency unit

The items in the financial statements for each entity in the Group are presented on the basis of the currency unit of the country in which that entity has been operating.

The currency unit used in preparation and presentation of the consolidated financial statements is Vietnam Dong (VND).

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting system

The consolidated financial statements are prepared in accordance with the Vietnamese accounting system and standards.

2. Statement on the compliance with the Vietnamese accounting system and standards

The Directors of Gemadept Corporation ensure to follow all the requirements of the prevailing Vietnamese accounting system and standards in the preparation of these consolidated financial statements.

3. Accounting form

Voucher recording.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the consolidated financial statements are prepared in accordance with the historical cost convention.

2. Consolidation bases

Subsidiaries

A subsidiary is an enterprise that is controlled by the parent company. The control exists when the parent company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the options that are currently valid or will be transferred should also be taken into consideration.

The business results of a subsidiary are included in the consolidated financial statements from the date of acquisition, which is the date on which the control of the acquired subsidiary is effectively transferred to the buyer. The business results of a subsidiary disposed are included in the consolidated income statement until the date of disposal.

The difference between the investment expenses and the ownership share of the Group in the fair value of the net recognizable assets of the subsidiary as of the acquisition date is recorded as goodwill.

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Intra-group balances in the balance sheet and intra-group transactions and unrealized profits resulting from these transactions are eliminated when the consolidated financial statements are prepared. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

Business concerns

Business concerns are those in which the Group has significant effects on but not having the control for their financial policies and operations. The consolidated financial statements include profit or loss of the Group in business concerns in accordance with the method of owner's equity from the date of having the effects. If the benefit of the Group in the business concern's loss is larger than or as equal as the book value of investing expenses, the investing expenses presented in the consolidated financial statements will be zero unless the Group has the obligations to settle for business concerns.

Investments in business concerns are presented in the consolidated financial statements in accordance with the owner's equity method and are initially recorded at costs.

The difference between the investment expenses and the ownership share of the Group in the fair value of the net recognizable assets of business concerns as of the acquisition date is recorded as goodwill.

3. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash.

4. Inventories

Inventories are recorded at their original costs. Costs include purchasing expenses, processing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Costs of inventories are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values. Net realizable values are the estimated selling prices of inventories less the estimated expenses on product completion and other necessary expenses on product consumption.

5. Trade receivable and other receivable

Trade receivable and other receivable are recognized at the values on supporting documents and invoices. Provisions for bad debts are made on the basis of the evaluation on the possibility to recover each debt.

6. Tangible fixed assets

Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses during the period.

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When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period.

Fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	5 - 25
Machinery and equipment	5 - 8
Vehicles	5 - 23
Office equipment	3 - 8

7. Financial leasehold assets

A lease of asset is considered a financial lease in case most of the risks and rewards associated with the ownership of that asset belong to the lessee. Fixed assets under financial lease are determined by their historical costs less accumulated depreciation. Historical cost is the lower between the reasonable value of the assets at the starting date of the lease agreement and the current value of the minimum lease payment. The discounting rate used to calculate the current value of the minimum lease payment is the interest rate as agreed by implication or as mentioned in the lease agreement. In case the interest rate as agreed by implication in the lease agreement cannot be determined, the interest rate for loan at the starting date of the lease agreement will be applied.

Fixed assets under financial lease are depreciated in accordance with the straight-line method over their estimated useful lives. In case it is not sure that the company will have the ownership over the asset upon the expiry date of the financial lease contract, the fixed asset must be depreciated at the shorter between the lease period and the estimated useful life. The depreciation years of the fixed assets under financial lease are shown in Note IV.6.

8. Operating leasehold assets

A lease of asset is considered an operating lease in case most of the risks and rewards associated with the ownership of that asset belong to the lessor. The lease expenses are allocated in the company's operating expenses in accordance with the straight-line method over the leasing period and are not subject to the method of lease payment.

9. Investment property

Investment property is property being land use right, a building or a part of building, infrastructure held by the owner or by the lessee under a financial lease to earn rental or for capital appreciation. Historical cost of investment property includes all the expenses paid by the Group or the fair value of other consideration given to acquire the assets at the time of its acquisition or construction.

Subsequent expenses relating to an investment property that have already been recognized should be added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the company.

When the investment property is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period.

Investment properties are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are shown in Note IV.6.

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10. Intangible fixed assets

Land use right

Land use right includes all the actual expenses related to the land being used such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground leveling, registration fees, etc. During the year, since the land has not been put into use, the land use right was not amortized.

Computer software

Computer software includes all expenses paid by the Group to obtain the accounting program serving the accounting and financial recording and managing. These expenses are amortized in 3 years.

11. Borrowing costs

Borrowing costs are included into expenses during the period. In case the borrowing costs are directly related to the construction or the production of an asset in progress, which has taken a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be capitalized.

In the event of general borrowings which are partly used for acquiring, constructing or producing an asset in progress, the costs eligible for capitalization will be determined according to the capitalization rates applied to average accumulated expenditure on that asset. The capitalization rates are computed at the average interest rates on the borrowings not yet paid during the period, except for particular borrowings serving the purpose of obtaining a specific asset.

12. Financial investments

Investments into securities are recorded at their original costs. Provision for devaluation of investment in securities is made for each particular type of securities in the market and for which the market value decreases in comparison with the book value.

When an investment is liquidated, the differences between net liquidation values and book values are recorded into income or expenses during the period.

13. Recording joint venture activities

Rewards of the Group in the joint control activities and the assets under the joint control are reflected in the financial statements by allocating the shares of the Group in assets, liabilities, income and expenses into the corresponding items.

14. Long-term prepaid expenses

Financial lease interests

Financial lease interests are allocated into expenses during the period in accordance with the straight-line method over the leasing periods.

Tools

Expenses on tools being put into use (mainly container accessories, forklift accessories, steel cable, tires, etc.) are allocated into expenses during the period in accordance with the straight-line method for 2 years.

Other prepaid expenses

Other expenses are allocated according to the time as in the invoices or contracts, or for maximum period of 2 years.

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15. Accrued expenses

Accrued expenses are recorded basing on reasonable estimates on the amounts payable for goods and services already used in previous years and quarters.

16. Appropriation for unemployment fund

Unemployment fund is used to pay for severance and unemployment allowances. The rate of extraction for this fund is 3% of the salary fund, which is used as the basis for social insurance payment, and is included into the company's expenses during the period. In case that the unemployment fund is not enough for subsidizing resigned employees, the insufficient difference is recorded into expenses.

17. Capital - Funds

The Group's sources of capital include:

- Capital: recorded according to the amount actually invested by shareholders.
- Share premiums: the difference between the issuance price and face value.
- Other sources of capital: including the supplementation from the business results, the value of the assets which are given to the company and the revaluation of assets.

The Group's funds are extracted and used in line with its Charter.

18. Treasury stocks

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury stocks and is recorded as a decrease in owner's equity.

19. Dividends

Dividends are recorded as an amount payable in the period during which the dividends are disclosed.

20. Corporate income tax

The Group is responsible to pay corporate income tax as follows:

- Parent company (Gemadep Corporation) is responsible to pay corporate income tax at the rate of 25% on the taxable income.
- Subsidiaries:
 - Gemadep (Singapore) Ltd. is responsible to pay corporate income tax at the rate of 17% on the taxable income.

Gemadep (Malaysia) Ltd. is responsible to pay corporate income tax at the rate of 25% on the taxable income.

V.N.M General Transportation Service Co., Ltd. is responsible to pay corporate income tax at the rate of 25% on annual taxable income.

ISS - Gemadep Co., Ltd. is responsible to pay corporate income tax at the rate of 25% on the taxable income.

Phuoc Long Port Co., Ltd. is responsible to pay corporate income tax at the rate of 25% on the taxable income.

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Gemadepht Dung Quat International Port J.S.C is exempted from corporate income tax fully in 4 years from the profit-making year and is reduced 50% in 9 following years.

Gemadepht Logistics Co., Ltd. is responsible to pay corporate income tax as follows:

- For operation activities: It is responsible to pay corporate income tax at the rates of 15% of the profit gained in 12 years from the date of business commencement and of 28% of the profit gained in the following years. It is exempted from corporate income tax fully in 3 years from the profit-making year and is reduced 50% in 7 following years.
- For service provision activities: It is responsible to pay corporate income tax at the rates of 20% of the profit gained in 10 years from the date of business commencement and of 25% of the profit gained in the following years. It is exempted from corporate income tax fully in 2 years from the profit-making year and is reduced 50% in 6 following years.

Gemadepht Infrastructures Development and Investment Construction J.S.C is responsible to pay corporate income tax at the rate of 25% on the taxable income.

Gemadepht - Vung Tau Corporation is responsible to pay corporate income tax at the rate of 25% on the taxable income.

Gemadepht Hai Phong Co., Ltd. is responsible to pay corporate income tax at the rate of 25% on the taxable income.

Truong Tho Tourism and Transportation J.S.C is responsible to pay corporate income tax at the rate of 25% on the taxable income.

Hoa Sen - Gemadepht Logistics and International Port Corporation is responsible to pay corporate income tax at the rates of 15% of the profit gained in 12 years from the date of business commencement and of 25% of the profit gained in the following years. It is exempted from corporate income tax fully in 3 years from the profit-making year and is reduced 50% in 7 following years.

Corporate income tax during the period includes current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income during the period at the tax rates applied as of the balance sheet date. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used.

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Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity of the company.

21. Foreign currency translation

The transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The balances of the monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

The differences on foreign exchange and those due to the revaluation of the ending balances of the monetary items are included in income or expenses during the period.

When consolidating the financial statements, the items of the balance sheet and the income statement of the entity in foreign country are converted into Vietnam dong (VND) at the rates ruling as of the balance sheet date. The foreign exchange differences resulting from the conversion of the financial statements of the entity operating in a foreign country are directly recorded into owner's equity in the consolidated balance sheet (i.e. "foreign exchange differences" account) and are only included into financial expenses or financial income when the Group liquidates the net investment.

The exchange rates used as of	31 December 2008:	VND 16.977/USD
		: VND 24.967/EUR
		: VND 12.269/SGD
		: VND 4.900/RM
	31 December 2009:	VND 17.941/USD
		: VND 26.963/EUR
		: VND 12.774/SGD
		: VND 5.236/RM

22. Recognition of sales

Sales of finished goods are recognized when most of risks and benefits associated with the goods ownership are transferred to customers and there are no uncertain factors related to payments, additional costs or sales returns.

Sales of service provision are recognized when there are no uncertain factors related to payments or additional costs. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date.

Interests, dividends and profit shared are recognized when the Group is able to gain economic benefits from the transactions and the revenue is determined rather reliably. Interests are recorded based on the term and the interest rates applied for each period. Dividends and profit shared are recognized when the shareholders or the investors have the rights to receive dividends or profit from the capital contribution.

23. Related parties

A party is considered a related party in case that party is able to control or to cause material effects on the financial decisions as well as the operations of the other party.

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	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	18.270.070.482	28.897.568.294
Cash in bank	197.112.978.352	158.566.669.300
Cash in transit	1.734.116.722	-
Cash equivalents	6.916.135.000	13.500.000.000
Total	<u>224.033.300.556</u>	<u>200.964.237.594</u>

2. Short-term investments

	<u>Ending balance</u>	<u>Beginning balance</u>
Stocks	249.607.406.211	213.833.786.921
Certificates of Prudential Investment Fund	4.778.730.000	4.778.730.000
Certificate of Securities Investment Fund of Vietnam	-	1.118.338.625
Under-1-year deposits	4.680.660.294	8.026.401.136
Total	<u>259.066.796.505</u>	<u>227.757.256.682</u>

3. Provisions for devaluation of short-term investments

The provision for devaluation of investments in stocks.

4. Receivable from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Parent company - Gemadept (Vietnam)	132.430.479.462	140.189.985.788
Gemadept (Singapore) Ltd.	32.078.899.110	34.561.345.916
Gemadept (Malaysia) Ltd.	10.447.898.692	10.837.168.300
V.N.M General Transportation Service Co., Ltd.	88.432.244	-
Sinokor Vietnam Co., Ltd.	-	2.993.190.968
Phuoc Long Port Co., Ltd.	31.752.645.526	57.119.258.401
Gemadept Dung Quat International Port J.S.C	889.624.090	1.199.865.493
Gemadept Logistics Co., Ltd.	18.985.217.968	-
Gemadept Hai Phong Co., Ltd.	17.703.983.278	-
Truong Tho Tourism and Transportation J.S.C	3.976.875.395	-
Total	<u>248.354.055.765</u>	<u>246.900.814.866</u>

5. Prepayment to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Parent company - Gemadept (Vietnam)	4.964.760.644	44.287.246.534
V.N.M General Transportation Service Co., Ltd.	149.106.831	-
Phuoc Long Port Co., Ltd.	4.204.616.803	4.640.400.200
Gemadept Dung Quat International Port J.S.C	17.284.847.303	76.640.338.600
Gemadept Infrastructures Development and Investment Construction J.S.C	6.991.721.555	-
Gemadept Logistics Co., Ltd.	1.251.080.400	-
Gemadept Hai Phong Co., Ltd.	179.099.011	-
Total	<u>35.025.232.547</u>	<u>125.567.985.334</u>

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	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable of amounts paid on others' behalf to provide agency services	35.353.277.127	9.316.874.985
Receivable from associates and co-operations	66.387.246.409	59.650.217.919
Receivable from Falcon for the capital contribution for business co-operation	152.163.534	32.258.712.895
Receivable from Truong Tho Tourism and Transportation J.S.C for the capital contribution	5.800.000.000	5.800.000.000
Receivable from Hyundai Merchant Marine (Vietnam) Co., Ltd. for shared profit	-	1.980.650.057
Receivable from securities trading	3.968.000.000	4.438.921.188
Receivable for borrowings given to individuals outside the company	88.000.000	21.496.996.000
Others	47.238.318.601	15.054.695.199
Total	<u>158.987.005.671</u>	<u>149.997.068.243</u>

7. Provisions for bad debts

	<u>Ending balance</u>	<u>Beginning balance</u>
Bien Nam A Joint Stock Company	333.125.000	367.500.000
Nguyen Tran International Forwarding Service Co., Ltd.	190.500.000	190.500.000
Nguyen Duc Hung -YML Ha Noi	140.112.750	140.112.750
Ha Hai Transportation Service JSC	84.500.000	84.500.000
Binh An Vegetable Oil Corporation	33.663.006	33.663.006
Nghia Hung Transportation Company	20.412.000	20.412.000
H.T.N Transportation and Construction Co., Ltd.	14.091.000	161.400.000
Vinatrans Regional Container Lines	12.655.566	12.655.566
International Trading and Forwarding Co., Ltd.	-	96.124.248
Phu Tho Agricultural Products Processing Co.	-	30.700.000
Dong A Co., Ltd.	-	20.400.000
Ha Noi Ceramic Tiles Company	-	5.265.000
Accounts receivable from projects	-	10.600.000
Others	-	71.783.829
Total	<u>829.059.322</u>	<u>1.245.616.399</u>

8. Inventories

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies in stock	18.290.446.692	11.082.975.358
Fuel in stock	-	364.045.819
Fuel in ships	27.856.801.618	17.169.349.919
Tools	227.640.990	-
Work-in-process	8.958.243.840	-
Merchandises	100.290.745	-
Total	<u>55.433.423.885</u>	<u>28.616.371.096</u>

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Notes to the consolidated financial statements (cont.)**9. Short-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses on repair of Pacific Express Ship	1.541.527.749	7.122.481.071
Tool expenses	532.922.082	4.404.915.259
Others	6.023.280.535	3.078.892.514
Total	<u>8.097.730.366</u>	<u>14.606.288.844</u>

10. Taxes and other accounts receivable from State

	<u>Ending balance</u>	<u>Beginning balance</u>
VAT excessively paid	4.063.165.003	2.818.236.337
Corporate income tax excessively paid	9.882.193.686	21.553.887.470
<i>OOCL Vietnam Co., Ltd.</i>	-	-
<i>Phuoc Long Port Co., Ltd.</i>	9.878.576.812	12.972.347.429
<i>V.N.M General Transportation Service Co., Ltd.</i>	3.616.874	1.164.504
<i>General Forwarding and Agency Corporation (Gemadep Corporation)</i>	-	8.580.375.537
Personal income tax excessively paid	123.399.613	-
<i>V.N.M General Transportation Service Co., Ltd.</i>	228.000	-
<i>Gemadep Infrastructures Development and Investment Construction J.S.C</i>	123.171.613	-
Other taxes	3.000.000	107.800.000
Total	<u>14.071.758.302</u>	<u>24.479.923.807</u>

11. Other current assets

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	25.210.199.052	19.190.812.801
Deficit assets for treatment	-	13.432.202
Short-term deposits	69.600.175.102	88.810.137.758
Total	<u>94.810.374.154</u>	<u>108.014.382.761</u>

12. Increases/ (decreases) of tangible fixed assets

The information on the situation of increases/ (decreases) of tangible fixed assets is presented in Appendix 1.

13. Increases/ (decreases) of financial leasehold assets

Financial leasehold assets are vehicles

	<u>Historical costs</u>	<u>Depreciation</u>	<u>Net book values</u>
Beginning balance	23.890.768.666	8.694.494.353	15.196.274.313
Increases	-	3.964.717.740	-
Ending balance	<u>23.890.768.666</u>	<u>12.659.212.093</u>	<u>11.231.556.573</u>

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Notes to the consolidated financial statements (cont.)**14. Increases/ (decreases) of intangible fixed assets**

	<u>Land use right</u>	<u>Computer software</u>	<u>Total</u>
Initial costs			
Beginning balance	10.704.213.410	1.107.932.142	11.812.145.552
Increases	-	9.181.540.087	18.972.515.542
<i>Increases due to the consolidation of Lion Lord Corporation</i>	-	26.304.885	9.155.235.202
<i>Increases due to the consolidation of Hoa Sen - Gemadept Logistics and International Port Corporation</i>	9.790.975.455	-	9.790.975.455
<i>New purchases</i>	-	9.155.235.202	26.304.885
Decreases	-	(18.250.000)	(18.250.000)
<i>Excluding the balances of Sinokor Vietnam Co., Ltd. from the consolidation</i>	-	(18.250.000)	(18.250.000)
Ending balance	20.495.188.865	10.271.222.229	30.766.411.094
Amortization			
Beginning balance	-	427.892.823	427.892.823
Increases	-	1.319.285.336	1.319.285.336
<i>Increases due to the consolidation of Lion Lord Corporation</i>	-	270.950	270.950
<i>Amortization</i>	-	1.319.014.386	1.319.014.386
Decreases	-	(18.250.000)	(18.250.000)
<i>Excluding the balances of Sinokor Vietnam Co., Ltd. from the consolidation</i>	-	(18.250.000)	(18.250.000)
Ending balance	-	1.728.928.159	1.728.928.159
Net book values			
Beginning balance	10.704.213.410	680.039.319	11.384.252.729
Ending balance	20.495.188.865	8.542.294.070	29.037.482.935

15. Construction-in-progress

The information on construction-in-progress is presented in Appendix 2.

16. Increases/(decreases) of investment property

The company's investment property is Gemadept Maritime Trading Center Building at No. 2bis-4-6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City. Details of increases/(decreases) of investment property are as follows:

	<u>Historical costs</u>	<u>Accumulated depreciation</u>	<u>Net book values</u>
Beginning balance	267.774.752.981	5.355.495.060	262.419.257.921
Increases	11.337.934.723	11.381.411.328	-
Other decreases	(164.247.909)	-	-
Ending balance	278.948.439.795	16.736.906.388	262.211.533.407

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At the end of the year, the company has not had the conditions to determine the market value of the said investment properties.

Investment properties include some assets leased to the third parties. Income and expenses related to the leases of investment properties are as follows:

	<u>Current year</u>	<u>Previous year</u>
Gain from the lease	122.358.314.923	42.248.575.880
Direct expenses related to the gain from the lease	35.318.915.368	5.355.495.060
Direct expenses not related to the gain from the lease	-	-

The investment property has been mortgaged to secure the loans form Indovina Bank.

17. Investments in subsidiaries

This item reflects the amounts of investment in subsidiaries. Since these companies have been in the period of carrying out their business activities; the financial statements of these companies have not been consolidated into the financial statements of the Group.

	<u>Ending balance</u>	<u>Beginning balance</u>
Gemadept Nhon Hoi International Port Joint Stock Company	6.600.000.000	6.600.000.000
Gemadept Logistics Co., Ltd.	-	25.500.000.000
Hoa Sen - Gemadept Logistics and International Port Corporation	-	33.405.386.260
Gemadept Infrastructures Development and Investment Construction J.S.C	-	40.034.257.500
Total	6.600.000.000	105.539.643.760

18. Investments in business concerns and joint ventures

Business concerns and joint ventures	Rate of capital ownership (%)		Investment capital (VND)
	As in the license	Actually contributed	
Golden Globe Trading Co., Ltd.	45,00	45,00	42.761.600.000
Vung Tau Commercial Port J.S.C (VCP)	26,78	26,78	9.642.000.000
MBN-GMD VIETNAM	34,00	34,00	1.534.080.000
Vinh Hao Mineral Water J.S.C	29,00	29,00	32.206.940.000
Nam Hai Port Joint J.S.C	30,00	30,00	27.596.000.000
Minh Dam Tourism J.S.C	40,00	10,20	17.349.092.327
Potraco	38,00	38,00	23.236.200.000
Schenker Gemadept Logistics Vietnam Co., Ltd.	49,00	49,00	11.882.010.000
Huyndai Merchant Marine Vietnam Co., Ltd.	49,00	49,00	2.371.845.000
Saigon Cargo Service Corporation	23,00	19,27	57.800.000.000
Falcon Ha Dong Investment and Trading JSC	25,00	25,00	29.375.000.000
Sinokor Vietnam Co., Ltd.	49,00	49,00	2.319.909.000
OOCL Vietnam Joint Venture Company	49,00	49,00	3.848.541.000
Gemadept LCL Cool Logistics	49,00	35,52	2.781.857.430
Cai Mep Port J.S.C – Terminal Link	50,00	50,00	612.052.327.921
Gains from associates upon consolidation			42.545.433.920
Total			919.302.836.598

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Notes to the consolidated financial statements (cont.)**19. Other long-term investments**

	<u>Ending balance</u>	<u>Beginning balance</u>
Investments in stocks	354.382.740.000	404.908.709.600
Investments in bonds and bills	10.000.000	1.119.000.000
Others	73.401.131.494	18.160.901.494
Total	<u>427.793.871.494</u>	<u>424.188.611.094</u>

20. Provision for devaluation of long-term investments

	<u>Ending balance</u>	<u>Beginning balance</u>
Provision for devaluation of long-term investments in securities	20.260.415.500	135.939.830.400
Provision for the loss of subsidiaries and business concerns	5.694.296.767	-
Total	<u>25.954.712.267</u>	<u>135.939.830.400</u>

21. Long-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Tool expenses	712.865.246	647.559.884
Ship repairing expenses	-	1.388.673.705
Warehouse and office repairing expenses	354.313.667	1.544.446.569
Interests on financial leases	416.927.012	980.519.773
Establishment costs	300.279.723	557.662.342
Designing expenses	6.935.544.242	15.040.371.359
Others	970.354.070	424.289.292
Total	<u>9.690.283.960</u>	<u>20.583.522.923</u>

22. Deferred income tax assets

This item reflects the deferred income tax assets related to the temporarily deductible differences.

23. Other long-term assets

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits to service providers for office and house rental	1.873.321.490	507.790.697
Deposits at airlines to guarantee the payment of freights	1.166.165.000	1.867.470.000
Deposits at the overseas banks (Malaysia) to guarantee the use of credit facilities	-	30.000.000
Other long-term deposits	20.000.000	20.000.000
Total	<u>3.059.486.490</u>	<u>2.425.260.697</u>

24. Goodwill

The goodwill generated from the purchases of Hoa Sen - Gemadept Logistics and International Port Corporation, which is determined by the differences between the buying prices and the fair values of the net assets (assuming that the fair values of net assets are equal to the values recorded in the accounting book).

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Notes to the consolidated financial statements (cont.)**25. Short-term loans and debts**

	<u>Ending balance</u>	<u>Beginning balance</u>
Parent company - Gemadept (Vietnam)	204.618.868.697	39.080.883.828
Gemadept (Singapore) Ltd.	54.540.675.162	139.460.569.714
Gemadept Dung Quat International Port J.S.C	7.000.000.000	5.700.000.000
Phuoc Long Port Co., Ltd.	99.449.160.846	-
Total	<u>365.608.704.705</u>	<u>184.241.453.542</u>

26. Payable to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Parent company - Gemadept (Vietnam)	109.922.674.570	148.835.459.054
Gemadept (Singapore) Ltd.	14.947.534.422	87.330.742
Gemadept (Malaysia) Ltd.	14.315.517.216	10.874.222.100
Sinokor Vietnam Co., Ltd.	-	473.502.961
Phuoc Long Port Co., Ltd.	52.442.197.516	85.506.903.800
Gemadept Dung Quat International Port J.S.C	18.932.572.438	10.393.733.148
V.N.M General Transportation Service Co., Ltd.	3.111.705.110	-
Gemadept Infrastructures Development and Investment Construction J.S.C	337.697.664	-
Gemadept Logistics Co., Ltd.	1.366.210.170	-
Gemadept Hai Phong Co., Ltd.	27.948.304.585	-
Hoa Sen - Gemadept Logistics and International Port Corporation	136.999.210	-
Truong Tho Tourism and Transportation J.S.C	9.309.538.266	-
Total	<u>252.770.951.167</u>	<u>256.171.151.805</u>

27. Advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Parent company - Gemadept (Vietnam)	10.140.272.792	21.790.662.239
Gemadept Dung Quat International Port J.S.C	6.855.088	-
Gemadept Infrastructures Development and Investment Construction J.S.C	996.617.600	-
Gemadept Logistics Co., Ltd.	388.612.925	-
Gemadept Hai Phong Co., Ltd.	455.779.556	-
Total	<u>11.988.137.961</u>	<u>21.790.662.239</u>

28. Taxes and other obligations to the State Budget

	<u>Ending balance</u>	<u>Beginning balance</u>
VAT on local sales	5.179.109.523	1.525.383.441
Corporate income tax	10.038.145.129	2.440.601.639
Personal income tax	898.377.419	2.370.537.006
Other taxes	2.917.025.939	7.775.762.955
Total	<u>19.032.658.009</u>	<u>14.112.285.041</u>

Corporate income tax

See Note IV.20.

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Notes to the consolidated financial statements (cont.)**29. Payable to employees**

This item includes the salary, allowances and bonuses to be paid to employees.

30. Accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Goods circulation expenses	19.108.007.536	4.827.478.316
Warehousing and office rentals	992.172.727	-
Ship chartering	-	10.975.833.375
Salaries for employees of ships	646.132.872	271.632.000
Towing freight	5.656.772.154	-
Repairing expenses	514.406.429	17.250.000
Loan interest expenses	2.542.377.117	3.212.507.500
Port dues	-	77.532.170
Compensations	-	456.309.313
Others	15.752.524.881	15.943.575.925
Total	<u>45.212.393.716</u>	<u>35.782.118.599</u>

31. Other payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's expenditure	2.818.940.562	3.690.413.116
Social insurance	2.097.788.344	1.515.566.990
Health insurance	51.906.000	3.174.000
Unemployment insurance	687.145.594	-
Dividends payable	1.065.246.600	12.428.043.500
Unearned revenue	5.389.641.693	-
Deposits and mortgages received	6.081.043.999	5.436.148.000
Excessive assets for treatment	1.566.810.678	1.534.687.654
Other payable	60.918.239.853	116.934.725.143
- Amounts received on others' behalf payable	21.899.122.827	84.408.106.325
- Sales of goods at ports payable to the State	1.716.241.909	1.716.241.909
- Payable to ship owners	-	486.122.100
- Payable of associates and co-operations	8.288.438.212	21.673.442.695
- Others	29.014.436.904	8.650.812.114
Total	<u>80.676.763.323</u>	<u>141.542.758.403</u>

32. Provisions for short-term accounts payable

	<u>Beginning balance</u>	<u>Increases</u>	<u>Disbursements</u>	<u>Reversals of provision</u>	<u>Ending balance</u>
Provision for amounts payable related to the compensation for losses during transportation process:					
- Provision for amount payable to Thu Duc Electric Engineering Company as the electric generator fell into the sea during the transportation process	4.127.690.538	-	(3.051.868.652)	(1.075.821.886)	-
- Provision for amount payable to Geodis Wilson Vietnam Co. since the wrong adjustment of temperature in the containers has	5.965.960.405	-	-	(5.965.960.405)	-

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Notes to the consolidated financial statements (cont.)

	<u>Beginning balance</u>	<u>Increases</u>	<u>Disbursements</u>	<u>Reversals of provision</u>	<u>Ending balance</u>
<i>led to the effects on the goods quality</i>					
- Provision for amounts payable to others	1.648.316.717	142.942.800	-	-	1.791.259.517
Total	11.741.967.660	142.942.800	(3.051.868.652)	(7.041.782.291)	1.791.259.517

33. Other long-term accounts payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Receipt of the deposit for warehouse rental from Lever Vietnam Joint Venture Company in accordance with the contract of asset leasing No. 18/WH/GMD-LVN/2005 dated 14 March 2005.	-	101.640.000
Deposits for ship chartering	-	-
Receipt of the deposit for the lease of Gemadept Maritime Trading Center Building at No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	24.531.675.907	25.612.873.302
Difference on the revaluation of assets contributed as capital in joint venture	283.980.000.000	283.980.000.000
Total	308.511.675.907	309.694.513.302

34. Long-term loans and debts

	<u>Ending balance</u>	<u>Beginning balance</u>
Parent company - Gemadept (Vietnam)	206.672.301.747	248.830.638.478
Gemadept (Singapore) Ltd.	292.438.477.692	293.749.869.974
Gemadept Dung Quat International Port J.S.C	221.071.032.575	215.163.698.795
Total	720.181.812.014	757.744.207.247

35. Owner's equity***Statement of fluctuations in owner's equity***

Information on the fluctuations in owner's equity is presented in Appendix 3.

Dividends

During the year, the parent company has given dividends of the previous year and temporarily given dividends of the current year for the total amount of VND 82.612.796.900.

Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	47.500.000	47.500.000
Number of shares already sold to the public	47.500.000	47.500.000
- Common shares	47.500.000	47.500.000
- Preferred shares	-	-
Number of shares re-purchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	47.500.000	47.500.000
- Common shares	47.500.000	47.500.000
- Preferred shares	-	-

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Notes to the consolidated financial statements (cont.)

Face value of outstanding share: VND 10.000.

Purposes of appropriation for financial reserved fund

Financial reserved fund is used to:

- Compensate losses, damages of assets and accounts receivable unable to be recovered during the operations;
- Compensate the losses according to the decision of the Board of Management.

36. Bonus and welfare funds

	<u>Beginning balance</u>	<u>Increase due to extraction from profit</u>	<u>Other decreases</u>	<u>Disbursement during the year</u>	<u>Ending balance</u>
Bonus fund	4.284.053.169	639.460.078	-	(678.935.667)	4.244.577.580
Welfare fund	986.123.307	120.350.000	(12.272.470)	(5.053.617.488)	(3.959.416.651)
Training fund	50.178.782	-	-	(67.800.000)	(17.621.218)
Bonus fund for production emulation	505.584.000	-	-	-	505.584.000
Assistance fund	21.411.693	-	-	(111.600.600)	(90.188.907)
Total	<u>5.847.350.951</u>	<u>759.810.078</u>	<u>(12.272.470)</u>	<u>(5.911.953.755)</u>	<u>682.934.804</u>

37. Interests of minority shareholders

	<u>Ending balance</u>	<u>Beginning balance</u>
Investment capital returned to minority shareholders	92.050.396.000	45.808.881.900
Accumulated profits after tax payable to minority shareholders	96.679.194.737	90.992.890.962
Other funds	1.733.292.210	-
Total	<u>190.462.882.947</u>	<u>136.801.772.862</u>

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT**1. Sales**

	<u>Current year</u>	<u>Previous year</u>
Parent company - Gemadept (Vietnam)	1.339.631.761.259	1.573.790.767.425
Subsidiaries	434.817.720.988	339.133.948.794
Total	<u>1.774.449.482.248</u>	<u>1.912.924.716.219</u>

2. Costs of goods sold

	<u>Current year</u>	<u>Previous year</u>
Parent company - Gemadept (Vietnam)	1.234.001.142.792	1.342.242.393.712
Subsidiaries	284.579.512.601	244.532.510.750
Total	<u>1.518.580.655.393</u>	<u>1.586.774.904.462</u>

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Notes to the consolidated financial statements (cont.)**3. Financial income**

	<u>Current year</u>	<u>Previous year</u>
Gains from investments in securities	69.501.943.392	31.505.547.327
Gains from capital contribution in joint ventures	8.239.673.858	27.916.345.080
Interests on bonds and deposits	848.541.767	1.513.239.433
Interests on demand deposits	3.639.741.676	3.377.323.615
Interests on time deposits	876.287.655	2.068.726.742
Dividends and profit shared	48.723.196.391	24.744.864.537
Unrealized exchange gains	22.910.073.616	13.404.170.416
Realized exchange gains	48.690.254.388	20.194.575.833
Gains from liquidation of capital contribution in Healthy Falcon ship	-	16.736.849.405
Others	352.268.778	10.240.000
Total	<u>203.781.981.521</u>	<u>141.471.882.388</u>

4. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	60.165.465.112	59.937.423.125
Interests on financial leases	563.592.924	2.289.174.068
Unrealized exchange loss	1.923.716.998	20.259.824.238
Realized exchange loss	34.894.152.672	14.117.041.552
Loss from investment in securities	111.714.733.271	214.504.171.263
Loss from sales of short-term investment in stocks	377.449.925	-
Provisions for devaluation of short-term and long-term investments	(208.372.913.847)	207.876.993.282
Others	552.972.324	61.328.400
Total	<u>1.819.169.379</u>	<u>519.045.955.927</u>

5. Selling expenses

	<u>Current year</u>	<u>Previous year</u>
Salary of office staff	456.158.233	-
Materials	120.710.743	8.753.544
Depreciation of fixed assets	309.216.264	-
External service rendered	803.462.213	-
Other cash expenses	3.738.121.440	741.641.409
Total	<u>5.427.668.893</u>	<u>750.394.953</u>

6. Administrative overheads

	<u>Current year</u>	<u>Previous year</u>
Salary of office staff	51.966.105.491	47.308.612.159
Office supplies	776.629.321	1.605.761.554
Office equipment	1.245.636.012	2.184.125.074
Depreciation of fixed assets	11.444.603.649	8.944.675.908
Taxes, fees and legal fees	204.788.539	281.455.003
Provisions	-	1.015.346.789
External service rendered	25.527.386.907	17.900.228.592
Other cash expenses	21.227.476.428	25.061.504.904
Total	<u>112.392.626.346</u>	<u>104.301.709.983</u>

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Notes to the consolidated financial statements (cont.)**7. Other income**

	<u>Current year</u>	<u>Previous year</u>
Liquidation of fixed assets	6.485.019.602	50.181.818
Gains from fines for contract violations	972.975.286	3.968.097.325
Gains from difference on assets contributed as capital in joint venture	-	283.980.000.000
Others	5.270.341.559	1.278.788.249
Total	<u>12.728.336.447</u>	<u>289.277.067.392</u>

8. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Net book values of liquidated fixed assets	5.500.976.184	21.308.026
Additional expenses of Cai Mep Project of which the capital has been contributed in Gemadept – Vung Tau Corporation in the year 2008	2.284.509.221	-
Consultancy expenses on the establishment of Canh Bay Viet Airline Joint Stock Company	-	1.160.040.600
Value of investment property, which is higher than that in the finalization	164.247.909	-
Fines against contract violation	291.962.922	97.073.046
VAT not to be deducted	462.364.834	-
Additional payments for taxes according to tax finalization	1.521.937.036	3.265.021
Goods compensation	1.022.967.366	8.567.522.570
Others	2.056.068.823	714.833.625
Total	<u>13.305.034.295</u>	<u>10.564.042.888</u>

9. Earning per share

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	323.085.833.277	31.807.374.235
Increase/(decrease) of accounting profit to determine profit attributable to holders of ordinary shares:	-	-
Profit attributable to holders of ordinary shares	323.085.833.277	31.807.374.235
Average ordinary shares outstanding during the year	47.500.000	47.500.000
Earning per share	<u>6.802</u>	<u>670</u>

Average ordinary shares outstanding during the year are calculated as follows:

	<u>Current year</u>	<u>Previous year</u>
Ordinary shares outstanding at the beginning of the year	47.500.000	47.500.000
Effects of ordinary shares issued	-	-
Average ordinary shares outstanding during the year	<u>47.500.000</u>	<u>47.500.000</u>

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10. Operating expenses

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	329.862.534.546	399.832.840.206
Labor	175.708.509.433	139.652.116.115
Depreciation of fixed assets	167.167.892.099	119.842.582.764
External service rendered	840.391.637.589	843.541.742.333
Other expenses	85.166.662.038	188.957.727.980
Total	<u>1.598.297.235.705</u>	<u>1.691.827.009.398</u>

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

During the year, non-cash transactions are as follows:

	<u>Current year</u>	<u>Previous year</u>
Outstanding amount payable for fixed assets and construction	5.619.000.164	61.793.402.749
Transferring the accounts payable into capital contribution in Falcon Ha Dong Investment and Trading JSC	29.375.000.000	-
Receipt of dividends and profit shared by offsetting accounts payable	2.957.331.426	-
Total	<u>37.951.331.590</u>	<u>61.793.402.749</u>

VIII. OTHER INFORMATION

1. Contingent assets and liabilities

Gemadept Corporation has signed a contract with Marine Materials Import Export Co. to transfer the right to use the land lot of 1.112,60 m² of land and the assets attached to the land located at No. 276A Da Nang, Ngo Quyen District, Hai Phong City according to the transfer contract No. 12/2007/HĐCN dated 30 August 2007. However, Marine Materials Import Export Co. has now been in their dissolution process and has not yet proceeded the formalities of the transfer the use right of the said land lot to the company. At present, the final decision for this matter has not been reached yet; however, perhaps the company will have to pay the amount of related taxes to have the ownership of the above land lot.

2. Changes in accounting policies and errors

Changes in accounting policies

On 31 December 2009, the Ministry of Finance issued the Circular No. 244/2009/TT-BTC giving guidance on the amendment and supplementation on the accounting system related to such issues as the currency unit in accounting, the guidance on the implementation of accounting system for foreign contractor, and the guidance on the amendment and supplementation on the accounting method applied to some economic transactions. The company will apply these regulations in preparing and presenting the financial statements from the year 2010 onwards.

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Notes to the consolidated financial statements (cont.)***Errors***

The Group has retroactively adjusted the beginning balances related to the contributed capital in Gemadept – Vung Tau Corporation (Cai Mep Project). Effects of the adjustments on errors on the comparative figures of the previous year are as follows:

	Code	Audited figures of the previous year	Adjusted figures
<i>Consolidated balance sheet</i>			
Current assets	100	975.557.342.580	1.004.367.582.580
Cash and cash equivalents	110	172.153.997.594	200.964.237.594
Cash	111	158.653.997.594	187.464.237.594
Long-term assets	200	2.568.599.967.038	3.136.559.967.038
Construction-in-progress	230	323.504.104.271	287.451.776.350
Long-term investments	250	620.106.937.664	1.224.119.265.585
Investments in business concerns and joint ventures	252	226.318.513.210	830.330.841.131
Total assets	270	3.544.157.309.619	4.140.927.549.619
Liabilities	300	1.485.208.905.413	1.769.191.772.613
Taxes and other obligations to the State Budget	314	14.109.417.841	14.112.285.041
Long-term liabilities	320	688.815.603.129	1.080.373.302.284
Other long-term payable	323	25.714.513.302	309.694.513.302
Owner's equity	400	2.036.142.843.182	2.234.934.004.142
Owner's equity	410	2.030.295.492.231	2.229.086.653.191
Retained earnings	420	81.873.646.838	280.664.807.798
Interest of minority shareholders	439	22.805.561.022	136.801.772.862
Total liabilities and owner's equity	440	3.544.157.309.619	4.140.927.549.619
<i>Consolidated income statement</i>			
Financial income	21	141.461.642.388	141.471.882.388
Other income	31	5.297.067.392	289.277.067.392
Current corporate income tax	51	5.144.525.629	5.147.392.829
Total accounting profit before tax	50	(145.096.874.110)	138.893.365.890
Profit after tax	60	(165.160.052.265)	118.827.320.535
Profit after tax of parent company's shareholders	62	(166.983.786.725)	31.807.374.235
Earning per share	70	(3.515)	670
<i>Consolidated cash flow statement</i>			
Profit before tax	01	(145.096.874.110)	138.893.365.890
Operating profit before changes of working capital	08	350.391.922.731	122.641.004.224
Increase/ (decrease) of accounts payable	11	13.919.394.484	313.360.962.315

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	<u>Code</u>	<u>Audited figures of the previous year</u>	<u>Adjusted figures</u>
Purchases and construction of fixed assets and other long-term assets	21	(819.050.944.523)	(850.198.616.602)
Net cash flows from investing activities	30	(839.992.060.007)	(877.558.389.509)
Net cash flows during the year	50	(112.952.527.663)	(80.978.904.773)
Ending cash and cash equivalents	70	172.153.997.594	200.964.237.593

Ho Chi Minh City, 31 March 2010

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Accountant-in-charge

Do Van Minh
General Director