

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the first quarter of year 2011 ended 31 March 2011

**CONSOLIDATED BALANCE SHEET****The first quarter of year 2011**

Unit: VND

<b>ASSETS</b>	<b>Code</b>	<b>Note</b>	<b>Ending balance</b>	<b>Beginning balance</b>
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>2.212.505.287.114</b>	<b>2.249.134.755.209</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>410.864.745.227</b>	<b>546.776.463.318</b>
1. Cash	111		400.564.745.227	340.315.646.953
2. Cash equivalents	112		10.300.000.000	206.460.816.365
<b>II. Short-term investments</b>	<b>120</b>		<b>965.290.199.874</b>	<b>829.571.056.916</b>
1. Short-term investments	121	V.2	1.069.421.064.835	924.803.198.712
2. Provisions for devaluation of short-term investments	129	V.3	(104.130.864.961)	(95.232.141.796)
<b>III. Accounts receivable</b>	<b>130</b>		<b>633.681.882.300</b>	<b>630.151.872.814</b>
1. Receivable from customers	131	V.4	300.369.825.530	305.874.538.833
2. Prepayments to suppliers	132	V.5	180.104.763.315	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	155.039.219.172	155.484.696.989
6. Provisions for bad debts	139		(1.831.925.717)	(1.831.925.717)
<b>IV. Inventories</b>	<b>140</b>		<b>67.636.107.452</b>	<b>62.630.234.723</b>
1. Inventories	141	V.7	67.636.107.452	62.630.234.723
2. Provisions for devaluation of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>135.032.352.262</b>	<b>180.005.127.439</b>
1. Short-term prepaid expenses	151	V.8	17.521.583.701	14.802.582.694
2. VAT to be deducted	152		11.367.132.991	7.586.001.544
3. Taxes and other accounts receivable from the State	154	V.9	24.273.895.737	26.379.380.486
4. Trading Government bonds	157		-	-
5. Other current assets	158	V.10	81.869.739.832	131.237.162.715

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**CONSOLIDATED FINANCIAL STATEMENTS**

For the first quarter of year 2011 ended at 31 March 2011

**Consolidated balance sheet (cont.)**

ASSETS	Code	Note	Ending balance	Beginning balance
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>4.424.982.992.677</b>	<b>4.293.873.876.792</b>
<b>I. Long-term accounts receivable</b>	<b>210</b>		<b>37.000.000.000</b>	<b>37.000.000.000</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.11	37.000.000.000	37.000.000.000
5. Provisions for bad debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>2.025.952.290.897</b>	<b>2.006.318.858.665</b>
1. Tangible assets	221	V.12	1.868.087.074.883	1.875.230.345.428
<i>Historical costs</i>	222		2.688.374.906.506	2.647.058.508.445
<i>Accumulated depreciation</i>	223		(820.287.831.623)	(771.828.163.017)
2. Financial leasehold assets	224	V.13	6.275.659.395	7.266.838.830
<i>Historical costs</i>	225		23.890.768.666	23.890.768.666
<i>Accumulated depreciation</i>	226		(17.615.109.271)	(16.623.929.836)
3. Intangible assets	227	V.14	46.565.486.826	46.871.871.305
<i>Initial costs</i>	228		51.041.633.663	50.952.780.398
<i>Accumulated amortization</i>	229		(4.476.146.837)	(4.080.909.093)
4. Construction-in-progress	230	V.15	105.024.069.793	76.949.803.102
<b>III. Investment property</b>	<b>240</b>	<b>V.16</b>	<b>248.121.239.127</b>	<b>251.094.268.173</b>
Historical costs	241		279.448.439.795	279.448.439.795
Accumulated depreciation	242		(31.327.200.668)	(28.354.171.622)
<b>IV. Long-term investments</b>	<b>250</b>		<b>1.780.071.826.958</b>	<b>1.654.484.902.143</b>
1. Investments in affiliates	251	V.17	-	500.000.000
2. Investments in business concerns and joint ventures	252	V.18	956.718.013.143	955.105.692.876
3. Other long-term investments	258	V.19	863.152.449.433	738.677.844.885
4. Provisions for devaluation of long-term investments	259	V.20	(39.798.635.618)	(39.798.635.618)
<b>V. Other long-term assets</b>	<b>260</b>		<b>14.939.574.749</b>	<b>17.729.499.059</b>
1. Long-term prepaid expenses	261	V.21	11.075.215.664	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	3.745.229.249	1.257.974.890
<b>VI. Goodwill</b>	<b>269</b>	<b>V.24</b>	<b>318.898.060.947</b>	<b>327.246.348.752</b>
<b>TOTAL ASSETS</b>	<b>270</b>		<b>6.637.488.279.791</b>	<b>6.543.008.632.001</b>

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**CONSOLIDATED FINANCIAL STATEMENTS**

For the first quarter of year 2011 ended at 31 March 2011

**Consolidated balance sheet (cont.)**

<b>LIABILITIES AND OWNER'S EQUITY</b>	<b>Code</b>	<b>Note</b>	<b>Ending balance</b>	<b>Beginning balance</b>
<b>A - LIABILITIES</b>	<b>300</b>		<b>2.460.665.253.284</b>	<b>2.398.409.582.872</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1.122.092.288.252</b>	<b>1.026.562.513.821</b>
1. Short-term debts and loans	311	V.25	725.551.952.777	468.094.311.454
2. Payable to suppliers	312	V.26	162.135.835.247	186.849.714.448
3. Advances from customers	313	V.27	21.928.165.122	11.054.170.252
4. Taxes and other obligations to the State Budget	314	V.28	9.695.382.849	15.522.053.389
5. Payable to employees	315	V.29	8.972.174.492	25.187.984.086
6. Accrued expenses	316	V.30	42.326.712.907	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	140.766.343.110	264.096.996.656
10. Provisions for short-term accounts payable	320		-	-
11. Bonus and welfare funds	323	V.32	10.715.721.749	12.540.830.151
12. Trading Government bonds	327		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		<b>1.338.572.965.032</b>	<b>1.371.847.069.051</b>
1. Long-term accounts payable to suppliers	331		-	-
2. Long-term inter-company payable	332		-	-
3. Other long-term payable	333	V.33	21.711.212.611	22.966.486.450
4. Long-term debts and loans	334	V.34	1.025.721.611.923	1.057.458.920.308
5. Deferred income tax payable	335	V.35	22.804.787.598	20.769.883.430
6. Provisions for unemployment allowances	336		601.554.400	621.554.400
7. Provisions for long-term accounts payable	337		-	-
8. Unearned revenues	338	V.36	267.733.798.500	270.030.224.463
9. Science and technology development fund	339		-	-
<b>B - OWNER'S EQUITY</b>	<b>400</b>		<b>3.996.751.261.210</b>	<b>3.972.823.847.570</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>3.996.751.261.210</b>	<b>3.972.823.847.570</b>
1. Capital	411	V.37	1.000.000.000.000	1.000.000.000.000
2. Share premiums	412	V.37	2.169.160.586.400	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	11.182.518.281	22.534.947.016
7. Business promotion fund	417	V.37	4.511.710.559	4.511.710.559
8. Financial reserved fund	418	V.37	23.765.156.863	23.765.156.863
9. Other funds	419	V.37	20.928.346.185	21.604.112.437
10. Retained earnings	420	V.37	695.405.167.019	659.449.558.394
11. Construction investment fund	421		-	-
12. Business arrangement supporting fund	422		-	-

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**CONSOLIDATED FINANCIAL STATEMENTS**

<b>II. Other sources and funds</b>	<b>430</b>		-	-
1. Sources of expenditure	432		-	-
2. Fund to form fixed assets	433		-	-
<b>C - INTEREST OF MINORITY SHAREHOLDERS</b>	<b>439</b>	<b>V.38</b>	<b>180.071.765.298</b>	<b>171.775.201.558</b>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b><u>6.637.488.279.791</u></b>	<b><u>6.543.008.632.001</u></b>

Ho Chi Minh City, 10 May 2011

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**Truong Nhu Nguyen**  
Preparer

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**Nguyen Minh Nguyet**  
Chief Accountant

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**Đo 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 first quarter of year 2011 ended 31 March 2011

**CONSOLIDATED INCOME STATEMENT****The first quarter of year 2011**

	Chi tiêu	The first quarter		Accumulated	
		Year 2011	Year 2010	Year 2011	Year 2010
<b>1</b>	<b>Sales</b>	<b>488.821.477.763</b>	<b>409.374.924.549</b>	<b>488.821.477.763</b>	<b>409.374.924.549</b>
2	Deductions				
<b>3</b>	<b>Net sales</b>	<b>488.821.477.763</b>	<b>409.374.924.549</b>	<b>488.821.477.763</b>	<b>409.374.924.549</b>
4	Costs of goods sold	411.062.571.414	336.170.411.256	411.062.571.414	336.170.411.256
<b>5</b>	<b>Gross profit</b>	<b>77.758.906.349</b>	<b>73.204.513.293</b>	<b>77.758.906.349</b>	<b>73.204.513.293</b>
<b>6</b>	<b>Financial income</b>	<b>62.764.552.594</b>	<b>23.876.784.167</b>	<b>62.764.552.594</b>	<b>23.876.784.167</b>
<b>7</b>	<b>Financial expenses</b>	<b>60.154.339.840</b>	<b>31.864.065.749</b>	<b>60.154.339.840</b>	<b>31.864.065.749</b>
	In which :			0	-
	<i>Loan interest expenses</i>	33.444.809.404	17.130.317.192	33.444.809.404	17.130.317.192
8	Selling expense	3.256.440.642	2.986.996.035	3.256.440.642	2.986.996.035
<b>9</b>	<b>Administrative overheads</b>	<b>39.746.395.567</b>	<b>26.948.463.950</b>	<b>39.746.395.567</b>	<b>26.948.463.950</b>
<b>10</b>	<b>Net operating profit/ (loss)</b>	<b>37.366.282.894</b>	<b>35.281.771.727</b>	<b>37.366.282.894</b>	<b>35.281.771.727</b>
11	Other income	4.503.909.230	810.482.023	4.503.909.230	810.482.023
12	Other expenses	2.788.390.987	487.123.932	2.788.390.987	487.123.932
<b>13</b>	<b>Other profit/ (loss)</b>	<b>1.715.518.243</b>	<b>323.358.091</b>	<b>1.715.518.243</b>	<b>323.358.091</b>
<b>15</b>	<b>Total accounting profit before tax</b>	<b>39.081.801.136</b>	<b>35.605.129.818</b>	<b>39.081.801.136</b>	<b>35.605.129.818</b>
<b>16</b>	<b>Current corporate income tax</b>	<b>2.081.435.998</b>	<b>3.129.073.268</b>	<b>2.081.435.998</b>	<b>3.129.073.268</b>
17	Deferred corporate income tax			0	-
<b>18</b>	<b>Profit after tax</b>	<b>37.000.365.138</b>	<b>32.476.056.550</b>	<b>37.000.365.138</b>	<b>32.476.056.550</b>
18.1	Profit after tax of minority shareholders	1.044.756.512	1.321.567.959	1.044.756.512	1.321.567.959
<b>18.2</b>	<b>Profit after tax of parent company's shareholders</b>	<b>35.955.608.626</b>	<b>31.154.488.590</b>	<b>35.955.608.626</b>	<b>31.154.488.590</b>

Ho Chi Minh, 25 Apr 2011

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

\_\_\_\_\_  
**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 STATEMENTS**

For the first quarter of year 2011 ended 31 March 2011

**CONSOLIDATED CASH FLOW STATEMENT**

(Indirect method)

**The first quarter of year 2011**

Unit: VND

ITEMS	Code	Current year	Previous year
<b>I. Cash flows from operating activities</b>			
1. Profit before tax	01	39.081.801.136	35.605.129.818
2. Adjustments			
- Depreciation of fixed assets	02	52.819.114.831	49.228.761.203
- Provisions	03	8.898.723.165	(6.385.613.044)
- Gain/ (loss) from foreign exchange differences	04	(9.398.046.106)	9.625.514.577
- Gain/ (loss) from investing activities	05	(32.816.514.059)	(13.841.392.220)
- Loan interest expenses	06	33.444.809.404	17.130.317.192
3. Operating profit before changes of working capital	08	92.029.888.371	91.362.717.526
- Increase/ (decrease) of accounts receivable	09	(11.709.359.370)	(82.717.566.762)
- Increase/ (decrease) of inventories	10	(5.005.872.730)	(895.359.242)
- Increase/ (decrease) of accounts payable	11	(33.491.441.377)	19.362.071.848
- Increase/ (decrease) of prepaid expenses	12	(46.095.030.345)	(12.683.447.158)
- Loan interests already paid	13	(24.829.146.067)	(17.130.317.192)
- Corporate income tax already paid	14	(4.903.009.668)	(8.000.000.000)
- Other gains	15	56.458.329.126	83.802.424.379
- Other disbursements	16	(8.249.299.335)	(17.958.750.000)
Net cash flows from operating activities	20	14.205.058.605	55.141.773.399
<b>II. Cash flows from investing activities</b>			
1. Purchases and construction of fixed assets and other long-term assets	21	(45.606.118.890)	(93.054.321.952)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		
3. Loans given and purchases of debt instruments of other entities	23	(266.290.978.872)	
4. Recovery of loans given and disposals of debt instruments of other entities	24	222.277.028.937	
5. Investments into other entities	25	(284.109.255.339)	(146.676.335.318)
6. Withdrawals of investments in other entities	26	-	63.983.492.331
7. Receipts of loan interests, dividends and profit shared	27	32.593.021.486	
Net cash flows from investing activities	30	(341.136.302.678)	(175.747.164.939)

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**CONSOLIDATED FINANCIAL STATEMENTS**

For the first quarter of year 2011 ended at 31 March 2011

**Consolidated balance sheet (cont.)**

ITEMS	Code	Current year	Previous year
<b>III. Cash flows from financing activities</b>			
1. Gains from stock issuance and capital contributions from shareholders	31		30.637.500.000
2. Repayment for capital contributions and re-purchases of stocks already issued	32		
3. Short-term and long-term loans received	33	358.935.996.577	144.029.673.391
4. Loan principal amounts repaid	34	(167.672.753.888)	(68.780.137.372)
5. Payments for financial leasehold assets	35	(1.054.088.100)	(473.668.185)
6. Dividends and profit already paid to the owners	36	-	
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>190.209.154.589</b>	<b>105.413.367.834</b>
<b>Net cash flows during the year</b>	<b>50</b>	<b>(136.722.089.484)</b>	<b>(15.192.023.705)</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>546.776.463.318</b>	<b>224.033.300.556</b>
Effects of fluctuations in foreign exchange rates	61	810.371.393	(727.749.302)
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>410.864.745.227</b>	<b>208.113.527.549</b>

Ho Chi Minh City, 10 May 2011

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

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

\_\_\_\_\_  
**Đo Van Minh**  
**General Director**

**GEMADEPT CORPORATION**

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**CONSOLIDATED FINANCIAL STATEMENTS**

For the first quarter of year 2011 ended at 31 March 2011

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the first quarter of year 2011****I. OPERATION FEATURES**

- 1. Investment form of parent company** : A joint stock company.
- 2. Operating field** : Port operation, cargo transportation and logistics services.
- 3. Main operations**
  - To invest, to build and to operate sea port, river port, air cargo terminal. To perform all kinds of stevedoring services.
  - To offer multi-modal transport services, to transport passengers and all kinds of cargo including containers, out of gauge cargo by sea, air, river way and inland trucking.
  - To provide Logistics services; to build, to operate, and to trade all kinds of warehouses and yard; to provide customs brokerage.
  - To provide shipping agency services, shipping agency services, freight forwarding services, ship's chandler and other related shipping services.
  - To sell, purchase, manage, operate, repair, newly build and charter all types of ocean vessels, river ships, containers, cranes, forklifts and other equipments, materials, spare parts for transportation, port operation and logistics.
  - To manage and man crew members.
  - To undertake direct import and export. To act as petrol trading agency. To exploit mineral.
  - To invest, construct, manage, trade and operate real estates, office buildings, restaurants, catering services, hotels, apartments, residential area, trading center and industrial park and resorts.
  - To undertake financial investment; to trade stocks; to make financial contribution to banks, securities companies, fund management companies and to involve in other financial activities.
  - To undertake other business activities which are decided by the Board of Management in each particular period in accordance with the regulations of the laws and as registered to the relevant authorities.
- 4. Total number of subsidiaries** : 15  
*In which:*  
 Number of subsidiaries consolidated: 15
- 5. List of subsidiaries to be consolidated**

<i><b>Subsidiaries</b></i>	<i><b>Addresses</b></i>	<i><b>Benefit rate</b></i>	<i><b>Voting right</b></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 <sup>nd</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 %



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

<i><b>Subsidiaries</b></i>	<i><b>Addresses</b></i>	<i><b>Benefit rate</b></i>	<i><b>Voting right</b></i>
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 <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, 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.	100,00%	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%	52,00%
Nam Hai Port Corporation	No. 201, May Chai Ward, Ngo Quyen Street, 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%	100%

(\*) 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 52% in the shareholders' meetings by some shareholders.

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**Notes to the consolidated financial statements (cont.)****6. 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%
Huyn dai Merchant Marine Vietnam Co., Ltd.	12 <sup>th</sup> 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 <sup>th</sup> Floor, Saigon Center, No. 37 Ton Duc Thang, District 1, Ho Chi Minh City.	49,00%	49,00%

**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. The consolidated financial statements are for the first quarter of year 2011 which is from 01 January to 31 March 2011.

**2. Standard currency unit**

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

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### **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.

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

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

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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 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.

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#### **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.

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**

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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

#### 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.

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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.

#### **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**

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#### ***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.

### **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:



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- 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.

#### **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

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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	: 18.932 USD/ VND
		: 14.729 VND/SGD
		: 6.136 VND/RM
	31 March 2011	: 20.703 VND/USD
		: 16.293 VND/SGD
		: 5.386 VND/RM

#### **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.

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

Recognition of income from leasing operating assets is presented in Note IV.12.

##### ***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.

#### **27. Segment reporting**

A business segment is a distinguishable component of the Group that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

#### **28. Related parties**

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

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is also considered a related party of the Group in case both that party and the Group are under the same control or have to be subject to the same material effects.

In the consideration of the relationship between the Group and the related parties, the nature of the relationship is focused more than the legal form of that relationship.

**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET****1. Cash and cash equivalents**

	<b>Ending balance</b>	<b>Beginning balance</b>
Cash on hand	32.467.803.638	25.576.340.628
Cash in bank	366.422.289.900	314.677.253.425
Cash in transit	1.145.000.924	62.052.900
Cash equivalents <sup>(*)</sup>	10.829.650.765	206.460.816.365
<b>Total</b>	<b>410.864.745.227</b>	<b>546.776.463.318</b>

<sup>(\*)</sup> Under-3-month deposit.

**2. Short-term investments**

	<b>Ending balance</b>	<b>Beginning balance</b>
Short-term investments in stocks	324.827.816.871	333.987.492.096
Short-term investment in Gemadept – Terminal Link	487.500.000.000	487.500.000.000
Loan given to partners	75.000.000.000	75.000.000.000
Term deposit	182.093.247.964	28.315.706.616
<b>Total</b>	<b>1.069.421.064.835</b>	<b>924.803.198.712</b>

**3. Provisions for devaluation of short-term investments**

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

**4. Receivable from customers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Gemadept Corporation	173.096.251.125	150.093.327.439
Subsidiaries	127.273.574.405	155.781.211.394
<b>Total</b>	<b>300.369.825.530</b>	<b>305.874.538.833</b>

**5. Prepayment to suppliers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Gemadept Corporation	74.763.517.170	52.909.632.074
Subsidiaries	105.341.246.145	117.714.930.635
<b>Total</b>	<b>180.104.763.315</b>	<b>170.624.562.709</b>

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**Notes to the consolidated financial statements (cont.)****6. Other receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable of amounts paid on others' behalf to provide agency services	42.410.294.675	16.615.645.192
Receivable from associates and co-operations	87.088.579.745	87.088.579.745
Dividends and profit shared	-	9.260.618.700
Receivable from estimated interest on deposits, loans given and bonds	-	6.352.364.089
Receivable from securities trading	3.500.000.000	3.500.000.000
Others	22.040.344.752	32.667.489.263
<b>Total</b>	<b>155.039.219.172</b>	<b>155.484.696.989</b>

**7. Inventories**

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and fuel in stock	63.384.796.631	48.324.382.009
Work-in-process	4.251.310.821	14.305.852.714
<b>Total</b>	<b>67.636.107.452</b>	<b>62.630.234.723</b>

**8. Short-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Repairing expenses	3.982.310.985	5.670.771.337
Insurance premiums	6.950.680.046	2.115.160.613
Others	6.588.592.670	7.016.650.744
<b>Total</b>	<b>17.521.583.701</b>	<b>14.802.582.694</b>

**9. Taxes and other accounts receivable from State**

Taxes and other accounts receivable from State is recognized as a temporary extracted amount and waiting for tax finalization.

**10. Other current assets**

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	27.676.996.329	29.036.474.367
Short-term deposits and mortgages	54.192.743.503	102.200.688.348
<b>Total</b>	<b>81.869.739.832</b>	<b>131.237.162.715</b>

**11. 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
<b>Total</b>	<b>37.000.000.000</b>	<b>37.000.000.000</b>

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**Notes to the consolidated financial statements (cont.)****12. Increases/ (decreases) of tangible fixed assets**

	<b>Building and Structures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Office equipment</b>	<b>Other tangible fixed assets</b>	<b>Total</b>
<b>Historical costs</b>						
Beginning balance	443.174.153.933	311.930.900.056	1.831.778.694.101	20.474.793.465	39.699.966.890	2.647.058.508.445
Increases	4.060.726.132	5.369.780.571	31.533.425.000	352.466.358		41.316.398.061
Decreases						
<b>Ending Balance</b>	<b>447.234.880.065</b>	<b>317.300.680.627</b>	<b>1.863.312.119.101</b>	<b>20.827.259.823</b>	<b>39.699.966.890</b>	<b>2.688.374.906.506</b>
<b>Depreciation</b>						
Beginning Balance	64.703.201.108	125.400.498.589	561.327.499.499	13.060.035.408	7.336.928.414	771.828.163.017
Increases	4.062.427.149	7.873.341.368	35.243.265.157	819.981.724	460.653.208	48.459.668.606
Decreases						
<b>Ending Balance</b>	<b>68.765.628.257</b>	<b>133.273.839.957</b>	<b>596.570.764.656</b>	<b>13.880.017.132</b>	<b>7.797.581.622</b>	<b>820.287.831.623</b>
<b>Net book values</b>						
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
<b>Ending Balance</b>	<b>378.469.251.808</b>	<b>184.026.840.670</b>	<b>1.266.741.354.445</b>	<b>6.947.242.691</b>	<b>31.902.385.268</b>	<b>1.868.087.074.883</b>

**13. Increases/ (decreases) of financial leasehold assets**

	<b>Historical costs</b>	<b>Depreciation</b>	<b>Net book values</b>
Beginning balance	23.890.768.666	16.623.929.836	7.266.838.830
Increases	-	991.179.435	
<b>Ending balance</b>	<b>23.890.768.666</b>	<b>17.615.109.271</b>	<b>6.275.659.395</b>

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

	<b>Land use right</b>	<b>Computer software</b>	<b>Total</b>
<b>Initial costs</b>			
Beginning balance			
Increases	39.643.458.865	11.309.321.533	50.952.780.398
Decreases		88.853.265	88.853.265
<b>Ending balance</b>	<b>39.643.458.865</b>	<b>11.398.174.798</b>	<b>51.041.633.663</b>
<b>Amortization</b>			
Beginning balance	935.875.216	3.145.033.877	4.080.909.093
Amortization	147.663.570	247.574.174	395.237.744
<b>Ending balance</b>	<b>1.083.538.786</b>	<b>3.392.608.051</b>	<b>4.476.146.837</b>
<b>Net book values</b>			

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	<b>Land use right</b>	<b>Computer software</b>	<b>Total</b>
Beginning balance	<b>38.707.583.649</b>	<b>8.164.287.656</b>	<b>46.871.871.305</b>
Ending balance	<b>38.559.920.079</b>	<b>8.005.566.747</b>	<b>46.565.486.826</b>

**15. Construction-in-progress**

	<b>Beginning Balance</b>	<b>Increase</b>	<b>Ending Balance</b>
Purchase fixed assets	22.606.198.411	11.512.646.742	34.118.845.153
Construction-in-progress	54.343.604.691	16.561.619.949	70.905.224.640
- Expense for clearance Nothern Rach Chiec, District 9, Ho Chi Minh City	40.238.405.945	147.200.000	40.385.605.945
- Expense for consultancy fees and construction of Le Loi Plaza	2.694.479.091		2.694.479.091
- High Tech Gemadept Project	3.658.444.173		3.658.444.173
- Other projects	7.752.275.482	16.414.419.949	24.166.695.431
<b>Total</b>	<b>76.949.803.102</b>	<b>28.074.266.691</b>	<b>105.024.069.793</b>

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

	<b>Historical costs</b>	<b>Accumulated depreciation</b>	<b>Net book values</b>
Beginning balance	<b>279.448.439.795</b>	<b>28.354.171.622</b>	<b>251.094.268.173</b>
Increases		2.973.029.046	2.973.029.046
Ending balance	<b>279.448.439.795</b>	<b>31.327.200.668</b>	<b>248.121.239.127</b>

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

	<b>Quarter I / 2011</b>
Gain from the lease	22,740,381,922
Direct expenses related to the gain from the lease	7,819,573,650
Direct expenses not related to the gain from the lease	-

**17. Investments in business concerns and joint ventures**

<b>Companies</b>	<b>Ending balance</b>		<b>Beginning balance</b>	
	<b>Ownership rate</b>	<b>Amount</b>	<b>Ownership rate</b>	<b>Amount</b>
Golden Globe Trading Co., Ltd	45,00%	42.761.600.000	45,00%	42.761.600.000
Vung Tau Commercial Port J.S.C	26,78%	9.642.000.000	26,78%	9.642.000.000

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

<b>Companies</b>	<b>Ending balance</b>		<b>Beginning balance</b>	
	<b>Ownership rate</b>	<b>Amount</b>	<b>Ownership rate</b>	<b>Amount</b>
(VCP)				
MBN-GMD VIETNAM	34,00%	1.534.080.000	34,00%	1.534.080.000
Vinh Hao Mineral Water J.S.C	29,00%	32.206.940.000	29,00%	32.206.940.000
Minh Dam Tourism J.S.C	40,00%	18.264.608.143	40,00%	18.264.608.143
Potraco	38,02%	23.236.200.000	38,02%	23.236.200.000
Schenker Gemadept Logistics Vietnam Co., Ltd.	49,00%	11.882.010.000	49,00%	11.882.010.000
Huynhai Merchant Marine Vietnam Co., Ltd.	49,00%	2.371.845.000	49,00%	2.371.845.000
Saigon Cargo Service Corporation	23,00%	86.250.000.000	23,00%	86.250.000.000
Falcon Ha Dong Investment and Trading JSC	25,00%	29.375.000.000	25,00%	29.375.000.000
Sinokor Vietnam Co., Ltd.	49,00%	2.319.909.000	49,00%	2.319.909.000
Food Association Joint Stock Company	26,56%	49.825.280.000	26,56%	49.825.280.000
OOCL Vietnam Co., Ltd.	49,00%	17.913.906.635	49,00%	17.913.906.635
Gemadept- Terminal Link Cai Mep Terminal J.S.C	62,50%	612.052.327.921	62,50%	612.052.327.921
Gains from associates upon consolidation		17.082.306.444		15.469.986.177
<b>Total</b>		<b>956.718.013.143</b>		<b>955.105.692.876</b>

**18. Other long-term investments**

	<b>Ending balance</b>	<b>Beginning balance</b>
Investments in shares	203.374.669.600	203.374.669.600
Other long-term investments	498.177.779.833	373.703.175.285
- <i>Transvina Co., Ltd.</i>	12.635.901.494	12.635.901.494
- <i>Gemadept Terminal Link Cai Mep Terminal J.S.C</i>	190.950.000.000	190.950.000.000
- <i>Project of Falcon Ha Dong Office Building</i>	32.500.000.000	32.500.000.000
- <i>Other companies</i>	262.091.878.339	137.617.273.791
Term deposits	161.600.000.000	161.600.000.000
<b>Total</b>	<b>863.152.449.433</b>	<b>738.677.844.885</b>

**19. Provisions for devaluations of long-term investments**

	<b>Ending balance</b>	<b>Beginning balance</b>
Provisions for investments into subsidiaries	73.769.712	73.769.712
Provisions for long-term investments into securities	36.792.330.200	36.792.330.200
Provisions for other long-term investments	2.932.535.706	2.932.535.706
<b>Total</b>	<b>39.798.635.618</b>	<b>39.798.635.618</b>

**20. Long-term prepaid expenses**

	<b>Ending balance</b>	<b>Beginning balance</b>
Tool expenses	531.060.494	555.868.574

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

	<b>Ending balance</b>	<b>Beginning balance</b>
Expenses on repairing ships	7.642.956.331	8.832.114.060
Warehouse and office repairing expenses	2.464.222.332	2.673.618.182
Others	436.976.507	1.297.033.859
<b>Total</b>	<b>11.075.215.664</b>	<b>13.358.634.675</b>

**21. Other long-term assets**

Other long – term assets are long – term deposits to guarantee the payment.

**22. 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).

Beginning balance	<b>327.246.348.752</b>
Decrease	- 8.348.287.805
<b>Ending balance</b>	<b>318.898.060.947</b>

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

	<b>Ending balance</b>	<b>Beginning balance</b>
At Gemadept Corporation	463.802.601.496	320.247.600.198
At Gemadept (Singapore) Ltd.	88.347.919.358	90.056.125.445
At Gemadept Dung Quat International Port J.S.C	5.000.000.000	5.000.000.000
At Phuoc Long Port Co., Ltd.	168.401.431.923	52.790.585.811
<b>Total</b>	<b>725.551.952.777</b>	<b>468.094.311.454</b>

**24. Payable to suppliers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Gemadept Corporation	112.619.342.972	106.668.776.008
Subsidiaries	49.516.492.275	80.180.938.440
<b>Total</b>	<b>162.135.835.247</b>	<b>186.849.714.448</b>

**25. Advances from customers**

	<b>Ending balance</b>	<b>Beginning balance</b>
At Gemadept Corporation	9.569.269.662	4.540.635.640
At Gemadept Infrastructures Development and Investment Construction J.S.C	2.245.344.963	
At V.N.M General Transportation Service Co., Ltd.		1.395.050
At Phuoc Long Port Co., Ltd.	1.975.623.884	797.896.955
At Gemadept Logistics Co., Ltd.	915.870.022	773.954.445
At ISS GMD VN	2.177.598.396	-
At Gemadept Hai Phong Co., Ltd.	84.394.055	3.032.738
At Nam Hai Port J.S.C	4.960.064.140	4.937.255.424
<b>Total</b>	<b>21.928.165.122</b>	<b>11.054.170.252</b>



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**Notes to the consolidated financial statements (cont.)****26. Taxes and other obligations to the State Budget**

	<u>Ending balance</u>	<u>Beginning balance</u>
At Gemadept Corporation	5.620.700.681	4.657.818.782
At subsidiaries	4.074.682.168	10.864.234.607
<b>Total</b>	<b>9.695.382.849</b>	<b>15.522.053.389</b>

**27. Payable to employees**

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

**28. Accrued expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
At Gemadept Corporation	24.580.217.685	14.081.299.436
At subsidiaries	17.746.495.222	29.135.153.948
<b>Total</b>	<b>42.326.712.907</b>	<b>43.216.453.384</b>

**29. Other short – term payable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Amount collected on other's behalf payable	44.694.111.152	50.614.560.338
Payable to TML	43.688.509.077	160.000.000.000
Payable to associates	12.429.549.379	12.429.549.379
Other payables	39.954.173.502	41.052.886.939
<b>Total</b>	<b>140.766.343.110</b>	<b>264.096.996.656</b>

**30. 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	21.324.987.223	22.941.117.275
Receipt of the deposit for the lease of other assets	386.225.388	25.369.175
<b>Total</b>	<b>21.711.212.611</b>	<b>22.966.486.450</b>

**31. Long-term loans and debts**

	<u>Ending balance</u>	<u>Beginning balance</u>
Gemadept Corporation	481.784.045.000	481.784.045.000
Gemadept (Singapore) Ltd.	211.418.625.423	244.371.077.808
Gemadept Dung Quat International Port J.S.C	234.475.725.982	234.475.725.982
Phuoc Long Port Co., Ltd.	24.521.339.345	19.601.339.345
Nam Hai Port J.S.C	73.521.876.173	77.226.732.173
<b>Total</b>	<b>1.025.721.611.923</b>	<b>1.057.458.920.308</b>

**32. Unearned revenues**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deferred interests due to revaluation on assets contributed as capital invested in jointly-	267.733.798.500	269.167.286.868

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

	<u>Ending balance</u>	<u>Beginning balance</u>
controlled entities		
Other unearned revenues		862.937.595
<b>Total</b>	<b><u>267.733.798.500</u></b>	<b><u>270.030.224.463</u></b>

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

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>
Capital	1.000.000.000.000			1.000.000.000.000
Share premiums	2.169.160.586.400			2.169.160.586.400
Other source of capital	71.797.775.902			71.797.775.902
Foreign exchange differences	22.534.947.016		11.352.428.735	11.182.518.281
Business promotion fund	4.511.710.559			4.511.710.559
Financial reserved fund	23.765.156.863			23.765.156.863
Other funds	21.604.112.437		675.766.252	20.928.346.185
Retained earnings	659.449.558.394	35.955.608.626		695.405.167.019
<b>Total</b>	<b><u>3.972.823.847.570</u></b>	<b><u>35.955.608.626</u></b>	<b><u>12.028.194.987</u></b>	<b><u>3.996.751.261.210</u></b>

***Shares***

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	100.000.000	100.000.000
Number of shares already issued	100.000.000	100.000.000
- <i>Common shares</i>	100.000.000	100.000.000
- <i>Preferred shares</i>	-	-
Number of shares re-purchased	-	-
- <i>Common shares</i>	-	-
- <i>Preferred shares</i>	-	-
Number of outstanding shares	100.000.000	100.000.000
- <i>Common shares</i>	100.000.000	100.000.000
- <i>Preferred shares</i>	-	-

Face value of outstanding share: VND 10.000.

***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.

***Dividends:*** Gemadept Corporation has not given dividends to shareholders in the first quarter of year 2011.

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**Notes to the consolidated financial statements (cont.)****34. Interests of minority shareholders**

	<b>Ending balance</b>
The capitals of minority shareholders	89.592.729.551
The interests of minority shareholders	90.479.035.747
<b>Total</b>	<b>180.071.765.298</b>

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

	<b>Quarter I / 2011</b>
Gross sales	<b>488.821.477.763</b>
- Sales from port operation and logistics services.	161.619.597.953
- Sales from cargo transportation services.	286.505.340.501
- Sales from agency activities and forwarding services	17.724.688.431
- Sales from leasing offices	22.971.850.878
<b>Total</b>	<b>488.821.477.763</b>

**2. Costs of goods**

	<b>Quarter I / 2011</b>
<b>Costs of goods</b>	<b>411.062.571.414</b>
- Costs of port operation and logistics services.	140.682.623.654
- Costs of cargo transportation services.	255.983.949.480
- Costs of agency activities and forwarding services	7.375.918.448
- Costs of leasing offices	7.020.079.832
<b>Total</b>	<b>411.062.571.414</b>

**3. Financial income**

	<b>Quarter I / 2011</b>
- Gains from investments in securities	471.926.963
- Interests on time deposits	10.803.329.075
- Exchange gains	29.476.111.572
- Gain from capital contribution in business concerns and joint	22.013.184.984
<b>Total</b>	<b>62.764.552.594</b>

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

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**4. Financial expenses**

	<u>Quarter I / 2011</u>
- Loan interest expenses	33.444.809.404
- Loss from investment in securities	5.673.882.145
- Exchange loss	12.136.925.126
- Provisions for devaluation of short-term and long-term investments	8.898.723.165
<b>Total</b>	<b><u>60.154.339.840</u></b>

Ho Chi Minh City, 10 May 2011

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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**