

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENT**

For quarter IV 2013

**CONSOLIDATED BALANCE SHEET**

As of 31 December 2013

Unit: VND

ASSETS		Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
<b>A -</b>	<b>CURRENT ASSETS</b>	<b>100</b>		<b>2,458,477,109,246</b>	<b>2,512,342,753,055</b>
<b>I.</b>	<b>Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>436,172,509,035</b>	<b>545,259,172,382</b>
1.	Cash	111		389,833,757,726	485,701,303,320
2.	Cash equivalents	112		46,338,751,309	59,557,869,062
<b>II.</b>	<b>Short-term investments</b>	<b>120</b>		<b>585,565,807,012</b>	<b>542,534,945,816</b>
1.	Short-term investments	121	V.2	691,932,305,550	640,308,091,599
2.	Provisions for devaluation of short-term investments	129	V.3	(106,366,498,538)	(97,773,145,783)
<b>III.</b>	<b>Accounts receivable</b>	<b>130</b>		<b>1,191,529,927,822</b>	<b>1,174,144,666,762</b>
1.	Receivable from customers	131	V.4	319,423,465,471	295,671,234,058
2.	Prepayments to suppliers	132	V.5	257,722,512,961	192,253,054,533
3.	Short-term inter-company receivable	133		-	-
4.	Receivable according to the progress of construction contracts	134		-	-
5.	Other receivable	135	V.6	629,492,136,468	702,341,435,380
6.	Provisions for bad debts	139	V.7	(15,108,187,078)	(16,121,057,208)
<b>IV.</b>	<b>Inventories</b>	<b>140</b>		<b>107,320,110,252</b>	<b>87,640,775,548</b>
1.	Inventories	141	V.8	107,320,110,252	87,640,775,548
2.	Provisions for devaluation of inventories	149		-	-
<b>V.</b>	<b>Other current assets</b>	<b>150</b>		<b>137,888,755,125</b>	<b>162,763,192,547</b>
1.	Short-term prepaid expenses	151	V.9	19,198,225,421	18,668,417,509
2.	VAT to be deducted	152		27,923,261,405	13,736,445,093
3.	Taxes and other accounts receivable from the State	154	V.10	14,540,637,976	15,797,479,286
4.	Trading Government bonds	157		-	-
5.	Other current assets	158	V.11	76,226,630,323	114,560,850,659

**GEMADEPT CORPORATION**

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**CONSOLIDATED FINANCIAL STATEMENT**

For quarter IV 2013

**Balance sheet (cont.)**

ASSETS	Code	Note	Ending balance	Beginning balance
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>5,176,731,128,771</b>	<b>4,310,059,898,025</b>
<b>I. Long-term accounts receivable</b>	<b>210</b>		<b>41,000,000,000</b>	<b>81,000,000,000</b>
1. Long-term accounts receivable from customers	211		-	-
2. Working capital in affiliates	212		-	-
3. Long-term inter-company receivable	213		-	-
4. Other long-term receivable	218	V.12	41,000,000,000	81,000,000,000
5. Provisions for bad debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>2,991,871,334,249</b>	<b>1,976,998,421,444</b>
1. Tangible assets	221	V.13	2,141,774,169,626	1,745,499,033,254
<i>Historical costs</i>	222		3,382,129,659,476	2,833,228,491,625
<i>Accumulated depreciation</i>	223		(1,240,355,489,851)	(1,087,729,458,371)
2. Financial leasehold assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible assets	227	V.14	244,251,891,922	88,531,898,139
<i>Initial costs</i>	228		256,524,340,238	96,686,661,250
<i>Accumulated amortization</i>	229		(12,272,448,316)	(8,154,763,111)
4. Construction-in-progress	230	V.15	605,845,272,702	142,967,490,051
<b>III. Investment property</b>	<b>240</b>	<b>V.16</b>	<b>214,904,819,861</b>	<b>227,310,035,803</b>
Historical costs	241		279,448,439,795	279,448,439,795
Accumulated depreciation	242		(64,543,619,934)	(52,138,403,992)
<b>IV. Long-term investments</b>	<b>250</b>		<b>1,487,086,698,132</b>	<b>1,646,655,521,937</b>
1. Investments in affiliates	251		-	-
2. Investments in business concerns and joint ventures	252	V.17	1,288,141,724,432	1,402,796,608,559
3. Other long-term investments	258	V.18	250,648,383,006	297,811,943,094
4. Provisions for devaluation of long-term investments	259	V.19	(51,703,409,305)	(53,953,029,717)
<b>V. Other long-term assets</b>	<b>260</b>		<b>206,453,093,631</b>	<b>117,635,872,530</b>
1. Long-term prepaid expenses	261	V.20	201,616,013,921	106,231,656,042
2. Deferred income tax assets	262	V.21	-	3,941,692,861
3. Other long-term assets	268	V.22	4,837,079,710	7,462,523,627
<b>VI. Goodwill</b>	<b>269</b>	<b>V.23</b>	<b>235,415,182,897</b>	<b>260,460,046,312</b>
<b>TOTAL ASSETS</b>	<b>270</b>		<b>7,635,208,238,018</b>	<b>6,822,402,651,081</b>

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENT**

For quarter IV 2013

**Balance sheet (cont.)**

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
<b>A - LIABILITIES</b>	<b>300</b>		<b>2,748,804,148,269</b>	<b>2,190,903,332,430</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,147,062,664,381</b>	<b>1,098,964,794,402</b>
1. Short-term debts and loans	311	V.24	490,311,027,352	491,784,589,720
2. Payable to suppliers	312	V.25	284,619,023,365	255,834,078,052
3. Advances from customers	313	V.26	19,328,414,049	19,508,885,738
4. Taxes and other obligations to the State Budget	314	V.27	75,558,128,787	14,687,305,383
5. Payable to employees	315	V.28	29,889,306,048	26,025,619,626
6. Accrued expenses	316	V.29	118,641,974,913	60,477,730,885
7. Inter-company payable	317		-	-
8. Payable according to the progress of construction contracts	318		-	-
9. Other short-term accounts payable	319	V.30	121,479,071,775	218,017,279,777
10. Provisions for short-term accounts payable	320	V.31	1,574,934,213	1,574,934,213
11. Bonus and welfare funds	323		5,660,783,880	11,054,371,008
12. Trading Government bonds	327		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		<b>1,601,741,483,889</b>	<b>1,091,938,538,028</b>
1. Long-term accounts payable to suppliers	331		-	-
2. Long-term inter-company payable	332		-	-
3. Other long-term payable	333	V.32	16,165,907,557	21,145,684,163
4. Long-term debts and loans	334	V.33	1,295,121,374,211	759,629,038,217
5. Deferred income tax payable	335		29,055,210,528	29,557,646,064
6. Provisions for unemployment allowances	336		-	-
7. Provisions for long-term accounts payable	337		-	-
8. Unearned revenues	338	V.34	261,398,991,593	281,606,169,584
9. Science and technology development fund	339		-	-
<b>B - OWNER'S EQUITY</b>	<b>400</b>		<b>4,456,467,628,339</b>	<b>4,393,531,507,651</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>4,456,467,628,339</b>	<b>4,393,531,507,651</b>
1. Capital	411	V.35	1,144,216,690,000	1,094,473,090,000
2. Share premiums	412	V.35	2,471,474,474,400	2,471,474,474,400
3. Other sources of capital	413	V.35	71,797,775,902	71,797,775,902
4. Treasury stocks	414		-	-
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416	V.35	29,488,418,904	22,725,336,908
7. Business promotion fund	417	V.35	7,233,118,656	4,511,710,559
8. Financial reserved fund	418	V.35	34,781,898,799	29,429,404,912
9. Other funds	419	V.35	34,571,748,512	32,384,254,625
10. Retained earnings	420	V.35	662,903,503,166	666,735,460,345
11. Construction investment fund	421		-	-
12. Business arrangement supporting fund	422		-	-
<b>II. Other sources and funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Sources of expenditure	432		-	-
2. Fund to form fixed assets	433		-	-
<b>C - INTEREST OF MINORITY SHAREHOLDERS</b>	<b>439</b>		<b>421,588,173,603</b>	<b>237,967,811,000</b>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>7,626,859,950,212</b>	<b>6,822,402,651,081</b>

**GEMADEPT CORPORATION**

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

Ho Chi Minh City, 12 Feb 2014

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**Truong Nhu Nguyen**  
**Preparer**

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**Nguyen Minh Nguyet**  
**Chief Accountant**

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**Do Van Minh**  
**General Director**

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENT**

For quarter IV 2013

**CONSOLIDATED INCOME STATEMENT**

For quarter IV/2013

	ITEMS	Quarter IV		Accumulated Amount	
		Current year	Previous year	Current year	Previous year
1	<b>Sales</b>	<b>704,531,570,774</b>	<b>636,933,583,126</b>	<b>2,531,479,450,544</b>	<b>2,583,237,815,898</b>
2	Deductions	906,153,735	951,600,628	3,227,946,110	2,773,045,378
3	<b>Net sales</b>	<b>703,625,417,039</b>	<b>635,981,982,498</b>	<b>2,528,251,504,434</b>	<b>2,580,464,770,520</b>
4	Costs of goods sold	560,880,948,068	514,614,791,779	2,080,807,339,865	2,124,875,893,783
5	<b>Gross profit</b>	<b>142,744,468,970</b>	<b>121,367,190,719</b>	<b>447,444,164,570</b>	<b>455,588,876,736</b>
6	<b>Financial income</b>	<b>6,767,186,646</b>	<b>32,954,369,269</b>	<b>190,015,345,336</b>	<b>118,121,496,851</b>
7	<b>Financial expenses</b>	<b>37,189,226,569</b>	<b>50,042,398,220</b>	<b>163,355,085,367</b>	<b>190,547,947,209</b>
	In which :				
	- <i>Loan interest expenses</i>	27,842,498,905	33,188,075,514	115,010,442,151	143,502,583,899
8	<b>Selling expenses</b>	<b>6,881,612,499</b>	<b>4,614,326,988</b>	<b>24,370,224,627</b>	<b>16,657,162,630</b>
9	<b>Administrative overheads</b>	<b>78,111,894,791</b>	<b>75,745,650,967</b>	<b>246,297,890,629</b>	<b>255,262,816,357</b>
10	<b>Net operating profit</b>	<b>27,328,921,757</b>	<b>23,919,183,813</b>	<b>203,436,309,282</b>	<b>111,242,447,392</b>
11	Other income	16,434,159,287	8,485,670,679	41,807,023,117	155,559,635,860
12	Other expenses	29,806,258,771	2,321,100,518	44,767,517,322	118,719,379,146
13	<b>Other profit</b>	<b>(13,372,099,485)</b>	<b>6,164,570,161</b>	<b>(2,960,494,205)</b>	<b>36,840,256,714</b>
14	<b>Total accounting profit before tax</b>	<b>13,956,822,272</b>	<b>30,083,753,974</b>	<b>200,475,815,077</b>	<b>148,082,704,107</b>
15	Current corporate income tax	38,592,648,912	260,634,104	50,355,413,912	28,066,723,132
16	Deferred corporate income tax	2,286,884,376	5,516,520,797	224,341,495	5,514,264,647
17	<b>Profit after tax</b>	<b>(26,922,711,016)</b>	<b>24,306,599,073</b>	<b>149,896,059,670</b>	<b>114,501,716,328</b>
17.1	Profit after tax of minority shareholders	1,456,043,623	683,851,667	12,123,444,207	10,751,838,585
17.2	Profit after tax of parent company's shareholders	(28,378,754,638)	23,622,747,406	137,772,615,463	103,749,877,743
18	<b>Earning per share</b>	<b>(251)</b>	<b>255</b>	<b>1,217</b>	<b>948</b>

Ho Chi Minh City, 12 Feb 2014

\_\_\_\_\_  
**Truong Nhu Nguyen**  
Preparer

\_\_\_\_\_  
**Nguyen Minh Nguyen**  
Chief Accountant

\_\_\_\_\_  
**Do Van Minh**  
General Director

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENT**

For quarter IV 2013

**CASH FLOW STATEMENT****(Indirect method)****For quarter IV 2013**

Unit: VND

ITEMS	Code	Note	<u>Current year</u>	<u>Previous year</u>
<b>I. Cash flows from operating activities</b>				
<b>1. Profit before tax</b>	<b>01</b>		<b>200,475,815,077</b>	<b>148,082,704,106</b>
<b>2. Adjustments</b>				
- Depreciation of fixed assets	02		244,918,751,687	248,257,952,948
- Provisions	03	V.3,7,19	5,330,862,213	(70,387,464,875)
- Gain/ (loss) from foreign exchange differences	04	VI.3,4	18,146,286,471	(26,830,545,522)
- Gain/ (loss) from investing activities	05	VI.3,4,7,8	(348,791,106,655)	(98,272,130,559)
- Loan interest expenses	06	VI.4	115,010,442,151	143,502,583,899
<b>3. Operating profit before changes of working capital</b>	<b>08</b>		<b>235,091,050,943</b>	<b>344,353,099,997</b>
- Increase/ (decrease) of accounts receivable	09		(2,609,521,880)	49,019,898,719
- Increase/ (decrease) of inventories	10		(19,679,334,704)	(1,021,596,749)
- Increase/ (decrease) of accounts payable	11		114,810,228,453	(123,667,983,214)
- Increase/ (decrease) of prepaid expenses	12		(5,462,637,471)	49,177,529,161
- Loan interests already paid	13		(112,883,180,040)	(146,804,501,868)
- Corporate income tax already paid	14		(24,958,328,274)	(34,260,437,206)
- Other gains	15		124,627,590,507	141,036,904,058
- Other disbursements	16		(100,256,352,121)	(155,608,699,642)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>208,679,515,413</b>	<b>122,224,213,257</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21		(658,560,274,022)	(234,296,797,775)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		28,338,501,367	125,787,049,008
3. Loans given and purchases of debt instruments of other entities	23		(210,387,401,934)	(3,000,000,000)
4. Recovery of loans given and disposals of debt instruments of other entities	24		60,500,500,000	215,905,753,859
5. Investments into other entities	25		(369,593,437,500)	(109,180,000,000)
6. Withdrawals of investments in other entities	26		226,981,967,029	19,777,015,000
7. Receipts of loan interests, dividends and profit shared	27		138,412,835,036	93,742,277,246
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(784,307,310,024)</b>	<b>108,735,297,338</b>

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENT**

For quarter IV 2013

**Cash flow statement (cont.)**

ITEMS	Code	Note	<u>Current year</u>	<u>Previous year</u>
<b>III. Cash flows from financing activities</b>				
1. Gains from stock issuance and capital contributions from shareholders	31		49,743,600,000	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		(3,743,651,754)	-
3. Short-term and long-term loans received	33	V.24,33	1,387,725,311,164	1,243,887,236,881
4. Loan principal amounts repaid	34	V.24	(853,706,537,539)	(1,369,368,884,196)
5. Payments for financial leasehold assets	35		-	
6. Dividends and profit already paid to the owners	36		(113,176,352,270)	(76,472,057,096)
<i>Net cash flows from financing activities</i>	<b>40</b>		<u><b>466,842,369,601</b></u>	<u><b>(201,953,704,411)</b></u>
<b>Net cash flows during the year</b>	<b>50</b>		<b>(108,785,425,010)</b>	<b>29,005,806,184</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>545,259,172,382</b>	<b>516,375,213,095</b>
Effects of fluctuations in foreign exchange rates	61		(301,238,337)	(121,846,894)
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<u><u><b>436,172,509,035</b></u></u>	<u><u><b>545,259,172,384</b></u></u>

Ho Chi Minh City, 12 Feb 2014

\_\_\_\_\_  
**Truong Nhu Nguyen**  
Preparer

\_\_\_\_\_  
**Nguyen Minh Nguyet**  
Chief Accountant

\_\_\_\_\_  
**Do Van Minh**  
General Director

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**For the fourth quarter of the fiscal year ended 31 December 2013

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the fourth quarter of the fiscal year ended 2013****At as 31 December 2013**

The consolidated financial statements for the fourth quarter of the fiscal year ending 31 December 2013 of Gemadept Corporation including the financial statements of Gemadept Corporation (parent company) and those of its subsidiaries (list of subsidiaries is presented in Note I.5) (hereinafter referred to as “the Group”).

**I. OPERATION FEATURES****1. Investment form  
of parent company**

: A joint stock company.

**2. Operating field**

: Port operation, Logistics, Forestry and Real Estates.

**3. Main operations**

Gemadept Corporation has been consistent with its strategy to develop core business and to selectively diversify business sectors. Gemadept’s business scopes include Port operation, Logistics, Forestry and Real Estates.

- **Port operation:** Operating a port system stretching from the North to the South, at big cities and major industrial zones: Phuoc Long ICD Port, Nam Hai Port, Dung Quat Port and Binh Duong Port; Investing in the projects of Nam Hai- Dinh Vu Container Port, Gemalink Cai Mep deep-sea Port and Gemadept Hoa Sen Port.
- **Logistics:** Distribution centers; container liner services; projects cargo transport; multi-modal transport, ship management and screw manning; shipping agency and freight forwarding services; air-cargo terminal, etc.
- **Forestry:** Plant, exploit and process rubber and other industrial crops in Cambodia.
- **Real estate:** Building and operating commercial centers, hotels, office buildings in big cities of Vietnam and Indochina including Gemadept Tower, Saigon Gem Mixed-use Development project and Gemadept Mixed-use Development project in Vientiane- Laos.

**4. Total number of subsidiaries**

:

**25***In which:*

Number of subsidiaries to be consolidated

:

**25**

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

**Notes to the consolidated financial statements (cont.)****5. List of key 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, #11-01 to #11-04 Cendex Centre, Singapore.	100,00 %	100,00 %
Grand Pacific Shipping Pte.Ltd.	120 Lower Delta Road, #11-01 to #11-04 Cendex 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 <sup>nd</sup> floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00 %	100,00 %
Gemadept Dung Quat International Port J.S.C	Port No. 1 – Dung Quat Port, Binh Thuan Commune, Binh Son District, Quang Ngai Province, Vietnam.	78.60 %	78.60 %
Phuoc Long Port Co., Ltd.	19 <sup>th</sup> floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00 %	100,00 %
ISS - Gemadept Co., Ltd.	No. 8, Nguyen Hue, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	51,00 %	51,00 %
Gemadept – Vung Tau Corporation	No. 1/1A Pham Hong Thai, Ward 7, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam.	70,00 %	70,00 %
Gemadept Nhon Hoi International Port J.S.C	No. 98 Pham Hung, Quy Nhon City, Binh Dinh Province	53,20 %	53,20 %
Hoa Sen - Gemadept Logistics and International Port Corporation	Road No.2B, Phu My I Industrial Park, Phu My Town, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam.	51,00 %	51,00 %
Gemadept Logistics One Member Co., Ltd.	Lot J1, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong Province, Vietnam.	100,00 %	100,00 %
Lien Uoc Transportation Co.,Ltd	2A-4A Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	51,00%	51,00%
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 Hai Phong Co., Ltd.	619B + 620 + 621, 6 <sup>th</sup> floor, Lot 20A, TD Business Center, Le Hong Phong road, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam.	100,00 %	100,00 %

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

<i>Subsidiaries</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
Truong Tho Tourism and Transportation J.S.C (*)	Quarter 7, Truong Tho Ward, Thu Duc District, Ho Chi Minh City, Vietnam.	46,00 %	54,00 %
Nam Hai Port Corporation	No. 201, Ngo Quyen Street, May Chai Ward, Ngo Quyen District, Hai Phong City, Vietnam.	99,98 %	99,98 %
Pacific Marine Co., Ltd.	21 <sup>st</sup> floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00%	100,00%
Vi Tin Service Computing Co., Ltd.	2 <sup>nd</sup> floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100,00%	100,00%
Bright Ocean Logistics Co., Ltd.	20 <sup>th</sup> floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100,00%	100,00%
P O Shipping (VietNam) Co., Ltd.	No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	51,00%	51,00%
Pacific Rubber Industry Co., Ltd.	19 <sup>th</sup> floor, Gemadept Building, No. 2Bis-4-6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100,00%	100,00%
Pacific Pearl Joint Stock Company Limited	193C Mao Tse Toung Blv., Chamcarmon Dist., Phnom Penh City, Cambodia.	100,00%	100,00%
Pacific Lotus Joint Stock Company Limited	193C Mao Tse Toung Blv., Chamcarmon Dist., Phnom Penh City, Cambodia.	100,00%	100,00%
Nam Hai Dinh Vu Port J.S.C	Km No.6, Dinh Vu street, Dong Hai Ward, Hai An District, Hai Phong, Vietnam.	54,66%	54,66%
Maritime Trading Promotion Co., Ltd	21 <sup>st</sup> floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00%	100,00%

(\*) Gemadept Corporation has controlled Truong Tho Tourism and Transportation J.S.C since the company has been given the authority to reach the voting right rate of 54% in the shareholders' meetings by some shareholders.

**6. List of key associates reflected in the consolidated interim financial statements in accordance with the method of owner's equity**

<i>Associates</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
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**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

<i>Associates</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
Golden Globe Trading Co., Ltd.	No. 117 Le Loi, District 1, Ho Chi Minh City, Vietnam.	45,00%	45,00%
Molenbernatie – Gemadept Viet Nam Co.,Ltd	Lot J1, Road No.8, Song Than 1 Industrial Park, Di An Town, Binh Duong Province, Vietnam.	49,00%	49,00%
Vung Tau Commercial Port J.S.C (VCP)	No. 973, 30/4 Street, Ward 11, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.	26,78%	26,78%
Power Transportation and Service J.S.C (Potraco)	No. 112 Ngo Quyen, Ngo Quyen District, Hai Phong City, Vietnam.	38,03%	38,03%
Schenker Gemadept Logistics Vietnam Co., Ltd.	Lot J2, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong, Vietnam.	49,00%	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%	40,00%
Saigon Cargo Service Corporation (SCSC Corp.)	No. 30, Phan Thuc Duyen, Ward 4, Tan Binh District, Ho Chi Minh City, Vietnam.	29,43%	29,43%
Falcon Ha Dong Investment and Trading J.S.C	No. 418 Quang Trung, La Khe Ward, Ha Dong District, Ha Noi City, Vietnam.	25,00%	25,00%
United Food J.S.C	No. 267 Quang Trung Street, Quang Trung Ward, Ha Dong District, Ha Noi City, Vietnam.	26,56%	26,56%
Golden Globe Co., Ltd.	Sibunhuong Village, Chanthabouly District, Viengchan, Laos.	40,00%	40,00%
OOCL Logistics (Vietnam) Co.,Ltd	Floor 13, Saigon Trade Center Building, 37 Ton Duc Thang, District 1, HCM City, Vietnam.	49,00%	49,00%

**7. List of key jointly controlled entities reflected in the consolidated interim financial statements in accordance with the method of owner's equity**

<i>Jointly controlled entities</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
Gemadept - Terminal Link Cai Mep Terminal J.S.C	Phuoc Hoa Commune, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam	50,00%	50,00%

Gemadept Corporation has invested in Gemadept - Terminal Link Cai Mep Terminal J.S.C at the benefit rate of 75%. However, the Board of Management of the company have agreed to transferred 25% of stocks invested in this company to another partner, making up 50% in the voting right in Gemadept - Terminal Link Cai Mep Terminal J.S.C of the Group. In addition, according to the Charter of this company, the resolutions of its Shareholders have to be approved by the shareholders who hold at least 76% of total share capital.

**8. Effects of the Group's operations on the financial statements.**

## **GEMADEPT CORPORATION**

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

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During the period, Gemadept Corporation has increased its charter capital from VND 1,904,473,090,000 to VND 1,144,216,690,000 due to the share issuance in line with the share welfare program for the employees in line with the Resolution No. 01/HD9CD9 dated 15 May 2006 and No. 02-2010/GMD – HĐCĐ 2010 dated 29 June 2010 of the Annual General Meeting of Shareholders.

In addition, Gemadept Corporation has transferred capital contribution in Sinokor Vietnam Co., Ltd to the partner- Sinokor Korea and all of shares in Vinh Hao Mineral Water J.S.C.

Besides, MBN-GMD Vietnam Co.,Ltd. (Gemadept holds 34% of this company's capital) has been dissolved due to the expiration of operation course. In order to maintain the operations, the partners have established a new company – Molenbergnatie – Gemadept Vietnam Co., Ltd and the main operations of this new company is leasing warehouse for goods storage, in which, Gemadept Corporation owns 49% of the charter capital of this company.

In this period, Gemadept Corporation has contributed the value of Gemadept Tower to Maritime Trading Promotion Company Limited (MARPRO). The profit of 665 billion VND arising from the Gemadept Tower revaluation has been reflected in the Gemadept's financial statements.

On 27<sup>th</sup> December 2013, Gemadept Corporation officially signed an agreement to transfer 85% of its share capital of MARPRO to Korean CJ Group. The transaction is planned to be completed in 2014.

## **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 standard currency unit used is Vietnam Dong (VND).

## **III. ACCOUNTING SYSTEM AND STANDARDS**

### **1. Accounting system**

The consolidated financial statements have been prepared in line with the guidance of Vietnamese accounting standards and system, which have been issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance as well as the Circulars giving guidance on the application of the Vietnamese accounting system and standards of the Ministry of Finance.

### **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, which have been issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance as well as the circulars of the Ministry of Finance giving guidance on the implementation of the accounting system and standards, in the preparation of these consolidated financial statements.

### **3. Accounting form**

General journal recording.

## **GEMADEPT CORPORATION**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fourth quarter of the fiscal year ended 31 December 2013

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

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### **IV. ACCOUNTING POLICIES**

#### **1. Accounting convention**

All the consolidated financial statements are prepared on the accrual basis (except for the information related to cash flows).

#### **2. Consolidation bases**

The consolidated financial statements include the financial statements of Gemadept Corporation (parent company) and its subsidiaries. A subsidiary is an entity 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, which is bought or sold during the year, are included in the consolidated income statements from the date of acquisition or until the date of selling investments in that subsidiary.

In the case that the accounting policy of a subsidiary is different from the accounting policy applied consistently in the Group, the financial statements of that subsidiary will be suitably adjusted before being used for the preparation of the consolidated financial statements.

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.

Interests of minority shareholders reflect the amount of the subsidiary's profit and net assets, which are not held by the shareholders of the parent company. Interests of minority shareholders are presented in a particular item in consolidated income statement and consolidated balance sheet. Interests of minority shareholders include the value of benefits of the minority shareholders as of the initial date of business consolidation and the amount of benefits of the minority shareholders in the statement of fluctuations of the owner's equity from the date of business consolidation. The losses correspondingly with the amount of capital of the minority shareholders, which are exceeded their amount of capital in the owner's equity of the subsidiary, are recorded as a decrease in the benefits of the Group unless the minority shareholders are responsible and possible to compensate for these losses.

#### **3. Business merging**

The business merging is recorded in line with its purchasing method. The costs of business merging include the fair values as at the transaction date of the exchanged assets, the liabilities which are already generated or acknowledged as well as the capital instruments issued by the Group to obtain the right to control the acquired business entity, plus the expenses directly related to the business merging. The purchased assets, the liabilities which are able to be determined and the inherent liabilities arisen from the business merging are recognized at their fair values as at the date of business merging.

The difference between the cost of business merging and the ownership share of the Group in the net fair value of the assets, the liabilities which are able to be determined and the recognized inherent liabilities of the acquired business entity as of the acquisition date is recorded as a goodwill. If the cost of business merging is lower than the net fair value of assets, the liabilities which are able to be determined and the recognized inherent liabilities of the acquired business

## **GEMADEPT CORPORATION**

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

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entity, the difference will be included into the business results during the period when the acquisition transaction is generated.

#### **4. Investments in associates**

An associate is the entity in which the Group has significant effects on but not having the control for their financial policies and operations.

Business results of an associate is included into the consolidated financial statements of the Group in accordance with the equity method from the date when the Group begins to have significant influence to the date it ceases to have significant influence. The investment into associate is initially recorded at costs on the consolidated financial statements and then adjusted for the post acquisition change in the Group's share of net assets of the associate. If the Group's share of loss of an associate equals or exceeds the carrying amount of an investment, the investment is then reported at nil (0) value on the consolidated financial statement, except when the Group has obligations to pay on behalf of the associate to satisfy obligations of the associate.

The difference between the investment expenses and the ownership share of the Group in the fair value of the net recognizable assets of the associate as of the acquisition date is recorded as a goodwill. If the investment expenses are lower than the fair value of the net recognizable assets of the associate as of the acquisition date, the difference is included into the business results during the period when the transaction is generated.

The separate financial statements of the associate are prepared for the accounting period that is the same with that of the Group. In the case that the accounting policy of an associate is different from the accounting policy applied consistently in the Group, the financial statements of that associate will be suitably adjusted before being used for the preparation of the consolidated financial statements.

#### **5. Investments in jointly controlled business concerns**

A jointly controlled business concern is the entity that the Group controls its operations together with other partners according to agreements.

The Group recognizes its benefits in jointly controlled business concerns in line with the method of owner's equity. According to which, the capital contributions in joint ventures are recorded at their historical costs first, and then they are adjusted according to the changes of the ownership parts of the joint venture partners according to the net assets of that jointly controlled business concern. The income statement reflects the benefits of the Group from the business results of jointly controlled business concerns. The Group stops using the method of owner's equity from the date of ending jointly controlled right or when the Group does not have material influences on the jointly controlled business concern.

Unrealized profit/(loss) arising from transactions with the jointly controlled business concerns is excluded in correspondence with the part owned by the Group when the consolidated financial statements are prepared.

#### **6. Good will**

The difference between the investment expenses and the benefits of the Group in the net fair value of the assets, the liabilities which are able to be determined and the recognized inherent liabilities of the subsidiary as of the acquisition date is recorded as goodwill. The goodwill is recorded as an asset on the consolidated balance sheet and is allocated according the straight-line method in 10 years.

## **GEMADEPT CORPORATION**

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

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When the subsidiary is sold, the net book value of the goodwill related to this subsidiary is included into the business results.

#### **7. 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.

#### **8. 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 are 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.

Increase/(decrease) of provision of devaluation of inventories is recorded into cost during the period.

#### **9. Trade receivable and other receivable**

Trade receivable and other receivable are recognized at the values on supporting documents and invoices.

Provision is made for each bad debt on the basis of the debt ages or estimated loss.

Increase/(decrease) of provision for bad debts is recorded into “administrative overheads” during the period.

#### **10. 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 company 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.

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 year.

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 & structures	05 - 29
Machinery & equipment	05 - 10
Vehicles	06 - 15
Office equipment	03 - 10
Other fixed assets	08 - 09

## **GEMADEPT CORPORATION**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fourth quarter of the fiscal year ended 31 December 2013

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

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### **11. Operating leasehold assets**

#### ***The Group as the lessor***

The income from operating lease is recorded in line with the straight-line method during the leasing period. The initial direct expenses to earn income from operating lease are recorded into expenses at once or are gradually allocated into operating expenses during the leasing period in conformity with the recording of income from operating lease.

#### ***The Group as the lessee***

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.

### **12. 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.

Investment properties 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 & structures	25

### **13. Intangible fixed assets**

Intangible fixed assets are determined by their initial costs less accumulated amortization. Intangible fixed assets of the Group include:

#### ***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. If the land use right is permanent, it will not be amortized. If the land use right is not permanent, it will be amortized in line with the land leasing period.

#### ***Computer software***

The buying price of the computer software which is not a part connected to related hardware will be capitalized. Initial cost of computer software includes all the expenses paid until the date the software is put into use. Computer software is amortized in accordance with straight-line method in 03 years.

### **14. Construction-in-progress**

## **GEMADEPT CORPORATION**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fourth quarter of the fiscal year ended 31 December 2013

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

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This term reflects the expenses directly related to the construction of plants, the rubber project in Cambodia, the installation of machinery and equipment, which have not been completed yet. Assets are in the progress of construction and installation, so they are not depreciated.

### **15. Borrowing costs**

Borrowing costs are included into expenses as actually incurred. 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 year, except for particular borrowings serving the purpose of obtaining a specific asset.

### **16. Financial investments**

Investments into securities, subsidiaries, associates and jointly controlled entities are recorded at their original costs. Interest, dividends, profit during the period prior to the purchase of investment have been recorded as a decrease in the value of that investment. Interest, dividends, profit during the period after to the purchase of investment have been recorded in the company's sales.

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. The market price on which the provision is made is determined as follows:

- Stocks listed on Hanoi Stock Exchange (HNX): the average trading price at the date of provision.
- Stocks listed on Ho Chi Minh City Stock Exchange (HOSE): the closing price at the date of provision.
- Stocks registered on Unlisted Public Company Market (UPCom): the average trading price of the system at the date of provision.
- Stocks not yet registered on Unlisted Public Company Market (UPCom): the average price of the minimum prices disclosed by 3 securities companies at the date of provision.

Provision for the loss of financial investments in other economic organizations is extracted when these organizations suffer from losses (except for the case of losses as in the plan made before the investment) with the extractions equivalent to the amount which is the difference between the actual contributed capital of economic organization's investors multiplying (x) by the actual owner's equity with the company's rates of capital contributions on the total capital contribution of all investors in that economic organization.

The increase/(decrease) of the balance of provision for financial investments is recorded into "financial expenses" during the period.

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

### **17. Long-term prepaid expenses**

#### ***Land rental***

Land rental prepaid

## **GEMADEPT CORPORATION**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fourth quarter of the fiscal year ended 31 December 2013

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

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### ***Tool expenses***

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 02 years.

### ***Other expenses***

Other long-term prepaid expenses are allocated according to the time as in the invoices or contracts, or from 02 to 03 years.

## **18. Accrued expenses**

Accrued expenses are recorded, based on reasonable estimates on the amounts payable for goods and services already used.

## **19. Appropriation for unemployment fund and unemployment insurance**

The Group has to pay for severance and unemployment allowances to the employees who have worked for the Group for 12 months or more until 31 December 2008. The rate of extraction for this fund is ½ average monthly salary and allowances (if any) in six consecutive months before the date of resigning for each working year.

Pursuant to the Law on Social Insurance, from 01 January 2009, the employers have to pay to unemployment insurance fund managed by Vietnam Social Insurance Agency at the rate of 01% of the lower amount between the basic monthly salary of the employee and the amount equal to 20 times of the general minimum monthly salary as regulated by the Government in each particular period. With the application of the unemployment insurance system, the employers do not have to make any provision for unemployment allowances for the employees' working periods from 01 January 2009.

Unemployment allowances are recorded in "Administrative overheads" when paid to the employees.

## **20. Provisions for accounts payable**

Provisions are recorded when the Group has legal obligations or joint obligations resulted from an event which has happened and has been able to make payment of the accounts. Provisions are determined on the basis of the estimates of necessary expenses to settle the obligation as of the balance sheet date. If time causes material effects, the provision will be determined by deducting the amount to be spent in future to settle the liability with the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to this liability. The increase in provision due to the effect of time will be recognized as an interest expense.

## **21. Capital**

### ***Owner's equity***

Owner's equity is the capital recorded according to the actual amounts invested by shareholders.

### ***Share premiums***

Share premiums are recorded at the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and book values of treasury stocks. Expenses directly related to the additional issue of stocks and the re-issuance of treasury stocks are recorded as a decrease in "Share premiums".

## **GEMADEPT CORPORATION**

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

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##### ***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. When this share capital is re-issued, the difference between the re-issuance price and book values of treasury stocks is recorded in "Share premiums".

#### **22. Dividends**

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

#### **23. Extraction for funds**

Funds of the Group's companies are extracted and used in line with the Resolution of the Annual Shareholders' Meeting at the rate depending on each company's particular regulations:

	<u>Purposes</u>
• Financial reserved fund	To compensate losses and damages during the course of operation or unpredictable force majeure such as natural disaster, fire, etc.; To compensate the losses of the company according to the decision of the Board of Management
• Other funds	To supplement the company's charter capital
• Bonus and welfare funds	To reward, encourage the material benefits, improve and raise the physical and moral lives for employees
• Bonus fund of the Board of Management	To give rewards and to serve other activities to the Board members

The rate of extraction for these funds are determined in compliance with Resolution of the Annual Shareholders' Meeting.

#### **24. Corporate income tax**

Corporate income tax includes current income tax and deferred income tax.

##### ***Current income tax***

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

##### ***Deferred income tax***

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. Deferred corporate income tax assets, which have not been recorded before, are considered at the balance sheet date and are recorded when there is certainly enough taxable income to use these deferred corporate income tax assets.

## **GEMADEPT CORPORATION**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fourth quarter of the fiscal year ended 31 December 2013

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

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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.

### **25. Foreign currency translation**

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

The foreign exchange differences, which arise from transactions of monetary items in foreign currencies during the year and the differences on foreign exchange due to the revaluation of the ending balances of the monetary items, after offsetting their positive differences against negative differences, shall be recorded into the financial income or the financial expenses.

The exchange rates used to convert the transactions in foreign currencies are the actual exchange rates of the commercial banks that make transactions with the Group at the time of making the foreign currency transactions. The exchange rates used to revalue the ending balances of monetary items in foreign currencies are the buying exchange rates or the average buying exchange rates, disclosed as of the balance sheet date, of commercial banks where the Group opens its accounts.

The assets and liabilities of the subsidiary which is operating overseas are converted into VND at the exchange rate ruling as at the balance sheet date. The items in the income statement are converted into VND according to the average exchange rate during the year. Differences on foreign exchange rates upon the conversion of financial statements of foreign entity will be included into owner's equity (i.e. in the item "Difference on foreign exchange rates"). If the foreign entity is liquidated, the accumulated differences on foreign exchange rate related to that foreign entity are included into business results.

The exchange rates used as of:	31 December 2012 :	VND 20,828/USD
		: VND 16,866 /SGD
		: VND 6,846 /MYR
	31 December 2013 :	VND 21,073/USD
		: VND 16,707/SGD
		: VND 6,542/MYR

### **26. Recognition of sales and income**

#### ***Sales of service provision***

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.

#### ***Income from leasing operating assets***

The recognition of income from leasing operating assets is present in Note IV.11.

#### ***Interests***

Interests are recorded based on the term and the interest rates applied in each particular period.

## **GEMADEPT CORPORATION**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fourth quarter of the fiscal year ended 31 December 2013

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

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### ***Dividends and profit shared***

Dividends and profit shared are recognized when the company has the rights to receive dividends or profit from its capital contribution. In particular, the dividends received in form of shares are not recorded into income but are only followed up the additional quantity.

## **27. Financial assets**

### ***Classification of financial assets***

The classification of these financial assets depends on the nature and the purpose of them and is determined at the date of initial recognition. The Group's financial assets include such groups as investments held to maturity dates, loans given and receivables, and financial assets available for sale.

### ***Investments held to maturity dates***

Investments held to maturity dates are non-derivative financial assets with fixed or identified payments and fixed maturity periods which a company has the intention and ability to hold until the dates of maturity.

### ***Loans given and receivables***

Loans and receivables are non-derivative financial assets with fixed or identified payments, which are not listed on the market.

### ***Financial assets available for sale***

Available-for-sale financial assets are non-derivative financial assets determined as available for sale or not classified as financial assets recognized at fair values through profit or loss statement, investments held to maturity dates, loans given and receivables.

### ***Initial carrying amount of a financial asset***

Financial assets are recognized at the acquisition date and are stopped recognizing at the selling date. At the date of initial recognition, financial assets are determined at the acquiring price/issuing cost plus other costs directly related to the acquisition or issuance of that financial asset.

## **28. Financial liabilities and equity instruments**

Financial instruments are classified as financial liabilities or equity instruments upon the dates of initial recognition in conformity with the natures and definitions of financial liabilities or equity instruments.

### ***Financial liabilities***

The classification of these financial liabilities depends on the natures and purpose of the financial liabilities and its determined at the date of initial recognition. The Group's financial liabilities include accounts payable to suppliers, loans and debts, and other payable.

At the date of initial recognition, other financial liabilities are recorded at their initial costs less other expenses directly related to these financial liabilities.

### ***Equity instrument***

Equity instrument is the contract which can prove the remaining benefits in the assets of the company after deducting all of its liabilities.

## **GEMADEPT CORPORATION**

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

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#### **29. Offsetting financial instruments against each other**

Financial assets and financial liabilities will be offset against each other and are reflected at their net values on the balance sheet when, and only when, the Group:

- has a legal right to offset the recognized amount; and
- has intention either to settle on a net basis, or to realize the asset and to settle the liability simultaneously.

#### **30. Debt conversion to shares**

Debts converted into shares are the debts that can be converted into a determinable number of shares as defined in the issuance plan. These convertible debts are classified into liability and equity component, which are included into payable obligations in accordance with mutual agreements as in the contract and in conformity with the rights of the creditors.

At the date of initial recognition, the principal of debts converted into shares is recognized as a liability while the equity component (share option) of convertible debts is recognized as owner's equity.

The principal of debts converted into shares is determined by discounting the value of the future payments (including interest and principal) to the present value, using the interest rate of similar loans without the option to convert into shares. If the interest rate of a similar loan cannot be determined, the common loan interest rate on the market ruling as at the time of issuing convertible debt will be used to calculate the present value of future payments. The value of the equity component is the difference between total proceeds from the issue of convertible debts and value of the liability component of the debts converted into shares.

After initial recognition, the payable interest periodically is calculated on the basis of the beginning balance of interest and principal of convertible debts, which is recorded into financial expenses or capitalized. The difference between the payable interest included into financial expenses or capitalized during the period and the payable interest calculated at nominal interest rate will be included as an increase to the principal of convertible debts.

Upon the maturity date, the value of share option of convertible debts, which is reflected at the owner's equity and the higher amount between the principal amount of convertible debts and the value of additionally issued shares (calculated at the face value) is recognized as an increase to share premiums.

The cost of issuance of debts converted into shares is allocated to both liability and equity component of that debt instrument at a defined rate. The transaction cost related to equity component is presented as a decrease in owner's equity. The issuing cost related to liability component is included into liabilities and is allocated into financial expenses or capitalized according to the term of loan and the actual interest rate method.

#### **31. Related parties**

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

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

Transactions with the related parties during the year are presented in Note VII.

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

**Notes to the consolidated financial statements (cont.)****V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INTERIM BALANCE SHEET****1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	20,025,074,395	23,966,803,458
Cash in bank	366,110,036,917	459,710,259,682
Cash in transit	3,698,646,414	2,024,240,180
Cash equivalents <sup>(*)</sup>	46,338,751,309	59,557,869,062
<b>Total</b>	<b><u>436,172,509,035</u></b>	<b><u>545,259,172,382</u></b>

<sup>(\*)</sup> Under-3-month deposits.**2. Short-term investments**

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term investments in securities	148,927,867,330	157,471,867,330
Gemadep - Terminal Link Cai Mep Terminal J.S.C	482,400,000,000	482,400,000,000
Other investments	60,604,438,220	436,224,269
Short-term loans given	38,604,438,220	436,224,269
Term deposits <sup>(*)</sup>	22,000,000,000	-
<b>Total</b>	<b><u>691,932,305,550</u></b>	<b><u>640,308,091,599</u></b>

<sup>(\*)</sup> Deposits of which the periods are from 03 months to under 01 year.**3. Provisions for devaluation of short-term investments**

Provision for devaluation of short-term investments in securities.

Statement of fluctuations in provisions for devaluation of short-term investments in securities:

Beginning balance	97,773,145,783
Additional provision	19,397,687,379
Reversal	-
<b>Ending balance</b>	<b><u>117,170,833,162</u></b>

**4. Receivable from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Gemadep Corporation	133,084,589,233	119,955,355,978
Gemadep Dung Quat International Port J.S.C	11,100,598,088	4,675,662,369
Gemadep (Malaysia) Ltd.	1,788,654,216	3,329,682,174
Gemadep (Singapore) Ltd.	187,703,145	15,379,801,812
Phuoc Long Port Co., Ltd.	45,335,702,048	55,211,865,883
ISS - Gemadep Co., Ltd.	1,086,523,593	1,374,438,107
Gemadep Logistics One Member Co., Ltd.	80,025,597,730	52,953,375,811
Gemadep Infrastructures Development and Investment Construction J.S.C	4,591,369,791	4,591,369,791

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Gemadept Hai Phong Co., Ltd.	14,105,567,876	17,576,991,984
Truong Tho Tourism and Transportation J.S.C	33,001,430	287,863,490
Nam Hai Port Corporation	26,147,324,255	19,831,165,766
Pacific Marine Co., Ltd.	132,463,482	59,298,971
Bright Ocean Logistics Co., Ltd.	1,804,370,584	438,361,922
Vi Tin Service Computing Co., Ltd.	-	6,000,000
<b>Total</b>	<b><u>319,423,465,471</u></b>	<b><u>295,671,234,058</u></b>

**5. Prepayment to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Gemadept Corporation	87,625,192,412	49,193,243,351
Gemadept Dung Quat International Port J.S.C	276,000,000	88,880,000
V.N.M General Transportation Service Co., Ltd.	44,000,000	22,000,000
Phuoc Long Port Co., Ltd.	45,888,525,395	34,847,122,505
Gemadept Logistics One Member Co., Ltd.	34,992,510,425	47,908,664,568
Hoa Sen - Gemadept Logistics and International Port Corporation	2,314,947,576	2,314,947,576
Gemadept Infrastructures Development and Investment Construction J.S.C	9,259,625,631	5,746,902,536
Gemadept Hai Phong Co., Ltd.	9,414,815,140	884,772,068
Truong Tho Tourism and Transportation J.S.C	42,822,956,496	49,971,859,181
Nam Hai Port Corporation	991,639,925	1,274,662,748
Gemadept (Singapore) Ltd.,	655,644,329	-
Pacific Pearl Joint Stock Company Limited	17,695,022,334	-
Nam Hai Dinh Vu Port J.S.C	5,741,633,298	-
<b>Total</b>	<b><u>257,722,512,961</u></b>	<b><u>192,253,054,533</u></b>

**6. Other receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable of amounts paid on others' behalf to provide agency services	37,115,999,054	23,886,465,832
Receivable from associates and co-operations	39,312,581,137	47,370,831,430
Vietnam Industry Securities Company – business co-operation contract	35,000,000,000	35,000,000,000
Pacific Lotus Joint Stock Company Limited	-	275,501,968,131
Pacific Pride Co., Ltd.	329,177,443,767	194,630,578,480
Dividends and profit shared	1,446,120,000	3,278,035,506
Receivable from estimated interest on deposits, loans given and bonds	-	3,625,808,944
Receivable from securities trading	3,000,000,000	3,200,000,000
Others	184,439,992,510	115,847,747,057
<b>Total</b>	<b><u>629,492,136,468</u></b>	<b><u>702,341,435,380</u></b>

**7. Provision for short-term bad debts**

This item reflects the provision for outstanding debts.

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

Situation of fluctuations in provision for devaluation of bad debts is as follows:

Beginning balance	16,121,057,208	
Additional extraction		
Reversal of provision	<u>(1,012,870,130)</u>	
<b>Ending balance</b>	<b><u>15,108,187,078</u></b>	
<b>8. Inventories</b>		
	<b><u>Ending balance</u></b>	<b><u>Beginning balance</u></b>
Goods in transit	-	522,548,636
Materials and supplies in stock	17,587,037,013	5,956,847,436
Fuel and oil in ships	26,572,393,204	20,236,385,857
Tools	397,825,366	84,561,680
Spare parts	12,879,471,764	15,440,830,479
Work-in-process	49,697,175,660	45,001,819,260
Merchandises	<u>186,207,245</u>	<u>397,782,200</u>
<b>Total</b>	<b><u>107,320,110,252</u></b>	<b><u>87,640,775,548</u></b>
<b>9. Short-term prepaid expenses</b>		
	<b><u>Ending balance</u></b>	<b><u>Beginning balance</u></b>
Repairing expenses	8,549,775,066	8,766,409,547
Tools	4,475,839,681	5,057,844,243
Insurance premiums	1,458,212,479	1,680,544,918
Others	<u>4,714,398,195</u>	<u>3,163,618,801</u>
<b>Total</b>	<b><u>19,198,225,421</u></b>	<b><u>18,668,417,509</u></b>
<b>10. Taxes and other accounts receivable from State</b>		
	<b><u>Ending balance</u></b>	<b><u>Beginning balance</u></b>
Taxes and other accounts receivable from State	<u>14,540,637,976</u>	<u>15,797,479,286</u>
<b>Total</b>	<b><u>14,540,637,976</u></b>	<b><u>15,797,479,286</u></b>
<b>11. Other current assets</b>		
	<b><u>Ending balance</u></b>	<b><u>Beginning balance</u></b>
Advances	65,869,975,953	40,810,955,907
Short-term deposits and mortgages	10,356,085,120	73,741,295,934
Deficit assets for treatment	<u>569,250</u>	<u>8,598,818</u>
<b>Total</b>	<b><u>76,226,630,323</u></b>	<b><u>114,560,850,659</u></b>
<b>12. Other long-term accounts receivable</b>		
	<b><u>Ending balance</u></b>	<b><u>Beginning balance</u></b>
Hang River Co., Ltd. – Capital contribution to develop the project of Le Chan General Port	19,000,000,000	19,000,000,000
Dong Duong Infrastructure Development and Construction Investment J.S.C – capital contribution to develop the project of Logistics Service Area	18,000,000,000	18,000,000,000

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Binh Duong Port J.S.C - lending money	3,000,000,000	3,000,000,000
Galaxy Corporation – lending money	1,000,000,000	41,000,000,000
<b>Total</b>	<b><u>41,000,000,000</u></b>	<b><u>81,000,000,000</u></b>

**13. Increases/ (decreases) of tangible fixed assets**

	<u>Buildings and Structure</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<b>Historical cost</b>						
Beginning	491,434,339,685	386,196,745,325	1,784,425,883,288	25,821,966,978	145,349,556,349	2,833,228,491,625
Increase	569,151,986,784	214,007,070,771	20,214,428,370	1,468,760,219		804,842,246,144
Decrease	(53,233,994,300)	(19,376,374,771)	(31,708,694,731)	(7,626,062,995)	(143,995,951,496)	(255,941,078,293)
<b>Ending Balance</b>	<b><u>1,007,352,332,169</u></b>	<b><u>580,827,441,325</u></b>	<b><u>1,772,931,616,927</u></b>	<b><u>19,664,664,202</u></b>	<b><u>1,353,604,853</u></b>	<b><u>3,382,129,659,476</u></b>
<b>Accumulated Depreciation</b>						
Beginning						
Balance	95,050,038,501	196,849,376,203	764,222,071,615	21,511,278,460	10,096,693,592	1,087,729,458,371
Increase	67,294,375,958	28,283,981,548	128,522,661,709	2,569,528,885	152,583,348	226,823,131,448
Decrease	(20,413,831,472)	(16,406,020,870)	(21,000,819,149)	(6,730,749,044)	(9,645,679,435)	(74,197,099,970)
<b>Ending Balance</b>	<b><u>141,930,582,987</u></b>	<b><u>208,727,336,881</u></b>	<b><u>871,743,914,175</u></b>	<b><u>17,350,058,302</u></b>	<b><u>603,597,505</u></b>	<b><u>1,240,355,489,851</u></b>
<b>Net Book Value</b>						
Beginning						
Balance	396,384,301,184	189,347,369,122	1,020,203,811,673	4,310,688,518	135,252,862,757	1,745,499,033,254
<b>Ending Balance</b>	<b><u>865,421,749,182</u></b>	<b><u>372,100,104,444</u></b>	<b><u>901,187,702,752</u></b>	<b><u>2,314,605,900</u></b>	<b><u>750,007,348</u></b>	<b><u>2,141,774,169,626</u></b>

**14. Increases/ (decreases) of intangible fixed assets**

	<u>Land use right</u>	<u>Computer software</u>	<u>Total</u>
<b>Initial costs</b>			
Beginning balance	81,982,877,205	14,703,784,045	96,686,661,250
New purchases	-	233,265,000	233,265,000
Increase due to business merging	166,888,453,524	73,000,000	166,961,453,524
Liquidation and disposal	(6,102,080,000)	(1,254,959,536)	(7,357,039,536)
<b>Ending balance</b>	<b><u>242,769,250,729</u></b>	<b><u>13,755,089,509</u></b>	<b><u>256,524,340,238</u></b>
<b>Amortization</b>			
Beginning balance	1,977,470,504	6,177,292,607	8,154,763,111
Amortization	2,689,429,486	2,154,297,246	4,843,726,732
Increase due to business merging	-	11,734,949	11,734,949
Liquidation and disposal	-	(737,776,476)	(737,776,476)
<b>Ending balance</b>	<b><u>4,666,899,990</u></b>	<b><u>7,605,548,326</u></b>	<b><u>12,272,448,316</u></b>
<b>Net book values</b>			

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

	<u>Land use right</u>	<u>Computer software</u>	<u>Total</u>
Beginning balance	80,005,406,701	8,526,491,438	88,531,898,139
<b>Ending balance</b>	<b>238.102.350.739</b>	<b>6.149.541.183</b>	<b>244.251.891.922</b>

**15. Construction-in-progress**

	<u>Beginning balance</u>	<u>Increase</u>	<u>Inclusion into fixed assets</u>	<u>Ending balance</u>
Acquisition of fixed assets	40,961,615,601	221,534,835,304	(217,116,933,615)	45,379,517,290
Construction-in-progress	102,005,874,450	907,481,365,516	(449,021,484,554)	560,465,755,412
<b>Total</b>	<b>142,967,490,051</b>	<b>1,129,016,200,820</b>	<b>(666,138,418,169)</b>	<b>605,845,272,702</b>

**16. Increases/(decreases) of investment properties**

Investment property is Gemadept Tower at No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City. The details of increase/(decrease) of investment property is as follows:

	<u>Historical costs</u>	<u>Depreciation</u>	<u>Net book values</u>
Beginning balance	279,448,439,795	52,138,403,992	227,310,035,803
Depreciation	-	12,405,215,942	
<b>Ending balance</b>	<b>279,448,439,795</b>	<b>64,543,619,934</b>	<b>214,904,819,861</b>

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

	<u>Accumulated from the beginning of the year</u>	<u>Current year</u>	<u>Previous year</u>
Gain from the lease	85,006,776,402	84,197,620,388	
Direct expenses related to the gain from the lease	31,006,388,451	26,968,650,854	

**17. Investments in associates and joint ventures**

<u>Associates and joint ventures</u>	<u>Main operations</u>	<u>Ending balance</u>	
		<u>Benefit rate</u>	<u>Value</u>
Golden Globe Trading Co., Ltd.	Office for lease	45.00%	47,410,905,577
Vung Tau Commercial Port J.S.C (VCP)	Services of logistics and warehouses	26.78%	10,940,103,362
MBN-GMD Vietnam <sup>(i)</sup>	Leasing warehouses	-	-
Molengnatie – Gemadept Vietnam <sup>(i)</sup>	Leasing warehouses	49.00%	3,585,687,484
Vinh Hao Mineral Water J.S.C <sup>(ii)</sup>	Producing mineral water	-	-
Minh Dam Tourism J.S.C	Providing tourist services	40.00%	16,814,090,850
Power Transportation and Service J.S.C (Potrac)	Providing transportation services	38.03%	27,214,799,798
Schenker Gemadept Logistics Vietnam Co.,Ltd	Providing forwarding and transportation services	49.00%	-
Saigon Cargo Service Corporation (SCSC Corp.)	Providing forwarding service	29.43%	126,193,316,195
Falcon Ha Dong Investment and Trading J.S.C	Providing transportation service	25.00%	21,301,771,362
Sinokor Vietnam Co., Ltd.	Providing transportation services	-	-

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

<b>Associates and joint ventures</b>	<b>Main operations</b>	<b>Ending balance</b>	
		<b>Benefit rate</b>	<b>Value</b>
United Food J.S.C	Food processing	26,56%	42,722,880,393
Gloden Globe Co., Ltd.	Building and leasing offices	40.00%	45,617,683,136
Gemadept - Terminal Link Cai Mep Terminal J.S.C <sup>(iii)</sup>	Providing service of exploiting port	50.00%	945,311,486,275
OOCL Logistics (Vietnam) Co.,Ltd	Providing forwarding and transportation services	49.00%	1,029,000,000
<b>Total</b>			<b><u>1,288,141,724,432</u></b>

(i) MBN-GMD Vietnam Co., Ltd. (Gemadept hold 34% of this company's capital) has been dissolved due to the expiration of operation course. In order to maintain the operation, the partners have established a new company – Molenbergnatie – Gemadept Vietnam Co., Ltd. and the main operations of this new company is leasing warehouse for goods storage, in which, Gemadept Corporation owns 49% of the charter capital of this company.

(ii) Decreases due to transfer of capital contribution.

(iii) The Group has invested in Gemadept – Terminal Link Cai Mep Terminal J.S.C at the rate of 75% of charter capital of this company. However, the Board of Management of Gemadept Corporation have agreed to transfer 25% of stock invested in this company to another partner. Therefore, the investment in Gemadept – Terminal Link Cai Mep Terminal J.S.C is presented in the items “Investments in associates and joint ventures” and “Short-term investments” at the rates of 50% and 25% respectively (see Note V.2)

**18. Other long-term investments**

	<b>Ending balance</b>	<b>Beginning balance</b>
Investment in securities	168,734,041,600	171,884,041,600
Other long-term investments	81,914,341,406	125,927,901,494
<b>Total</b>	<b><u>250,648,383,006</u></b>	<b><u>297,811,943,094</u></b>

**19. Provision for devaluation of long-term financial investments**

	<b>Ending balance</b>	<b>Beginning balance</b>
Provision for long-term investment in securities	46,307,972,560	47,990,971,240
Provision for other long-term investment	5,395,436,745	5,962,058,477
<b>Total</b>	<b><u>51,703,409,305</u></b>	<b><u>53,953,029,717</u></b>

**20. Long-term prepaid expenses**

	<b>Ending balance</b>	<b>Beginning balance</b>
Accounting software	91,162,502	-
Service charges	-	8,259,914,351
Tools	4,747,372,092	-
Expenses on repair warehouses and offices	1,404,747,801	767,776,010
Expenses on interior decoration	900,658,103	1,689,511,025
Expenses on dredging buoy wharf	4,812,099,747	980,825,302
Land lease right (*)	180,333,077,719	93,341,785,884
Others	9,326,895,957	1,191,843,470
<b>Total</b>	<b><u>201,616,013,921</u></b>	<b><u>106,231,656,042</u></b>

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

(\*) Land lease right of Pacific Pearl Joint Stock Company Limited and Pacific Lotus Joint Stock Company Limited in Cambodia.

**21. Deferred income tax assets**

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

**22. Other long-term assets**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits for leasing houses and offices	3,000,000,000	3,858,712,599
Deposits at airlines to guarantee the payment for freights	842,920,000	832,360,000
Deposits for land rental	-	2,002,403,920
Deposits for investment guarantee contracts	-	416,180,000
Other long-term deposits	994,159,710	352,867,108
<b>Total</b>	<b><u>4,837,079,710</u></b>	<b><u>7,462,523,627</u></b>

**23. Goodwill**

The goodwill generated from the purchases of Hoa Sen - Gemadept Logistics and International Port Corporation and Nam Hai 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).

**Initial cost**

Beginning balance	333,931,512,200
Increase due to business merging	-
<b>Ending balance</b>	<b><u>333,931,512,200</u></b>

**Amount allocated**

Beginning balance	73,471,465,888
Amount allocated during the period	33,393,151,220
<b>Ending balance</b>	<b><u>106,864,617,108</u></b>

**Net book value**

Beginning balance	260,460,046,312
<b>Ending balance</b>	<b><u>227,066,895,092</u></b>

**24. Short-term loans and debts**

	<u>Ending balance</u>	<u>Beginning balance</u>
At Gemadept Corporation	415,387,916,490	373,696,950,711
At Gemadept (Singapore) Ltd.	29,588,097,000	28,866,007,206
At Gemadept Dung Quat International Port J.S.C	17,000,000,000	12,466,725,982
At Phuoc Long Port Co., Ltd.	24,335,013,862	61,219,444,150
At Nam Hai Port Corporation	-	12,535,461,671
At Truong Tho Tourism and Transportation J.S.C	4,000,000,000	3,000,000,000

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

	<u>Ending balance</u>	<u>Beginning balance</u>
<b>Total</b>	<b><u>490,311,027,352</u></b>	<b><u>491,784,589,720</u></b>

**25. Payable to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
At Gemadept Corporation	98,982,731,431	87,620,666,863
At Gemadept (Singapore) Ltd.	5,239,482	4,421,185,776
At Gemadept (Malaysia) Ltd.	2,889,589,752	3,785,584,698
At Gemadept Dung Quat International Port J.S.C	3,326,312,399	1,595,000,352
At Bien Sang Logistic Co., Ltd.	-	7,533,656,930
At Phuoc Long Port Co., Ltd.	18,449,288,680	19,702,126,667
At ISS- Gemadept Co., Ltd.	16,987,973	31,984,133
At Gemadept Logistics One Member Co., Ltd.	25,356,675,710	35,270,499,199
At Gemadept Infrastructures Development and Investment Construction J.S.C	6,763,630,285	690,753,865
At Gemadept Hai Phong Co., Ltd.	15,197,241,638	9,702,631,065
At Truong Tho Tourism and Transportation J.S.C	21,892,377,440	16,062,917,693
At Nam Hai Port Corporation	3,484,986,892	3,978,806,463
At Nam Hai Dinh Vu Port J.S.C	21,644,496,289	-
At Pacific Pearl Joint Stock Company Limited	64,726,215,910	65,438,264,348
At Pacific Marine Co., Ltd.	1,883,249,485	-
<b>Total</b>	<b><u>284,619,023,366</u></b>	<b><u>255,834,078,052</u></b>

**26. Advances from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
At Gemadept Corporation	14,111,364,947	2,513,433,385
At ISS- Gemadept Co., Ltd.	4,982,638,591	2,913,618,132
At Phuoc Long Port Co., Ltd.	3,666,316	-
At Gemadept Logistics One Member Co., Ltd.	111,784,886	12,908,077,176
At Truong Tho Tourism and Transportation J.S.C	-	-
At Gemadept Hai Phong Co., Ltd.	109,979,091	71,380,769
At Nam Hai Port Corporation	8,938,000	1,049,534,000
At Bien Sang Logistic Co., Ltd.	-	880,972
At Pacific Marine Co., Ltd.	42,218	51,961,304
<b>Total</b>	<b><u>19,328,414,049</u></b>	<b><u>19,508,885,738</u></b>

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

**Notes to the consolidated financial statements (cont.)****27. Taxes and other obligations to the State Budget**

	<u>Ending balance</u>	<u>Beginning balance</u>
Taxes and other obligations to the State Budget	75,558,128,787	14,687,305,383
<b>Total</b>	<b><u>75,558,128,787</u></b>	<b><u>14,687,305,383</u></b>

**28. Payable to employees**

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

**29. Accrued expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Loan interest expenses	38,759,152,618	10,584,986,087
Expenses on rubber tree cultivation project	36,898,354,125	31,362,760,743
Goods circulation expenses	2,338,106,555	3,062,337,052
Commissions, bonus	1,034,424,313	692,952,472
Others	39,611,937,302	14,774,694,531
<b>Total</b>	<b><u>118,641,974,913</u></b>	<b><u>60,477,730,885</u></b>

**30. Other short-term accounts payable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's expenditure, social & health insurance, unemployment insurance	221,399,725	4,449,154,994
Dividends payable	10,040,535,950	2,533,507,605
Receipts of short - term deposits	6,549,946,351	4,653,278,481
Unearned revenues	-	4,003,501,857
Excessive assets for treatment	1,040,295	41,354,000
Other payable	104,666,149,454	202,336,482,840
- Amounts received on other's behalf payable	20,164,098,940	11,459,382,371
- Sales of goods at ports payable to the State Budget	-	1,716,241,909
- Gemadept - Terminal Link Cai Mep Terminal J.S.C – borrowings	-	120,853,141,332
- Mr. Nguyen Quoc Cuong – transfer of share capital in Hoa Sen - Gemadept Logistics and International Port Corporation	9,264,678,577	9,264,678,577
- Amounts payable of associates and business-cooperation entities	-	9,405,713,304
- Payable for agency service	30,078,173,730	30,464,744,628
- Others	45,159,198,207	19,172,580,719
<b>Total</b>	<b><u>121,479,071,775</u></b>	<b><u>218,017,279,777</u></b>

**31. Provision for short-term accounts payable**

This item reflects the amounts payable related to compensations for loss during transportation course.

**32. Other long-term accounts payable**

This item reflects the receipts of deposits to lease Gemadept Tower at No.6, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City.

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

**Notes to the consolidated financial statements (cont.)****33. Long-term loans and debts**

	<u>Ending balance</u>	<u>Beginning balance</u>
At Gemadept Corporation (*)	718,040,857,144	453,888,742,858
At Gemadept (Singapore) Ltd.	54,526,635,900	82,061,961,516
At Gemadept Dung Quat International Port J.S.C	196,000,000,000	216,000,000,000
At Phuoc Long Port Co., Ltd.	19,150,596	7,678,333,843
At Nam Hai Dinh Vu Port J.S.C	326,534,730,571	-
<b>Total</b>	<b><u>1,295,121,374,211</u></b>	<b><u>759,629,038,217</u></b>

(\*) In which, included loans from VI (Vietnam Investments) Fund II, L.P converted into shares according to the contract dated 18 June 2012.

The loans of subsidiaries in the Group are secured by mortgaging their investments project, machinery and equipment, means of transportations formed from loans and annual land lease right under the ownerships of those subsidiaries in the Group.

**34. Unearned revenue**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deferred interests due to revaluation on assets contributed as capital invested in jointly-controlled entities	261,398,991,593	257,536,706,662
Other unearned revenues	-	24,069,462,922
<b>Total</b>	<b><u>261,398,991,593</u></b>	<b><u>281,606,169,584</u></b>

**35. Owner's equity**

	<u>Ending balance</u>	<u>Beginning balance</u>
Capital	1,144,216,690,000	1,094,473,090,000
Share premiums	2,471,474,474,400	2,471,474,474,400
Other sources of capital	71,797,775,902	71,797,775,902
Foreign exchange differences	29,488,418,904	22,725,336,908
Business promotion fund	7,233,118,656	4,511,710,559
Financial reserved fund	34,781,898,799	29,429,404,912
Other funds	34,571,748,512	32,384,254,625
Retained earnings	662,903,503,166	666,735,460,345

**Shares**

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	114,421,669	109,447,309
Number of shares already issued	114,421,669	109,447,309
- <i>Common shares</i>	114,421,669	109,447,309
- <i>Preferred shares</i>	-	-
Number of shares re-purchased	-	-
- <i>Common shares</i>	-	-
- <i>Preferred shares</i>	-	-
Number of outstanding shares	114,421,669	109,447,309
- <i>Common shares</i>	114,421,669	109,447,309
- <i>Preferred shares</i>	-	-

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

Face value: VND 10,000 .

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

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Gross sales	2,531,479,450,544	2,583,237,815,898
- Sales from operating port	749,727,375,067	803,009,163,105
- Sales from logistics services (transportaion services, acting as agents, leasing assets)	1,696,745,299,075	1,696,031,032,405
- Sale from leasing offices	85,006,776,402	84,197,620,388
Deduction (sale allowance)	<u>(3,227,946,110)</u>	<u>(2,773,045,378)</u>
<b>Net sales</b>	<b><u>2,528,251,504,434</u></b>	<b><u>2,580,464,770,520</u></b>
In which:		
- Sales from operating port	746,499,428,957	800,236,117,727
- Sales from logistics services (transportaion services, acting as agents, leasing assets)	1,696,745,299,075	1,696,031,032,405
- Sale from leasing offices	85,006,776,402	84,197,620,388

**2. Costs of good solds**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Costs of operating port	492,362,451,080	538,225,027,450
Cost of logistics services (transportaion services, acting as agents, leasing assets,...)	1,557,438,500,334	1,559,682,215,479
Costs of leasing office	31,006,388,451	26,968,650,854
<b>Total</b>	<b><u>2,080,807,339,865</u></b>	<b><u>2,124,875,893,783</u></b>

**3. Financial income**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Gains from investments in securities	39,200,001	2,280,890,179
Interests on bank deposits	5,264,040,283	19,976,126,572
Realized and unrealise exchange gains	7,805,541,291	40,471,329,099
Dividends and profit shared	3,180,738,010	42,273,314,143
Others	173,725,825,751	13,119,836,858
<b>Total</b>	<b><u>190,015,345,336</u></b>	<b><u>118,121,496,851</u></b>

**4. Financial expenses**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Loan interest expenses	115,010,442,151	143,502,583,899
Loss from investment in securities	4,551,443,455	109,079,031,125
Realized and unrealised exchange loss	26,441,715,537	23,036,858,520

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Provisions for devaluation of short-term and long-term investments	14,758,854,584	(91,010,895,979)
Others	2,592,629,640	5,940,369,644
<b>Total</b>	<b>163,355,085,367</b>	<b>190,547,947,209</b>
<b>5. Selling expenses</b>		
	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Other expenses	24,370,224,627	16,657,162,630
<b>Total</b>	<b>24,370,224,627</b>	<b>16,657,162,630</b>
<b>6. Administrative overheads</b>		
	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Salary of office staff	108,072,707,931	108,675,278,864
Materials	3,517,927,479	3,122,028,170
Depreciation of fixed assets	9,076,363,007	12,371,386,951
Provisions	3,917,333,552	11,778,870,875
Allocation of goodwill	39,739,370,034	40,611,064,034
External service rendered	52,389,358,151	50,436,643,116
Other expenses	29,584,830,475	28,267,544,347
<b>Total</b>	<b>246,297,890,629</b>	<b>255,262,816,357</b>
<b>7. Other income</b>		
	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Gains from liquidations and disposals of fixed assets	28,917,217,272	136,860,560,212
Other income	12,889,805,845	18,699,075,648
<b>Total</b>	<b>41,807,023,117</b>	<b>155,559,635,860</b>
<b>8. Other expenses</b>		
	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Net book values of liquidated fixed assets	8,272,019,682	96,667,227,483
Other expenses	36,495,497,640	22,052,151,663
<b>Total</b>	<b>44,767,517,322</b>	<b>118,719,379,146</b>
<b>9. Earnings per share</b>		
	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Profit after tax of shareholders of parent company	137,772,615,463	103,749,877,743
Increase/(decrease) of accounting profit to determine profit attributable to holders of ordinary shares of parent company		
Profit attributable to holders of ordinary shares of		

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

parent company	137,772,615,463	103,749,877,743
Average ordinary shares outstanding during the period <sup>(*)</sup>	113,220,209	109,447,309
<b>Earnings per share</b>	<b>1.217</b>	<b>948</b>

**10. Operating expenses**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Materials and supplies	343,105,543,654	365,443,116,837
Labor	223,359,799,814	256,037,111,944
Depreciation of fixed assets and allocation of goodwill	239,575,744,488	207,646,888,914
External service rendered	1,464,890,122,252	1,461,681,566,059
Other expenses	80,544,244,912	66,153,816,073
<b>Total</b>	<b>2,351,475,455,120</b>	<b>2,356,962,499,827</b>

**VII. OTHER INFORMATION****1. Transactions with related parties**

Other related parties of the Group include:

<b>Related parties</b>	<b>Relationships</b>
OOCL Logistics (Vietnam) Co., Ltd.	Associate
Golden Globe Trading Co., Ltd.	Associate
Vung Tau Commercial Port J.S.C (VCP)	Associate
Molenbergnatie – Gemadept Vietnam Co., Ltd.	Associate
Minh Dam Tourism J.S.C	Associate
Power Transportation and Service J.S.C (Potraco)	Associate
Schenker Gemadept Logistics Vietnam Co., Ltd.	Associate
Saigon Cargo Service Corporation	Associate
Falcon Ha Dong Investment and Trading J.S.C	Associate
United Food J.S.C	Associate
Golden Globe Co., Ltd.	Associate
Gemadept - Terminal Link Cai Mep Terminal J.S.C	Jointly-controlled entity

The Group has had following transactions with related parties during the period as follows:

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
<b><i>MBN-GMD Vietnam Co., Ltd</i></b>		
Income from service provision	-	1,299,291,751
Profit shared	-	3,740,983,694
<b><i>Vung Tau Commercial Port J.S.C (VCP)</i></b>		
Profit shared	-	1,735,560,000
<b><i>Vinh Hao Mineral Water J.S.C</i></b>		
Service charges	-	424,947,991
Profit shared	-	2,349,190,000
<b><i>Molenbergnatie – Gemadept Vietnam Co., Ltd.</i></b>		
Income from service provision	16,677,145,342	-
Service charges	332,096,000	-

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fourth quarter of the fiscal year ended 31 December 2013

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

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Capital contribution	5,110,700,000	-
Profit shared	2,479,549,578	-
<b><i>Power Transportation and Service J.S.C (Potraco)</i></b>		
Service charges	2,257,818,178	-
<b><i>Schenker Gemadept Logistics Vietnam Co.,ltd</i></b>		
Other receivable		145,849,600
Income from service provision	14,253,016,068	46,363,636
<b><i>Huyn dai Merchant Marine Vietnam Co.,ltd</i></b>		
Profit shared	-	9,233,746,597
<b><i>Saigon Cargo Service Corporation</i></b>		
Capital contribution	55,000,000,000	-
Service charges	313,152,190	376,550,956
<b><i>Sinikor Vietnam Co.,ltd</i></b>		
Income from service provision	-	6,329,249,661
Service charges	-	149,413,634
<b><i>Gemadept - Terminal Link Cai Mep Terminal J.S.C</i></b>		
Short – term loans	224,983,141,516	150,130,000,226
Income from service provision	1,554,367,247	3,396,462,401
<b><i>Nam Hai Dinh Vu Port J.S.C</i></b>		
Capital contribution	-	105,000,000,000
Borrowings	-	8,000,000,000
<b><i>Gloden Globe Co., Ltd.</i></b>		
Capital contribution	2,139,087,500	4,180,000,000

As at the balance sheet date, the accounts receivable from and payable to other related parties are as follows:

	<b><u>Ending balance</u></b>	<b><u>Beginning balance</u></b>
<b><i>OOCL Vietnam Co., Ltd</i></b>		
Receivable from customers	-	1,155,911,159
<b><i>Sinikor Vietnam Co.,ltd</i></b>		
Receivable from customers	-	385,691,407
<b><i>Golden Globe Trading Co., Ltd.</i></b>		
Other receivable	300,000,000	300,000,000
<b><i>Molenbergnatie – Gemadept Vietnam Co., Ltd.</i></b>		
Receivable from customers	184,055,004	-
<b><i>Schenker Gemadept Logistics Vietnam Co., Ltd.</i></b>		
Receivable from customers	2,623,518,487	534,143,500
<b><i>Gemadept - Terminal Link Cai Mep Terminal J.S.C</i></b>		
Receivable from customers	269,881,373	14,065,788
<b><i>Nam Hai Dinh Vu Port J.S.C</i></b>		
Lendings	-	8,700,000,000
<b>Total accounts receivable</b>	<b><u>3,377,454,864</u></b>	<b><u>11,089,811,854</u></b>

**GEMADEPT CORPORATION**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fourth quarter of the fiscal year ended 31 December 2013

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

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Molenbergnatie – Gemadept Vietnam Co., Ltd.</i>		
Payable to suppliers	192,000,000	-
<i>Power Transportation and Service J.S.C (Potraco)</i>		
Payable to suppliers	360,000,000	-
<i>Gemadept - Terminal Link Cai Mep Terminal J.S.C</i>		
Borrowings		120,853,141,332
Short - term loans	<u>226,633,567,094</u>	<u>103,086,206,944</u>
<b>Total accounts payable</b>	<b><u>227,185,567,094</u></b>	<b><u>223,939,348,276</u></b>

**2. Explanation for the difference of profit after CIT (corporation income tax) between this period and the same one in previous year.**

The loss after CIT in quarter IV/2013 is over 28,3 billion, less 56,2 billion than quarter IV/2012. The main reasons are as follows:

- Increasing in gross profit with amount of 21,4 billion because the Group has thoroughly cut down expenses.
- Increasing in CIT expenses with amount of 39,5 billions because of the contribution of assets revaluation.
- Increasing in Saling expenses with amount of 2,3 billion.
- Increasing in Administrative overheads with amount of 2,4 billion.
- Increasing in Loss from financial activities with amount of 13.3 billion.
- Increasing in Loss from other activities with amount of 19,3 billion.

Ho Chi Minh City, 12 February 2014

\_\_\_\_\_  
**Truong Nhu Nguyen**  
**Preparer**

\_\_\_\_\_  
**Nguyen Minh Nguyet**  
**Chief Accountant**

\_\_\_\_\_  
**Do Van Minh**  
**General Director**