

GEMADEPT CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS**CONSOLIDATED INCOME STATEMENT**
Quarter IV/2011

	Item	Quarter IV		Accumulated amount	
		Current year	Previous year	Current year	Previous year
1	Sales	664.125.062.838	671.185.380.822	2.374.962.709.626	2.148.850.890.455
2	Deductions	562.061.321		1.359.928.338	1.542.235.197
3	Net sales	663.563.001.517	671.185.380.822	2.373.602.781.288	2.147.308.655.258
4	Costs of goods sold	556.733.171.659	491.756.760.359	1.983.058.804.580	1.755.390.857.506
5	Gross profit	106.829.829.858	179.428.620.463	390.543.976.708	391.917.797.752
6	Financial income	43.690.589.274	53.238.056.271	230.955.742.480	205.808.302.473
7	Financial expenses	106.094.155.232	108.792.881.094	385.046.343.974	276.480.560.462
	In which :				
	- <i>Loan interest expenses</i>	41.102.234.797	49.339.303.419	158.673.380.997	135.975.850.898
8	Selling expenses	1.104.364.771	2.859.633.949	14.782.954.066	10.141.282.670
9	Administrative overheads	64.715.930.967	68.038.382.687	211.786.283.444	169.222.431.390
10	Net operating profit	(21.394.031.838)	52.975.779.005	9.884.137.704	141.881.825.703
11	Other income	10.994.247.460	45.556.990.111	44.370.386.666	106.330.817.742
12	Other expenses	4.853.658.766	5.899.913.351	23.637.857.484	15.098.083.856
13	Other profit/ (loss)	6.140.588.694	39.657.076.760	20.732.529.182	91.232.733.886
14	Profit /(loss) in business concerns and joint ventures				
14	Total accounting profit before tax	(15.253.443.144)	92.632.855.765	30.616.666.887	233.114.559.589
15	Current corporate income tax	2.793.576.753	2.200.430.598	16.894.915.080	19.071.451.372
16	Deferred corporate income tax		1.303.739.529	2.044.547.673	(3.625.483.452)
17	Profit after tax	(18.047.019.897)	89.128.685.637	11.677.204.133	217.668.591.668
17.1	Profit after tax of minority shareholders	1.353.539.127	9.642.119.811	7.086.451.006	10.804.601.021
17.2	Profit after tax of parent company's shareholder	(19.400.559.023)	79.486.565.827	4.590.753.127	206.863.990.648
18	Earning per share	(193)	813	46	3.324

Ho Chi Minh City, 10 February 2012

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 fiscal year ending 31 December 2011

CONSOLIDATED BALANCE SHEET**As of 31 December 2011**

Unit: VND

ASSETS		Code	Note	Ending balance	Beginning balance
A -	CURRENT ASSETS	100		2.172.509.907.090	2.249.134.755.209
I.	Cash and cash equivalents	110	V.1	517.122.115.883	546.776.463.318
1.	Cash	111		384.848.457.890	340.315.646.953
2.	Cash equivalents	112		132.273.657.993	206.460.816.365
II.	Short-term investments	120		674.491.640.955	829.571.056.916
1.	Short-term investments	121	V.2	869.177.240.481	924.803.198.712
2.	Provisions for devaluation of short-term investments	129	V.3	(194.685.599.526)	(95.232.141.796)
III.	Accounts receivable	130		680.952.390.050	630.151.872.814
1.	Receivable from customers	131	V.4	322.304.635.916	305.874.538.833
2.	Prepayments to suppliers	132	V.5	206.671.674.811	170.624.562.709
3.	Short-term inter-company receivable	133		-	-
4.	Receivable according to the progress of construction	134		-	-
5.	Other receivable	135	V.6	154.651.249.639	155.484.696.989
6.	Provisions for bad debts	139	V.7	(2.675.170.316)	(1.831.925.717)
IV.	Inventories	140		84.670.629.335	62.630.234.723
1.	Inventories	141	V.8	84.670.629.335	62.630.234.723
2.	Provisions for devaluation of inventories	149		-	-
V.	Other current assets	150		215.273.130.867	180.005.127.439
1.	Short-term prepaid expenses	151	V.9	24.107.991.459	14.802.582.694
2.	VAT to be deducted	152		13.807.667.217	7.586.001.544
3.	Taxes and other accounts receivable from the State	154	V.10	29.702.604.107	26.379.380.486
4.	Trading Government bonds	157		-	-
5.	Other current assets	158	V.11	147.654.868.083	131.237.162.715

For the fiscal year ended 31 December 2011

Consolidated balance sheet (cont.)

ASSETS		Code	Note	Ending balance	Beginning balance
B -	LONG-TERM ASSETS	200		4.683.899.571.220	4.293.873.876.792
I.	Long-term accounts receivable	210		37.000.000.000	37.000.000.000
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	37.000.000.000	37.000.000.000
5.	Provisions for bad debts	219		-	-
II.	Fixed assets	220		2.364.724.490.711	2.006.318.858.665
1.	Tangible assets	221	V.13	1.854.961.704.815	1.875.230.345.428
	<i>Historical costs</i>	222		2.815.237.850.750	2.647.058.508.445
	<i>Accumulated depreciation</i>	223		(960.276.145.935)	(771.828.163.017)
2.	Financial leasehold assets	224	V.14	3.302.121.087	7.266.838.830
	<i>Historical costs</i>	225		23.890.768.666	23.890.768.666
	<i>Accumulated depreciation</i>	226		(20.588.647.579)	(16.623.929.836)
3.	Intangible assets	227	V.15	45.947.516.018	46.871.871.305
	<i>Initial costs</i>	228		51.780.758.939	50.952.780.398
	<i>Accumulated amortization</i>	229		(5.833.242.921)	(4.080.909.093)
4.	Construction-in-progress	230	V.16	460.513.148.791	76.949.803.102
III.	Investment property	240	V.17	239.202.151.988	251.094.268.173
	Historical costs	241		279.448.439.795	279.448.439.795
	Accumulated depreciation	242		(40.246.287.807)	(28.354.171.622)
IV.	Long-term investments	250		1.730.490.433.971	1.654.484.902.143
1.	Investments in affiliates	251		-	500.000.000
2.	Investments in business concerns and joint ventures	252	V.18	1.294.072.279.653	955.105.692.876
3.	Other long-term investments	258	V.19	477.827.571.094	738.677.844.885
4.	Provisions for devaluation of long-term investments	259	V.20	(41.409.416.776)	(39.798.635.618)
V.	Other long-term assets	260		18.629.297.019	17.729.499.059
1.	Long-term prepaid expenses	261	V.21	11.866.109.181	13.358.634.675
2.	Deferred income tax assets	262	V.22	119.129.836	3.112.889.494
3.	Other long-term assets	268	V.23	6.644.058.002	1.257.974.890
VI.	Goodwill	269	V.24	293.853.197.531	327.246.348.752

TOTAL ASSETS	270	6.856.409.478.310	6.543.008.632.001
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For the fiscal year ended 31 December 2011

Consolidated balance sheet (cont.)

LIABILITIES AND OWNER'S EQUITY		Code	Note	Ending balance	Beginning balance
A -	LIABILITIES	300		2.359.423.574.561	2.398.409.582.872
I.	Current liabilities	310		1.338.388.046.546	1.026.562.513.821
1.	Short-term debts and loans	311	V.25	743.377.071.981	468.094.311.454
2.	Payable to suppliers	312	V.26	234.277.910.141	186.849.714.448
3.	Advances from customers	313	V.27	12.017.224.780	11.054.170.252
4.	Taxes and other obligations to the State Budget	314	V.28	26.373.866.320	15.522.053.389
5.	Payable to employees	315	V.29	25.442.599.666	25.187.984.086
6.	Accrued expenses	316	V.30	34.711.466.773	43.216.453.384
7.	Inter-company payable	317		-	-
8.	Payable according to the progress of construction	318		-	-
9.	Other short-term payable	319	V.31	244.424.847.751	264.096.996.656
10.	Provisions for short-term accounts payable	320		-	-
11.	Bonus and welfare funds	323	V.32	17.763.059.134	12.540.830.151
12.	Trading Government bonds	327		-	-
II.	Long-term liabilities	330		1.021.035.528.015	1.371.847.069.051
1.	Long-term accounts payable to suppliers	331		-	-
2.	Long-term inter-company payable	332		-	-
3.	Other long-term payable	333	V.33	17.346.219.093	22.966.486.450
4.	Long-term debts and loans	334	V.34	715.570.007.382	1.057.458.920.308
5.	Deferred income tax payable	335	V.35	24.577.830.774	20.769.883.430
6.	Provisions for unemployment allowances	336		189.474.000	621.554.400
7.	Provisions for long-term accounts payable	337		-	-
8.	Unearned revenues	338	V.36	263.351.996.766	270.030.224.463
9.	Science and technology development fund	339		-	-
B -	OWNER'S EQUITY	400		4.274.510.987.479	3.972.823.847.570
I.	Owner's equity	410		4.274.510.987.479	3.972.823.847.570
1.	Capital	411	V.37	1.094.473.090.000	1.000.000.000.000
2.	Share premiums	412	V.37	2.471.474.474.400	2.169.160.586.400
3.	Other sources of capital	413	V.37	71.797.775.902	71.797.775.902

4.	Treasury stocks	414		-	-
5.	Differences on asset revaluation	415		-	-
6.	Foreign exchange differences	416	V.37	14.575.665.390	22.534.947.016
7.	Business promotion fund	417	V.37	40.913.734.142	4.511.710.559
8.	Financial reserved fund	418	V.37	29.429.404.912	23.765.156.863
9.	Other funds	419	V.37	21.266.950.111	21.604.112.437
10.	Retained earnings	420	V.37	530.579.892.622	659.449.558.394
11.	Construction investment fund	421		-	-
12.	Business arrangement supporting fund	422		-	-
II.	Other sources and funds	430			-
1.	Sources of expenditure	432		-	-
2.	Fund to form fixed assets	433		-	-
C -	INTEREST OF MINORITY SHAREHOLDERS	439		222.474.916.270	171.775.201.558
	TOTAL LIABILITIES AND OWNER'S EQUITY	440		6.856.409.478.310	6.543.008.632.001

Ho Chi Minh City, 10 February 2012

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 fiscal year ended 31 December 2011

CONSOLIDATED CASH FLOW STATEMENT**(Indirect method)****For the fiscal year ended 2011**

Unit: VND

ITEMS	Code	ote	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		30.616.666.887	233.114.559.589
2. Adjustments				
- Depreciation of fixed assets	02		204.289.841.197	195.100.392.540
- Provisions	03		101.907.483.487	72.024.885.539
- Gain/ (loss) from foreign exchange differences	04		(26.689.311.299)	(36.272.132.977)
- Gain/ (loss) from investing activities	05		(112.281.737.176)	(132.593.651.489)
- Loan interest expenses	06		158.673.380.997	135.975.850.898
3. Operating profit before changes of working capital	08		356.516.324.093	467.349.904.101
- Increase/ (decrease) of accounts receivable	09		(90.436.923.904)	(102.512.516.501)
- Increase/ (decrease) of inventories	10		(22.040.394.613)	(7.196.810.837)
- Increase/ (decrease) of accounts payable	11		63.902.789.894	148.897.919.346
- Increase/ (decrease) of prepaid expenses	12		(7.812.883.271)	(7.985.421.088)
- Loan interests already paid	13		(166.595.174.450)	(143.494.246.962)
- Corporate income tax already paid	14		(13.145.255.842)	(26.852.351.561)
- Other gains	15		230.359.303.318	191.993.936.417
- Other disbursements	16		(315.200.169.072)	(324.343.473.107)
Net cash flows from operating activities	20		35.547.616.153	195.856.939.808
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(192.092.636.215)	(168.217.821.785)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		40.436.860.391	16.704.227.766
3. Loans given and purchases of debt instruments of other entities	23		(236.407.200.000)	(278.786.391.123)
4. Recovery of loans given and disposals of debt instruments of other entities	24		273.338.084.842	51.866.626.298
5. Investments into other entities	25		(335.886.321.845)	(857.589.075.759)
6. Withdrawals of investments in other entities	26		2.132.190.132	21.913.512.142
7. Receipts of loan interests, dividends and profit shared	27		51.984.694.005	51.635.025.693
Net cash flows from investing activities	30		(396.494.328.690)	(1.162.473.896.768)

For the fiscal year ended 31 December 2011

Consolidated cash flow statement (cont.)

ITEMS	Code	Not	Current year	Previous year
III. Cash flows from financing activities				
1. Gains from stock issuance and capital contributions from shareholders	31		-	1.365.730.512.294
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	
3. Short-term and long-term loans received	33		1.071.622.321.718	1.236.921.442.218
4. Loan principal amounts repaid	34		(735.623.270.966)	(1.328.154.828.052)
5. Payments for financial leasehold assets	35		(5.818.225.151)	(5.999.703.133)
6. Dividends and profit already paid to the owners	36		-	(10.345.095.719)
Net cash flows from financing activities	40		330.180.825.601	1.258.152.327.608
Net cash flows during the year	50		(30.765.886.936)	291.535.370.648
Beginning cash and cash equivalents	60		546.776.463.318	224.033.300.557
Adjustment of beginning cash and cash equivalents of subsidiaries consolidated for the first time and those to be excluded from consolidation in the current year			-	29.043.490.246
Effects of fluctuations in foreign exchange rates	61		1.111.539.502	2.164.301.867
Ending cash and cash equivalents	70		517.122.115.883	546.776.463.318

Ho Chi Minh City, 10 February 2012

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 fiscal year ended 31 December 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 2011

The consolidated financial statements for the fiscal year ended 31 December 2011 of General Forwarding and Agency Corporation (Gemadept Corporation) include 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** : Providing port services, transportation and logistic services.
- 3. Main operations**
 - To invest, to build and to operate sea port, river port, air cargo terminal. To perform all kinds of stevedoring services.
 - To offer multi-modal transport services, to transport passengers and all kinds of cargo including containers, out of gauge cargo by sea, air, river way and inland trucking.
 - To provide Logistics services; to build, to operate, and to trade all kinds of warehouses and yard; to provide customs brokerage.
 - To provide shipping agency services, shipping agency services, freight forwarding services, ship’s chandler and other related shipping services.
 - To sell, purchase, manage, operate, repair, newly build and charter all types of ocean vessels, river ships, containers, cranes, forklifts and other equipments, materials, spare parts for transportation, port operation and logistics.
 - To manage and man crew members.
 - To undertake direct import and export. To act as petrol trading agency. To exploit mineral.
 - To invest, construct, manage, trade and operate real estates, office buildings, restaurants, catering services, hotels, apartments, residential area, trading center and industrial park and resorts.
 - To undertake financial investment; to trade stocks; to make financial contribution to banks, securities companies, fund management companies and to involve in other financial activities.
 - To undertake other business activities which are decided by the Board of Management in each particular period in accordance with the regulations of the laws and as registered to the relevant authorities.
 - To plant rubber trees; to manufacture other products from rubber.

GEMADEPT CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2011

Notes to the consolidated financial statements (cont.)**4. List of subsidiaries to be consolidated**

<i>Subsidiaries</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
Gemadept (Singapore) Ltd.	120 Lower Delta Road, #15-14/15 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 nd floor, Gemadept Building, No. 2Bis-4-6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00 %	100,00 %
Gemadept Dung Quat International Port J.S.C	Port No. 1 – Dung Quat Port, Binh Thuan Commune, Binh Son District, Quang Ngai Province, Vietnam.	73,80%	73,80%
Phuoc Long Port Co., Ltd.	19 th Floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	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, Vietnam.	70,00%	70,00%
Gemadept Nhon Hoi International Port J.S.C	No. 98 Pham Hung, Quy Nhon City, Binh Dinh Province, Vietnam.	55,00%	55,00%
Hoa Sen - Gemadept Logistics and International Port Corporation	No. 05-07, 3/2 Street, Ward 8, Vung Tau City, Ba Ria-Vung Tau Province, Vietnam.	51,00%	51,00%
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 %
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.	No. 452 Le Thanh Tong, Van My Ward, Ngo Quyen District, Hai Phong City, Vietnam.	100,00 %	100,00 %
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%
Lion Lord Corporation (**)	No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	55,00%	55,00%
Nam Hai Port Corporation	No. 201, May Chai Ward, Ngo Quyen Street, Ngo Quyen District, Hai Phong City, Vietnam.	99,98%	99,98%

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2011

Notes to the consolidated financial statements (cont.)

<i>Subsidiaries</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
Bright Ocean Logistics Co., Ltd	No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00%	100,00%
Pacific Marine Co., Ltd.	21 st 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.

(**) Gemadept Corporation has controlled Lion Lord Corporation since the Corporation reaches the voting right rate of 55% in the shareholders' meetings.

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

<i>Associates</i>	<i>Addresses</i>	<i>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%
MBN-GMD Vietnam	No. 6 Le Thanh Ton, District 1, Ho Chi Minh City, Vietnam.	34,00 %	34,00 %
Vung Tau Commercial Port Joint Stock Company (VCP)	No. 973, 30/4 Street, Ward 11, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.	26,78%	26,78%
Vinh Hao Mineral Water Joint Stock Company	No. 72, 19/4 Street, Xuan An Ward, Binh Thuan Province, Vietnam..	29,00%	29,00%
Power Transportation and Service J.S.C (Potraco)	No. 112 Ngo Quyen, Ngo Quyen District, Hai Phong City, Vietnam	38,02%	38,02%
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%
Huynhai Merchant Marine Vietnam Co., Ltd.	12 th Floor, Fideco Building, 81-85 Ham Nghi, District 1, Ho Chi Minh City, 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	A2 Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.	23,00%	23,00%
Sinokor Vietnam Co., Ltd.	2A-4A Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	49,00%	49,00%
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 Joint Stock Company	No. 267 Quang Trung Street, Quang Trung Ward, Ha Dong District, Ha Noi City, Vietnam.	26,56%	26,56%
OOCL (Vietnam) Co., Ltd.	13 th Floor, Saigon Center, No. 37 Ton Duc Thang, District 1, Ho Chi Minh City.	49,00%	49,00%

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2011

Notes to the consolidated financial statements (cont.)

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

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

2. Standard currency unit

The consolidated financial statements of the Group are presented in Vietnam Dong (VND).

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting system

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

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.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the consolidated financial statements are prepared in accordance with 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 those of 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.

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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.

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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 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 influents but does not have control on financial or operating policies.

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.

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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.

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 03 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 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.

9. Trade receivable and other receivable

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

Provisions are made for each bad debt, based on the outstanding debt age or the estimated loss.

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 Group to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses.

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 and structures	05 - 25
Machinery and equipment	05 - 07
Vehicles	06 - 15
Office equipment	03 - 08
Other fixed assets	05 - 25

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11. Financial leasehold assets

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

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

12. Operating leasehold assets

The Group is 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 as generated or are gradually allocated into expenses during the leasing period in conformity with the recording of income from operating lease.

The Group is 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.

13. 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.

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14. 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. Since the land use right is permanent, it is not amortized.

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 3 years.

15. Borrowing costs

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

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

16. Financial investments

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

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

17. Long-term prepaid expenses

Financial lease interests

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

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 prepaid expenses are allocated according to the time as in the invoices or contracts, or from 2 to 3 years.

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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

Unemployment fund is used to pay for severance and unemployment allowances to the employees who have worked for the companies in the Group for 12 months or more until 31 December 2008. The rates of extraction for this fund are from 1 to 3% of the salary fund, which is used as the basis for social insurance payment and is included into the company's expenses in accordance with the stipulations in the Circular No. 82/2003/TT-BTC dated 14 August 2003 of the Ministry of Finance. In case that the unemployment fund is not enough for subsidizing resigned employees, the insufficient difference is recorded into expenses.

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 1% 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. However, the unemployment insurance amount paid to the employees who have enough conditions to receive and have worked for the Group before 01 January 2009 is the average salary in 6 consecutive months before the resigning date.

20. Convertible bonds

Convertible bonds are those which can be converted into common shares of the Group under the specified conditions.

Convertible bonds are recorded into liabilities and owner's equity. The liabilities are estimated at the market interest rate of the similar convertible bonds as at the issuing date. The liabilities are adjusted according to the actual interest rate during the bond term by recording into expenses. The part recorded into owner's equity is the difference between the fair value of convertible bonds and the liabilities. The expenses related to the issuance of convertible bonds are allocated at the certain rates into liabilities and owner's equity.

21. Capital - Funds

The Group's sources of capital include:

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

Funds are extracted and used in line with the Charter of each company in the Group.

22. Dividends

Dividends are recorded as an amount payable when they are disclosed.

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23. Corporate income tax

Corporate income tax during the year 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.

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.

24. Foreign currency translation

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

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

Assets and liabilities of the entity in foreign country will be converted into VND at the exchange rate ruling as of 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 2010 :	VND 18,932/USD
	: VND 24,887/EUR
	: VND 14,729/SGD
	: VND 6,136/RM
31 December 2011 :	VND 20,828/USD
	: VND 27,700/EUR
	: VND 16,520/SGD
	: VND 6,772/RM

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25. Transactions providing against risks on foreign currency translation

Transactions providing against risks on foreign currency translation are considered a kind of insurance against the risks on foreign currency translation in order to secure the other transactions. The gains or losses from the transactions providing against risks on foreign currency translation are included in income or expenses at the same time when these transactions are performed.

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.

Interests

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

Dividends and profit shared

Dividends and profit shared are recognized when the companies in the Group has the right to receive dividends or profit from the capital contribution. Particularly, as for the dividends received in form of shares, the Group only follow up the increase in the number of shares instead of recording into income.

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

	<u>Ending balance</u>	<u>Beginning Balance</u>
Cash on hand	17,419,369,382	25,576,340,628
Cash in bank	366,997,606,061	314,677,253,425
Cash in transit	431,482,447	62,052,900
Cash equivalents (*)	132,273,657,993	206,460,816,365
Total	<u>517,122,115,883</u>	<u>546,776,463,318</u>

(*) Under-3-month deposit.

2. Short-term investments

	<u>Ending balance</u>	<u>Beginning Balance</u>
Short – term investment in shares	315,624,252,626	333,987,492,096
Short – term investment in Gemadept - Terminal Link	482,400,000,000	487,500,000,000
Giving loans to partners	28,085,083,389	75,000,000,000
Term deposit (*)	43,067,904,466	28,315,706,616
Total	<u>869,177,240,481</u>	<u>924,803,198,712</u>

(*) Under 1 year deposits.

3. Provisions for devaluation of short-term investments

The provision for devaluation of short-term investments in securities.

Details of increase/(decrease) of short-term investments are as follows:

Beginning balance	95,232,141,796
Additional extractions	99,453,457,730
Ending balance	<u>194,685,599,526</u>

4. Receivable from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Gemadept Corporation	156,454,498,071	150,093,327,439
Gemadept Dung Quat International Port J.S.C	5,349,569,358	859,353,114
V.N.M General Transportation Service Co., Ltd.	-	874,088,870
Gemadept (Malaysia) Ltd.	5,794,361,325	14,618,872,736
Gemadept (Singapore) Ltd.	21,168,054,841	27,348,733,555
ISS - Gemadept Co., Ltd.	1,016,983,441	-
Phuoc Long Port Co., Ltd.	55,156,287,552	

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	<u>Ending balance</u>	<u>Beginning balance</u>
		54,864,927,694
Gemadept Logistics One Member Co., Ltd.	21,171,426,011	28,957,571,695
Gemadept Infrastructures Development And Investment Construction J.S.C	1,322,795,141	751,901,096
Gemadept Hai Phong Co., Ltd.	16,383,344,358	17,925,043,637
Truong Tho Tourism and Transportation J.S.C	11,745,692,541	312,592,952
Lion Lord Corporation	1,083,552,161	-
Bright Ocean Logistics Co., Ltd	7,795,829,647	-
Nam Hai Port Corporation	16,886,755,379	9,268,126,045
Pacific Marine Co., Ltd.	975,486,090	-
Total	322,304,635,916	305,874,538,833

5. Prepayment to suppliers	<u>Ending balance</u>	<u>Beginning balance</u>
Gemadept Corporation	76,223,038,530	52,909,632,074
Gemadept (Singapore) Ltd.	2,398,398,736	-
Gemadept Dung Quat International Port J.S.C	18,177,300,492	18,254,313,611
V.N.M General Transportation Service Co., Ltd	28,375,000	144,129,856
Nhon Hoi International Port J.S.C	3,288,200,000	3,288,200,000
Phuoc Long Port Co., Ltd.	40,206,417,474	4,076,932,447
Gemadept Logistics One Member Co., Ltd.	12,456,357,961	1,458,148,980
Hoa Sen – Gemadept Logistic and International Port Corporation	3,466,947,576	2,314,947,576
Gemadept Infrastructures Development And Investment Construction J.S.C	9,790,964,925	7,404,762,026
Gemadept Hai Phong Co., Ltd.	1,687,400,848	78,979,965
Truong Tho Tourism and Transportation J.S.C	37,864,180,781	76,168,384,160
Lion Lord Corporation	98,757,955	-
Bright Ocean Logistics Co., Ltd	2,696,597	-
Nam Hai Port Corporation	982,637,936	4,526,132,014
Total	206,671,674,811	170,624,562,709

6. Other receivable	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable of amounts paid on others' behalf to provide agency services	19,336,556,143	24,808,159,411

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	Ending balance	Beginning balance
Receivable from associates and co-operations	88,494,445,565	87,088,579,745
Dividends and profit shared	-	9,260,618,700
Receivable from estimated interest on deposits, loans given and bonds	26,733,065,975	6,352,364,089
Receivable from securities trading	3,300,000,000	3,500,000,000
Golden Lotus J.S.C – receivable from selling shares	-	2,960,000,000
Advance to staff	4,617,553,940	4,921,351,535
Saigon Tourist Gemadept Corporation – payable on behalf for Saigon GEM project	4,835,000,000	-
Others	7,334,628,016	16,593,623,509
Total	154,651,249,639	155,484,696,989

7. Provisions for bad debts

Details of increase/(decrease) of the provision for bad debts are as follows :

Beginning balance	1,831,925,717
Additional extractions	843,244,599
Ending Balance	2,675,170,316

8. Inventories

	Ending balance	Beginning balance
Materials and supplies in stock	2,086,751,799	1,447,491,332
Fuel and oil in ships	51,537,475,297	31,494,976,403
Tools	13,773,021,111	15,317,083,717
Work-in-process	17,273,381,128	14,305,852,714
Merchandises	-	64,830,557
Total	84,670,629,335	62,630,234,723

9. Short-term prepaid expenses

	Ending balance	Beginning balance
Repairing expenses	12,723,867,944	5,670,771,337
Tools	2,398,453,034	759,808,603
Insurance premiums	1,601,124,302	2,115,160,613
Others	7,384,546,179	6,256,842,141
Total	24,107,991,459	14,802,582,694

10. Taxes and other accounts receivable from State

	Ending balance	Beginning balance
Gemadept Corporation	6,679,231,671	9,851,020,124
V.N.M General Transportation Service Co., Ltd	-	1,164,504
Gemadept (Malaysia) Ltd.	-	398,840,000
Gemadept Hai Phong Co., Ltd.	1,000,000	-
Nhon Hoi International Port J.S.C	145,228,713	239,927,435

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	<u>Ending balance</u>	<u>Beginning balance</u>
Phuoc Long Port Co., Ltd.	20,542,244,524	15,884,126,575
Gemadept Infrastructures Development and Investment Construction J.S.C	3,027,000	-
Gemadept Logistics One Member Co., Ltd.	2,331,872,199	4,301,848
Total	<u>29,702,604,107</u>	<u>26,379,380,486</u>

11. Other current assets

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	41,860,863,399	29,036,474,367
Short-term deposits and mortgages	105,794,004,684	102,200,688,348
Total	<u>147,654,868,083</u>	<u>131,237,162,715</u>

12. Other long-term accounts payable

	<u>Ending balance</u>	<u>Beginning balance</u>
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
Total	<u>37,000,000,000</u>	<u>37,000,000,000</u>

13. Increases/ (decreases) of tangible fixed assets

	Buildings and Structures	Machinery and Equipment	Vehicles	Office equipment	Other fixed assets	Total
Historical Costs						
Beginning Balance	443,174,153,933	311,126,221,255	1,832,819,556,467	20,341,470,140	39,597,106,650	2,647,058,508,445
Increase	9,206,595,858	30,798,052,399	154,875,193,323	1,314,512,886	-	196,194,354,466
Decrease	-16,958,450,642	-552,186,000	-6,879,157,990	-1,680,960,071	-1,944,257,458	-28,015,012,161
Ending Balance	435,422,299,149	341,372,087,654	1,980,815,591,800	19,975,022,955	37,652,849,192	2,815,237,850,750
Depreciation						
Beginning Balance	64,703,201,108	124,595,819,788	562,185,211,716	13,007,001,990	7,336,928,415	771,828,163,017
Increase	17,830,913,925	16,148,866,205	164,041,335,811	4,732,503,461	206,154,263	202,959,773,665
Decrease	-5,239,735,866	-552,186,000	-5,309,937,307	-1,242,367,747	-2,167,563,827	-14,511,790,747
Ending Balance	77,294,379,167	140,192,499,993	720,916,610,221	16,497,137,704	5,375,518,851	960,276,145,935
Net book values						
Beginning Balance	378,470,952,825	186,530,401,467	1,270,451,194,602	7,414,758,057	32,363,038,476	1,875,230,345,428
Ending Balance	358,127,919,982	201,179,587,661	1,259,898,981,579	3,477,885,252	32,277,330,341	1,854,961,704,815

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

	<u>Historical costs</u>	<u>Depreciation</u>	<u>Net book values</u>
Beginning balance	23,890,768,666	16,623,929,836	7,266,838,830
Increases	-	3,964,717,743	
Ending balance	23,890,768,666	20,588,647,579	3,302,121,087

15. Increases/ (decreases) of intangible fixed assets

	<u>Land use right</u>	<u>Computer software</u>	<u>Total</u>
Initial costs			
Beginning balance	39,643,458,865	11,309,321,533	50,952,780,398
Increase	-	827,978,541	827,978,541
Ending balance	39,643,458,865	12,137,300,074	51,780,758,939
Amortization			
Beginning balance	935,875,216	3,145,033,877	4,080,909,093
Increase	701,906,414	1,050,427,414	1,752,333,828
Ending balance	1,637,781,630	4,195,461,291	5,833,242,921
Net book values			
Beginning balance	38,707,583,649	8,164,287,656	46,871,871,305
Ending balance	38,005,677,235	7,941,838,783	45,947,516,018

16. Construction-in-progress

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Acquisition of fixed assets	22,606,198,411	84,686,544,902	79,401,187,855	27,891,555,458
Construction-in-progress	54,343,604,691	409,270,888,694	30,992,900,052	432,621,593,333
Total	76,949,803,102	493,957,433,596	110,394,087,907	460,513,148,791

17. Increases/(decreases) of investment property

	<u>Historical costs</u>	<u>Accumulated depreciation</u>	<u>Net book values</u>
Beginning balance	279,448,439,795	28,354,171,622	251,094,268,173
Increases		11,892,116,185	
Ending balance	279,448,439,795	40,246,287,807	239,202,151,988

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

	<u>Current year</u>	<u>Previous year</u>
Gain from the lease	88,893,579,446	111,727,417,634
Direct expenses related to the gain from the lease	32,532,993,510	34,327,579,765

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Notes to the consolidated financial statements (cont.)**18. Investments in business concerns and joint ventures**

Companies	Main operation	Ending Balance	
		Ownership rate	Amount
Golden Globe Trading Co., Ltd	House trading	45,00%	42,761,600,000
Vung Tau Commercial Port J.S.C (VCP)	Services of logistics and warehouses	26,78%	9,642,000,000
MBN-GMD VIETNAM	Leasing warehouses	34,00%	1,534,080,000
Vinh Hao Mineral Water J.S.C	Producing mineral water	29,00%	32,206,940,000
Minh Dam Tourism J.S.C	Providing tourist services	40,00%	18,264,608,143
Potraco	Providing transportation services	38,02%	23,236,200,000
Schenker Gemadept Logistics Vietnam Co., Ltd.	Warehouse and yard services	49,00%	11,882,010,000
Huynhai Merchant Marine Vietnam Co., Ltd.	Providing transportation services	49,00%	2,371,845,000
Saigon Cargo Service Corporation	Trading in gas and oil, providing transportation service	23,00%	86,250,000,000
Falcon Ha Dong Investment and Trading JSC	Providing transportation service	25,00%	29,375,000,000
Sinokor Vietnam Co., Ltd.	Providing forwarding service	49,00%	2,319,909,000
Food Association Joint Stock Company	Food processing	25,56%	49,825,280,000
OOCL Vietnam Co., Ltd.	Providing transportation service	49,00%	3,848,541,000
Gemadept- Terminal Link Cai Mep Terminal J.S.C	Operating ports	50,00%	963,802,327,177
Gains from associates upon consolidation			16,751,939,333
Total			<u>1,294,072,279,653</u>

19. Other long-term investments

	Ending balance	Beginning balance
Investments in shares	203,374,669,600	203,374,669,600
Over 1 year deposit (*)	140,900,000,000	161,600,000,000
Others	133,552,901,494	373,703,175,285
Total	<u>477,827,571,094</u>	<u>738,677,844,885</u>

20. Provisions for devaluations of long-term investments

Details of increases/(decreases) of provisions for devaluation of long-term investments are as follows:

Beginning balance	39,798,635,618
Additional extractions	1,610,781,158
Ending balance	<u>41,409,416,776</u>

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Notes to the consolidated financial statements (cont.)

21. Long-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Interests on financial leases	-	90,636,293
Tool expenses	571,921,374	555,868,574
Expenses on repairing ships	5,993,140,161	8,832,114,060
Warehouse and office repairing expenses	3,243,986,046	2,673,618,182
Establishment costs	-	42,895,299
Others	2,057,061,600	1,163,502,267
Total	<u>11,866,109,181</u>	<u>13,358,634,675</u>

22. Deferred income tax assets

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

23. Other long-term assets

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits for lease of houses and office	669,679,509	230,127,770
Deposits at airlines to guarantee the payment of freights	263,051,770	757,280,000
Other long-term deposits	5,711,326,723	270,567,120
Total	<u>6,644,058,002</u>	<u>1,257,974,890</u>

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Notes to the consolidated financial statements (cont.)**24. 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
Increases due to business merging	-
Ending balance	333,931,512,200

Amount allocated

Beginning balance	6,685,163,448
Amount allocated during the year	33,393,151,220
Ending balance	40,078,314,668

Net book values

Beginning balance	327,246,348,752
Ending balance	293,853,197,532

25. Short-term loans and debts

	Ending balance	Beginning balance
At Gemadept Corporation	486,701,389,103	320,247,600,198
At Gemadept (Singapore) Ltd	81,644,688,998	90,056,125,445
At Gemadept Dung Quat International Port J.S.C	16,000,000,000	5,000,000,000
At Truong Tho Tourism and Transportation J.S.C	3,000,000,000	-
At Phuoc Long Port Co., Ltd.	67,705,027,784	52,790,585,811
At other subsidiaries	88,325,966,096	-
Total	743,377,071,981	468,094,311,454

26. Payable to suppliers

	Ending balance	Beginning balance
Suppliers of Gemadept Corporation	109,974,471,994	106,668,776,008
Suppliers of Gemadept (Malaysia) Ltd.	6,057,557,442	7,424,602,952
Suppliers of Gemadept Dung Quat International Port J.S.C	13,996,210,431	15,118,229,608
Suppliers of V.N.M General Transportation Service Co., Ltd.	-	348,972,183
Suppliers of Phuoc Long Port Co., Ltd.	38,503,628,809	33,924,665,024
Suppliers of ISS - Gemadept Co., Ltd.	317,077,797	47,230,973
Suppliers of Gemadept Logistics One Member Co., Ltd.	11,467,671,562	9,352,620,798
Suppliers of Gemadept- Vung Tau Corporation	-	16,079,496
Suppliers of Gemadept Infrastructures	30,559,516	-

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Notes to the consolidated financial statements (cont.)

	<u>Ending balance</u>	<u>Beginning balance</u>
Development and Investment Construction J.S.C		
Suppliers of Gemadept Hai Phong Co., Ltd.	10,948,614,536	6,083,212,124
Suppliers of Truong Tho Tourism and Transportation J.S.C	7,456,353,733	1,721,846,404
Suppliers of Nam Hai Port Corporation	18,691,681,419	6,143,478,878
Suppliers of Pacific Marine Co., Ltd.	6,238,786,070	-
Suppliers of Bright Ocean Logistics Co., Ltd	10,595,296,832	-
Total	<u>234,277,910,141</u>	<u>186,849,714,448</u>

27. Advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
At Gemadept Corporation	3,536,818,612	4,540,635,640
At V.N.M General Transportation Service Co., Ltd	14,511,730	1,395,050
At Phuoc Long Port Co., Ltd.	1,769,197,489	797,896,955
At Gemadept Logistics One Member Co., Ltd.	54,397,652	773,954,445
At Gemadept Infrastructures Development and Investment Construction J.S.C	1,852,000,000	-
At ISS - Gemadept Co., Ltd.	3,129,097,472	-
At Truong Tho Tourism and Transportation J.S.C	1,404,711,819	-
At Gemadept Hai Phong Co., Ltd.	47,085,963	3,032,738
At Nam Hai Port Corporation	153,471,118	4,937,255,424
At Pacific Marine Co., Ltd.	55,932,925	-
Total	<u>12,017,224,780</u>	<u>11,054,170,252</u>

28. Taxes and other obligations to the State Budget

It includes VAT, corporate income tax, personal income tax and other taxes payable to the State as at 31 December 2011.

29. Payable to employees

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

30. Accrued expenses

It includes loan interest expenses, repairing costs....

31. Other payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Dividends payable	73,011,073,195	65,246,600
Excessive assets waiting for treatment	587,923,927	2,138,859,881

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Notes to the consolidated financial statements (cont.)

	<u>Ending balance</u>	<u>Beginning balance</u>
Other payable	170,825,850,629	261,892,890,175
- Sales of goods at ports payable to the State	1,716,241,909	1,716,241,909
- PetroVietnam Trade Union Finance Investment J.S.C - Ho Chi Minh City branch	27,200,000,000	-
- Payable for the borrowing from Gemadept - Terminal Link Cai mep Terminal J.S.C	120,853,141,332	160,000,000,000
- Mr. Nguyen Quoc Cuong – transfer of share capital in Hoa Sen - Gemadept Logistics and International Port Corporation	9,264,678,577	-
- Others	11,791,788,811	100,176,648,266
Total	244,424,847,751	264,096,996,656
32. Bonus and welfare funds		
Beginning Balance	12,540,830,151	
Increase	15,302,460,469	
Decrease	10,080,231,486	
Ending balance	17,763,059,134	
33. Other long-term accounts payable		
	<u>Ending balance</u>	<u>Beginning balance</u>
Receipt of the deposit for the lease of Gemadept Maritime Trading Center Building at No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	17,346,219,093	22,941,117,275
Receipt of the deposit for the lease of other assets	-	25,369,175
Total	17,346,219,093	22,966,486,450
34. Long-term loans and debts		
	<u>Ending balance</u>	<u>Beginning balance</u>
Gemadept Corporation	270,890,053,450	481,784,045,000
Gemadept (Singapore) Ltd.	144,188,219,962	244,371,077,808
Gemadept Dung Quat International Port J.S.C	218,475,725,982	234,475,725,982
Phuoc Long Port Co., Ltd.	18,948,500,087	19,601,339,345
Nam Hai Port Corporation	63,067,507,901	77,226,732,173
Total	715,570,007,382	1,057,458,920,308
35. Unearned revenues		
	<u>Ending balance</u>	<u>Beginning balance</u>
Deferred interests due to revaluation on assets contributed as capital invested in jointly-controlled entities	263,351,996,766	269,167,286,868
Other unearned revenues	-	862,937,595
Total	263,351,996,766	270,030,224,463

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Notes to the consolidated financial statements (cont.)**36. Owner's equity**

	Beginning Balance	Increase	Decrease	Ending Balance
Capital	1,000,000,000,000	94,473,090,000		1,094,473,090,000
Share premiums	2,169,160,586,400	302,313,888,000		2,471,474,474,400
Other sources of capital	71,797,775,902			71,797,775,902
Foreign exchange differences	22,534,947,016		7,959,281,626	14,575,665,390
Business promotion funds	4,511,710,559	36,846,469,872	444,446,289	40,913,734,142
Financial reserved fund	23,765,156,863	5,664,248,049		29,429,404,912
Other funds	21,604,112,437	8,821,623,868	9,158,786,194	21,266,950,111
Retained earnings	659,449,558,394	4,590,753,127	133,460,418,899	530,579,892,622
Total	3,972,823,847,571	452,710,072,916	151,022,933,008	4,274,510,987,479

Purposes of appropriation for funds

- Business promotion and investment fund is used to invest in business expansion or to make intensive investments.
- Financial reserved fund is used to
 - + Compensate losses, damages of assets and accounts receivable unable to be recovered during the operations;
 - + Compensate the losses of the Group's companies according to the decision of the Board of Management.
- Other funds: the reserved fund is used to supplement the Group's prescribed capital according to the decision of the Board of Management.

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

	Current year	Previous year
<i>Sales from transportation services</i>	1,375,205,017,173	1,269,092,774,648
<i>Sales from agency activities and forwarding services</i>	95,622,378,852	87,921,392,108
<i>Sales from leasing offices</i>	88,893,579,446	111,727,417,634
<i>Sales from operating ports, logistics services and others</i>	813,881,805,817	678,567,070,868
Total	2,373,602,781,288	2,147,308,655,258

2. Costs of goods

	Current year	Previous year
<i>Cost of transportation services</i>	1,307,620,688,440	1,149,556,954,413
<i>Cost of agency activities and forwarding services</i>	49,223,920,654	63,439,460,613
<i>Cost of leasing offices</i>	32,532,993,510	34,327,579,765
<i>Cost of operating ports, logistics services and others</i>	593,681,201,976	508,066,862,715
Total	1,983,058,804,580	1,755,390,857,506

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

	Current year	Previous year
Gains from investments in securities	14,073,822,272	19,141,358,548
Interests on time deposits	45,338,008,106	27,241,204,074
Dividends and profit shared	51,984,694,005	66,310,514,285
Gain from foreign exchange differences	119,559,218,097	93,115,225,566
Total	230,955,742,480	205,808,302,473

4. Financial expenses

	Current year	Previous year
Loan interest expenses	158,673,380,997	135,975,850,898
Loss from foreign exchange differences	109,416,371,302	53,662,159,993
Loss from investment in securities	13,789,674,114	14,952,185,140
Provisions for devaluation of short-term and long-term investments	103,166,917,561	71,890,364,431
Total	385,046,343,974	276,480,560,462

5. Selling expenses

It includes salary of office staff, depreciation of fixed assets and other expenses.

6. Administrative overheads

	Current year	Previous year
Salary of office staff	85,194,889,044	76,468,993,040
Materials	1,245,997,826	875,719,407
Depreciation of fixed assets	18,609,365,401	11,490,679,682
Stationery	1,719,444,077	-
External service rendered	51,482,427,748	43,555,762,916
Allocation of goodwill	33,393,151,220	6,685,163,449
Other expenses	20,141,008,128	30,146,112,897
Total	211,786,283,444	169,222,431,390

7. Other income

	Current year	Previous year
Liquidation and disposals of fixed assets	34,981,222,401	76,787,047,255
Others	9,389,164,265	29,543,770,487
Total	44,370,386,666	106,330,817,742

8. Other expenses

	Current year	Previous year
Net book values of liquidated fixed assets	15,348,502,284	8,766,077,858
Others	8,289,355,200	6,332,005,998
Total	23,637,857,484	15,098,083,856

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Notes to the consolidated financial statements (cont.)

9. Earning per share

	Current year	Previous year
Accounting profit after corporate income tax	4,590,753,127	206,863,990,648
Profit attributable to holders of ordinary shares	4,590,753,127	206,863,990,648
Average ordinary shares outstanding during the year	100,656,063	62,227,879
Earning per share	46	3,324

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

	Current year	Previous year
Ordinary shares outstanding at the beginning of the year	100,000,000	47,500,000
Effects of shares issued	656,063	2,289,749
Average ordinary shares outstanding during the year	100,656,063	49,789,749

Ho Chi Minh City, 10 February 2012

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Chief Accountant

Do Van Minh
General Director