

**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 March 2018

**CONSOLIDATED BALANCE SHEET**

As of 31 March 2018

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>1,628,718,657,889</b>	<b>2,223,117,121,083</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>457,693,530,711</b>	<b>779,802,200,597</b>
1. Cash	111		324,793,530,711.00	494,938,359,637.00
2. Cash equivalents	112		132,900,000,000.00	284,863,840,960.00
<b>II. Short-term financial investments</b>	<b>120</b>		<b>125,841,857,428</b>	<b>113,000,452,720</b>
1. Trading securities	121	V.2a	140,694,265,680.00	140,694,265,680.00
2. Provisions for devaluation of trading securities	122	V.2a	(50,852,408,252.00)	(74,153,531,152.00)
3. Held-to-maturity investments	123	V.2b	36,000,000,000.00	46,459,718,192.00
<b>III. Short-term receivables</b>	<b>130</b>		<b>832,963,156,780</b>	<b>1,127,689,185,681</b>
1. Short-term trade receivables	131	V.3	267,539,502,081.00	619,894,329,405.00
2. Short-term prepayments to suppliers	132	V.4a	302,094,596,951.00	306,179,387,814.00
3. Short-term inter-company receivables	133		-	-
Receivable according to the progress of				
4. construction contract	134		-	-
5. Receivables for short-term loans	135	V.5a	15,860,000,000.00	15,780,000,000.00
6. Other short-term receivables	136	V.6a	258,257,378,407.00	199,721,186,951.00
7. Allowance for short-term doubtful debts	137	V.7	(10,788,320,659.00)	(13,885,718,489.00)
8. Deficit assets for treatment	139		-	-
<b>IV. Inventories</b>	<b>140</b>	<b>V.8</b>	<b>81,574,168,851</b>	<b>107,800,595,571</b>
1. Inventories	141		84,641,805,564.00	110,858,381,291.00
2. Allowance for inventories	149		(3,067,636,713.00)	(3,057,785,720.00)
<b>V. Other current assets</b>	<b>150</b>		<b>130,645,944,119</b>	<b>94,824,686,514</b>
1. Short-term prepaid expenses	151	V.9a	8,452,925,568.00	11,702,482,727.00
2. Deductible VAT	152		121,058,313,408.00	79,350,944,882.00
3. Taxes and other receivables from the State	153	V.18	1,134,705,143.00	3,771,258,905.00
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

**GEMADEPT CORPORATION**

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**CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 March 2018

**Consolidated Balance Sheet (cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>8,227,674,357,850</b>	<b>9,068,100,086,189</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>104,546,156,600</b>	<b>127,490,383,350</b>
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212	V.4b	358,000,000.00	358,000,000.00
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215	V.5b	-	-
6. Other long-term receivables	216	V.6b	104,188,156,600.00	127,132,383,350.00
7. Allowance for long-term doubtful debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>3,035,104,470,079</b>	<b>3,208,464,134,770</b>
1. Tangible fixed assets	221	V.10	2,691,733,821,447	2,827,737,097,831
- Historical cost	222		4,050,777,294,598.00	4,816,531,395,729.00
- Accumulated depreciation	223		(1,359,043,473,151.00)	(1,988,794,297,898.00)
2. Financial leased assets	224	V.11	60,762,132,896	64,828,449,857
- Historical cost	225		92,987,286,021.00	92,987,286,021.00
- Accumulated depreciation	226		(32,225,153,125.00)	(28,158,836,164.00)
3. Intangible fixed assets	227	V.12	282,608,515,736	315,898,587,082
- Initial cost	228		338,039,398,431.00	375,212,554,403.00
- Accumulated amortization	229		(55,430,882,695.00)	(59,313,967,321.00)
<b>III. Investment property</b>	<b>230</b>		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
<b>IV. Long-term assets in process</b>	<b>240</b>		<b>1,726,839,660,949</b>	<b>2,457,808,973,398</b>
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.13	1,726,839,660,949.00	2,457,808,973,398.00
<b>V. Long-term financial investments</b>	<b>250</b>		<b>2,521,180,972,820</b>	<b>2,310,194,997,897</b>
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2c	2,412,223,240,286.00	2,198,035,895,580.00
3. Investments in other entities	253	V.2d	238,333,032,000.00	238,333,032,000.00
Provisions for devaluation of long-term financial				
4. investments	254	V.2d	(129,375,299,466.00)	(126,173,929,683.00)
5. Held-to-maturity investments	255		-	-
<b>VI. Other non-current assets</b>	<b>260</b>		<b>840,003,097,402</b>	<b>964,141,596,774</b>
1. Long-term prepaid expenses	261	V.9b	721,999,335,975.00	837,630,679,562.00
2. Deferred income tax assets	262	V.14	32,857,759,020.00	33,016,627,000.00
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269	V.15	85,146,002,407.00	93,494,290,212.00
<b>TOTAL ASSETS</b>	<b>270</b>		<b>9,856,393,015,739</b>	<b>11,291,217,207,272</b>

**GEMADEPT CORPORATION**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 March 2018

**Consolidated Balance Sheet (cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
<b>C - LIABILITIES</b>	<b>300</b>		<b>3,486,605,624,033</b>	<b>4,196,680,125,183</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,594,131,707,980</b>	<b>2,676,231,766,155</b>
1. Short-term trade payables	311	V.16	248,060,365,594.00	761,273,221,507.00
2. Short-term advances from customers	312	V.17	30,041,294,888.00	44,834,320,046.00
3. Taxes and other obligations to the State Budget	313	V.18	285,216,961,754.00	42,803,370,054.00
4. Payables to employees	314	V.19	30,054,841,597.00	101,245,754,112.00
5. Short-term accrued expenses	315	V.20	152,261,343,865.00	317,045,083,559.00
6. Short-term inter-company payables	316		-	-
Payable according to the progress of				
7. construction contracts	317		-	-
8. Short-term unearned revenue	318	V.21a	58,675,380,531.00	9,500,000.00
9. Other short-term payables	319	V.22a	250,060,055,384.00	580,734,276,203.00
10. Short-term borrowings and financial leases	320	V.23a	428,368,083,575.00	714,513,339,980.00
11. Provisions for short-term payables	321	V.24	67,190,326,935.00	66,971,291,211.00
12. Bonus and welfare funds	322	V.25	44,203,053,857.00	46,801,609,483.00
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
<b>II. Non-current liabilities</b>	<b>330</b>		<b>1,892,473,916,053</b>	<b>1,520,448,359,028</b>
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336	V.21b	235,737,935,783.00	231,677,582,133.00
7. Other long-term payables	337	V.22b	65,990,745,631.00	61,593,495,590.00
8. Long-term borrowings and financial leases	338	V.23b	1,590,410,934,814.00	1,220,610,259,547.00
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341	V.26	334,299,825.00	6,567,021,758.00
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

**GEMADEPT CORPORATION**

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**CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 March 2018

**Consolidated Balance Sheet (cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
<b>D - OWNER'S EQUITY</b>	<b>400</b>		<b>6,369,787,391,706</b>	<b>7,094,537,082,089</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>6,369,787,391,706</b>	<b>7,094,537,082,089</b>
1. Capital	411	V.27	2,882,769,570,000	2,882,769,570,000
- <i>Ordinary shares carrying voting rights</i>	<i>411a</i>		<i>2,882,769,570,000.00</i>	<i>2,882,769,570,000.00</i>
- <i>Preferred shares</i>	<i>411b</i>		-	-
2. Share premiums	412	V.27	1,941,832,197,040.00	1,941,832,197,040.00
3. Bond conversion options	413		-	-
4. Other sources of capital	414	V.27	71,797,775,902.00	71,797,775,902.00
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417	V.27	52,457,218,814.00	65,512,288,857.00
8. Investment and development fund	418	V.27	140,506,685,321.00	140,506,685,321.00
9. Business arrangement supporting fund	419		-	-
10. Other funds	420	V.27	127,775,807,349.00	128,055,807,347.00
11. Retained earnings	421	V.27	497,943,770,689	1,113,091,207,224
- <i>Retained earnings accumulated to the end of the previous period</i>	<i>421a</i>		-	605,206,881,853.00
- <i>Retained earnings of the current period</i>	<i>421b</i>		<i>497,943,770,689.00</i>	<i>507,884,325,371.00</i>
12. Construction investment fund	422		-	-
13. Benefits of non-controlling shareholders	429	V.27	654,704,366,591.00	750,971,550,398.00
<b>II. Other sources and funds</b>	<b>430</b>		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>9,856,393,015,739</b>	<b>11,291,217,207,272</b>

Ho Chi Minh City, 30 APR 2018

Pham Quang Huy  
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 March 2018

**CONSOLIDATED INCOME STATEMENT****For the fiscal year ended 31 March 2018**

Unit: VND

	ITEMS	Code	Note	Current year	Previous year
1.	Sales	01	VI.1	689,172,395,825	859,895,587,821
2.	Sales deductions	02	VI.2	-	-
3.	Net sales	10		<b>689,172,395,825</b>	<b>859,895,587,821</b>
4.	Cost of sales	11	VI.3	483,851,261,514	664,337,895,428
5.	Gross profit	20		<b>205,321,134,311</b>	<b>195,557,692,393</b>
6.	Financial income	21	VI.4	1,394,993,024,305	14,318,479,163
7.	Financial expenses	22	VI.5	19,654,103,466	35,696,384,381
	In which: Loan interest expenses	23		23,495,654,211	35,547,855,206
8.	Gain or loss in joint ventures, associates	24	V.2c	23,446,140,809	24,745,986,584
9.	Selling expenses	25	VI.6	22,231,081,392	15,639,137,723
10.	General and administration expenses	26	VI.7	77,546,133,866	68,850,237,082
11.	Net operating profit	30		<b>1,504,328,980,701</b>	<b>114,436,398,954</b>
12.	Other income	31	VI.8	6,075,295,345	6,232,649,027
13.	Other expenses	32	VI.9	3,222,381,022	2,452,746,753
14.	Other profit/ (loss)	40		<b>2,852,914,323</b>	<b>3,779,902,274</b>
15.	Total accounting profit before tax	50		<b>1,507,181,895,024</b>	<b>118,216,301,228</b>
16.	Current income tax	51	V.18	234,644,541,763	10,113,756,199
17.	Deferred income tax	52	VI.10	(6,013,585,669)	(348,055,767)
18.	Profit after tax	60		<b>1,278,550,938,930</b>	<b>108,450,600,796</b>
19.	Profit after tax of the Parent Company	61		1,267,479,960,284	95,833,110,778
20.	Profit after tax of non-controlling shareholders	62		11,070,978,647	12,617,490,018
21.	Basic earnings per share	70	VI.11	<b>4,362</b>	<b>491</b>
22.	Diluted earnings per share	71	VI.11	<b>4,362</b>	<b>491</b>

Ho Chi Minh City, 30 APR 2018

Pham Quang Huy  
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 March 2018

**CONSOLIDATED CASH FLOW STATEMENT**

(Indirect method)

For the fiscal year ended 31 March 2018

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		1,507,181,895,023	118,216,301,228
2. Adjustments				
- Depreciation of fixed assets and investment properties	02		77,874,272,784	73,616,448,256
- Provisions and allowances	03	V.2, V.7, V.8, V.24	(21,692,354,900)	(1,436,875,231)
- Exchange gain/ (loss) due to revaluation of monetary items in foreign currencies	04	VI.4, VI.5	1,299,019	(5,085,120,021)
- Gain/ (loss) from investing activities	05	VI.4, VI.8, VI.9	(1,414,029,869,693)	(2,874,067,765)
- Interest expenses	06	VI.5	23,495,654,211	35,547,855,206
- Others	07		-	-
3. Operating profit before changes of working capital	08		172,830,896,444	217,984,541,673
- Increase/ (decrease) of receivables	09		(497,508,020,481)	23,605,741,090
- Increase/ (decrease) of inventories	10		(398,320,303)	(5,948,916,421)
- Increase/ (decrease) of payables	11		398,310,526,986	(22,222,693,323)
- Increase/ (decrease) of prepaid expenses	12		118,880,900,747	(1,315,432,563)
- Increase/ (decrease) of trading securities	13		-	-
- Interests paid	14	V.20, VI.4, VII	(15,186,585,232)	(18,256,403,173)
- Corporate income tax paid	15	V.18	(38,203,443,928)	(17,289,456,069)
- Other cash inflows	16		-	-
- Other cash outflows	17		(1,436,438,720)	(19,988,105,237)
Net cash flows from operating activities	20		137,289,515,513	156,569,275,977
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other non-current assets	21		(272,711,776,581)	(197,116,506,150)
2. Proceeds from disposals of fixed assets and other non-current assets	22		619,090,907	3,149,999,999
3. Cash outflow for lending, buying debt instruments of other entities	23	V.2, V.5	(8,080,000,000)	(104,372,881,944)
4. Cash recovered from lending, selling debt instruments of other entities	24	V.2, V.5	8,000,000,000	60,000,000,000
5. Investments into other entities	25	V.2c	(36,649,000,000)	-
6. Withdrawals of investments in other entities	26		1,853,783,887,170	-
7. Interest earned, dividends and profits received	27	V.2, V.6, VI.4	57,905,093,884	3,208,167,927
Net cash flows from investing activities	30		1,602,867,295,380	(235,131,220,168)

**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 March 2018

**Consolidated Cash Flow Statement (cont.)**

ITEMS	Code	Note	Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33		599,394,510,793	76,034,326,944
4. Repayment for loan principal	34		(483,077,769,226)	(61,087,468,413)
5. Payments for financial leased assets	35		(5,121,195,987)	(4,471,592,707)
6. Dividends and profit paid to the owners	36		(2,173,872,363,600)	(2,543,400,000)
<i>Net cash flows from financing activities</i>	<b>40</b>		<b>(2,062,676,818,020)</b>	<b>7,931,865,824</b>
<b>Net cash flows during the year</b>	<b>50</b>		<b>(322,520,007,127)</b>	<b>(70,630,078,367)</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>779,802,200,597</b>	<b>724,469,956,298</b>
Effects of fluctuations in foreign exchange rates	61		411,337,241	691,183,379
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<b>457,693,530,711</b>	<b>654,531,061,310</b>

Ho Chi Minh City, 30 APR 2018

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**Pham Quang Huy**  
Preparer

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**Nguyen Minh Nguyet**  
Chief Accountant

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**Do Van Minh**  
General Director

**GEMADEPT CORPORATION**

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**CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 March 2018

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the fiscal year ended 31 March 2018**

**I. GENERAL INFORMATION****1. Ownership form**

Gemadept Corporation (hereinafter referred to as “the Corporation” or “the Parent Company”) is a joint stock company.

**2. Operating field**

The Corporation operates in many different fields.

**3. Principal business activities**

Gemadept Corporation has been consistent with its strategy to develop core businesses and to selectively diversify business sectors. The Corporation’s business scopes include port operation, logistics, forestry and real estate.

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

**4. Normal operating cycle**

The Corporation’s normal operating cycle is within 12 months.

**5. Effects of the Corporation’s operation during the year on the Consolidated Financial Statements**

Implementing the Resolution of General Meeting of Shareholders No. 051 / GMD-ĐHĐCĐ dated 26 May 2017 on restructure of the Corporation, divesting capital in a number of member companies in order to concentrate resources for core business, the Corporation has completed the transfer of 49% of Gemadept Shipping Holding Limited and 50.9% of Gemadept Logistics Holding Limited. At the same time, Gemadept Shipping Holding Co., Ltd has changed its name to CJ Gemadept Shipping Holdings Co., Ltd under the amended Business License No. 0314492497 dated 13/02/2018 and Gemadept Logistics Holding Co., Ltd has changed its name to CJ-Gemadept Logistics Holding Company Limited in accordance with the Business Registration Certificate No. 0314546921, amended on 13 February 2018. In the period, the Corporation paid dividend of 2016 and special dividend in cash, the rate of payment is 80%, equivalent to 8,000 VND / share.

On 08 March 2018, the Company completed the dissolution of its subsidiary, Bien Sang One-Member Limited Liability Company. On 28 March, 2018, the Board of Directors resolved to terminate the operation and dissolve its subsidiaries in Singapore namely Gemadept (S) Pte.Ltd and Grand Pacific Shipping Pte.Ltd.



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**CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 March 2018

**Notes to the Consolidated Financial Statements (cont.)****6. Structure of the Group**

The Group includes the Parent Company and 25 subsidiaries under the control of the Parent Company. All the subsidiaries are consolidated in these Consolidated Financial Statements.

**6a. List of subsidiaries to be consolidated**

Subsidiaries	Address	Benefit rate		Voting right	
		Ending balance	Beginning balance	Ending balance	Beginning balance
Gemadept Dung Quat International Port J.S.C. <sup>(i)</sup>	Port No. 1 – Dung Quat Port, Binh Thuan Commune, Binh Son District, Quang Ngai Province, Vietnam	80,40%	81,60%	80,40%	81,60%
V.N.M General Transportation Service Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Gemadept (S) Pte., Ltd.	63 Market Street #05-01A, Bank of Singapore Centre, Singapore 048942	100%	100%	100%	100%
Grand Pacific Shipping Pte., Ltd.	63 Market Street #05-01A, Bank of Singapore Centre, Singapore 048942	100%	100%	100%	100%
Gemadept Nhon Hoi International Port J.S.C.	No. 98 Pham Hung Street, Ly Thuong Kiet Ward, Quy Nhon City, Binh Dinh Province, Vietnam	53,20%	53,20%	53,20%	53,20%
Phuoc Long Port Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
ISS - Gemadept Co., Ltd.	No. 45 Vo Thi Sau Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam	51,00%	51,00%	51,00%	51,00%
Gemadept – Vung Tau Corporation	No. 1/1A Pham Hong Thai Street, Ward 7, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam	70,00%	70,00%	70,00%	70,00%
Hoa Sen - Gemadept Logistics and International Port Corporation	Road No. 2B, Phu My I Industrial Park, Phu My Town, Tan Thanh District, Ba Ria-Vung Tau Province, Vietnam	51,00%	51,00%	51,00%	51,00%
Gemadept Construction Infrastructure Investment and Development Corporation	No. 147 Nguyen Thai Binh Street, Ward 3, Tan An City, Long An Province, Vietnam	50,00%	50,00%	50,00%	50,00%
Truong Tho Transportation Services Corporation <sup>(iii)</sup>	Quarter 7, Truong Tho Ward, Thu Duc District, Ho Chi Minh City, Vietnam	46,00%	46,00%	54,00%	54,00%
Nam Hai Port Corporation Joint Stock Company	No. 201, Ngo Quyen Street, May Chai Ward, Ngo Quyen District, Hai Phong City, Vietnam	99,98%	99,98%	99,98%	99,98%
Pacific Marine Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Bright Ocean Logistics Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Vi Tin Service Computing Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Pacific Rubber Industry Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%

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**Notes to the Consolidated Financial Statements (cont.)**

Subsidiaries	Address	Benefit rate		Voting right	
		Ending balance	Beginning balance	Ending balance	Beginning balance
Pacific Pearl Joint Stock Company Limited	61 Road No. 468, Toul Tumpoung 2 Ward, Chamkarmon District, Phnom Penh City, Cambodia	100%	100%	100%	100%
Pacific Lotus Joint Stock Company Limited	18B Road No. 500, Phsar Deum Thkov Ward, Chamkarmon District, Phnom Penh City, Cambodia	100%	100%	100%	100%
Pacific Pride J.S.C.	947 Por Prok Khang Tbong Hamlet, Kar Karb Ward, Po Sen Chey District, Phnom Penh City, Cambodia	100%	100%	100%	100%
Nam Hai Dinh Vu Port J.S.C.	Km No. 6, Dinh Vu Street, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam	84,66%	84,66%	84,66%	84,66%
Pacific Marine Equipment and Service Company Limited	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Nam Hai ICD Joint Stock Company <sup>(iv)</sup>	Lot CN3, MP Dinh Vu Industrial Park, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam	65,00%	65,00%	65,00%	65,00%
Nam Dinh Vu Port Joint Stock Company	Lot CA1, Nam Dinh Vu Industrial Park, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam	60,00%	60,00%	60,00%	60,00%
CJ Gemadept Logistics Holdings Limited Company <sup>(v)</sup>	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	-	100%	-
CJ Gemadept Shipping Holdings Limited Company <sup>(v)</sup>	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	-	100%	-
(i) During the year, Gemadept Dung Quat International Port J.S.C. additionally received contribution capital from new shareholders, resulted in a decrease from 81,60% to 80,40% in the Group's benefit rate and voting rate.					
(ii) This is a decrease due to transfer, withdrawal of all contribution capital.					
(iii) The Corporation has taken control over Truong Tho Transportation Services Corporation since it has been authorized by some shareholders to reach the voting right rate of 54% at the General Meetings of Shareholders.					
(iv) Nam Hai ICD Joint Stock Company was renamed from Nam Hai Logistics J.S.C. in line with the Business Registration Certificate No. 0201639540, amended for the first time on 31 March 2017.					
(v) These are subsidiaries just newly established during the year.					

**6b. List of associates reflected in the Consolidated Financial Statements in accordance with the equity method**

Associates	Address	Ownership rate		Voting right	
		Ending balance	Beginning balance	Ending balance	Beginning balance

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#### Notes to the Consolidated Financial Statements (cont.)

Associates	Address	Ownership rate		Voting right	
		Ending balance	Beginning balance	Ending balance	Beginning balance
Golden Globe Trading Co., Ltd.	No. 117 Le Loi Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam	45,00%	45,00%	45,00%	45,00%
Vung Tau Commercial Port J.S.C. (VCP)	No. 973, 30/4 Street, Ward 11, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam	26,78%	26,78%	26,78%	26,78%
Minh Dam Tourism J.S.C.	Cau Tum, Hai Tan Quarter, Phuoc Hai Town, Dat Do District, Ba Ria-Vung Tau Province, Vietnam	40,00%	40,00%	40,00%	40,00%
Power Transportation and Service J.S.C. (Potraco)	No. 112 Ngo Quyen Street, May Chai Ward, Ngo Quyen District, Hai Phong City, Vietnam	38,03%	38,03%	38,03%	38,03%
Saigon Cargo Service Corporation (SCSC Corp.)	No. 30, Phan Thuc Duyen Street, Ward 4, Tan Binh District, Ho Chi Minh City, Vietnam	32,89%	34,90%	32,89%	34,90%
United Food J.S.C.	No. 267 Quang Trung Street, Quang Trung Ward, Ha Dong District, Hanoi City, Vietnam	26,56%	26,56%	26,56%	26,56%
Gemadept - Terminal Link Cai Mep Terminal J.S.C. <sup>(i)</sup>	Cai Mep Area, Phuoc Hoa Commune, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam	65,13%	65,13%	50,00%	50,00%
OOCL Logistics (Vietnam) Co., Ltd.	13 <sup>th</sup> Floor, Saigon Trade Center Building, No. 37 Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam	49,00%	49,00%	49,00%	49,00%
Golden Globe Co., Ltd.	Sibunhuong Village, Chanthabouly District, Vientiane, Laos	40,00%	40,00%	40,00%	40,00%
“K” Line – Gemadept Logistics Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	50,00%	50,00%	50,00%	50,00%
CJ Gemadept Logistics Holdings Limited Company (ii)	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	49,10%	0,00%	49,10%	0,00%

<sup>(i)</sup> Although the ownership rate of the Group in Gemadept - Terminal Link Cai Mep Terminal J.S.C. is more than 50%, according to the Charter of Gemadept - Terminal Link Cai Mep Terminal J.S.C., the Resolutions of its General Meeting of Shareholders have to be approved by the shareholders who hold at least 76% of total voting shares. Therefore, this investment is presented in the item “Investments in joint ventures and associates”.

<sup>(ii)</sup> The Company has transferred 50.90% of its contributed capital.

#### 7. Statement on information comparability on the Consolidated Financial Statements

The figures in the current year can be comparable with corresponding figures in the previous year.

#### 8. Employees

As at the balance sheet date, there have been 1.661 employees working for the Group companies.

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### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 March 2018

#### **Notes to the Consolidated Financial Statements (cont.)**

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## **II. FISCAL YEAR AND ACCOUNTING CURRENCY**

### **1. Fiscal year**

The Group's fiscal year begins on 01 January and ends on 31 December.

The first quarter of 2018 begins on January 1 and ends on March 31, 2018.

### **2. Accounting currency unit**

The accounting currency unit is Vietnamese Dong (VND).

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

### **1. Accounting System**

The Group applies the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 guiding the Vietnamese Accounting System, the Circular No. 202/2014/TT-BTC dated 22 December 2014 guiding the preparation and presentation of the Consolidated Financial Statements as well as other Circulars guiding implementation of Vietnamese Accounting Standards of the Ministry of Finance in preparation and presentation of the Consolidated Financial Statements.

### **2. Statement on the compliance with the Accounting Standards and System**

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding the implementation of the Accounting Standards of the Ministry of Finance in the preparation and presentation of the Consolidated Financial Statements.

## **IV. ACCOUNTING POLICIES**

### **1. Accounting convention**

All the Consolidated Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

### **2. Consolidation bases**

The Consolidated Financial Statements include the Financial Statements of the Parent Company and those of its subsidiaries. A subsidiary is an enterprise that is controlled by the Parent Company. The control exists when the Parent Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the potential voting right arising from options or debt and capital instruments that can be converted into common shares as of the balance sheet date should also be taken into consideration.

The financial performance of subsidiaries, which is bought or sold during the year, are included in the Consolidated Income Statement from the date of acquisition or until the date of selling investments in those subsidiaries.

The Financial Statements of the Parent Company and those of subsidiaries used for consolidation are prepared in the same fiscal year and apply consistently accounting policies to the same types of transactions and events in similar circumstances. In the case that the accounting policy of a subsidiary is different from the accounting policy applied consistently in the Group, the Financial

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### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 March 2018

#### **Notes to the Consolidated Financial Statements (cont.)**

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Statements of that subsidiary will be properly adjusted before being used for the preparation of the Consolidated Financial Statements.

Intra-group balances in the Balance Sheet, intra-group transactions and unrealized profits resulting from these transactions must be completely eliminated. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

Benefits of non-controlling shareholders reflect profit or loss and net assets of subsidiaries, which are not held by the Group and presented in a separate item of the Consolidated Income Statement and Consolidated Balance Sheet (classified under "Owner's equity"). Benefits of non-controlling shareholders include the values of their non-controlling interest at the initial date of business combination and those arise within the ranges of changes in owner's equity from the date of business combination. The losses arising in the subsidiary are attributed equally to the ownership rate of non-controlling shareholders, even if such losses are higher than the interest owned by these shareholders in net assets of the subsidiaries.

In case the Group invests to raise its benefit rate held in the subsidiaries, the difference between the additional investment cost and the carrying value of the subsidiaries' net assets additionally purchased as at the acquisition date is directly recorded in item "Retained earnings" on the Consolidated Balance Sheet.

As the Group withdraws a part of its capital from subsidiaries:

- If the Group still holds the control right after its capital withdrawal: the result of capital withdrawal is recorded into item "Retained earnings" on the Consolidated Balance Sheet.
- If the Group loses its control right after its capital withdrawal and subsidiaries turn into its joint ventures, associates: the remaining investment is presented in item "Investments in joint ventures, associates" in the Consolidated Financial Statements in accordance the equity method and the result of capital withdrawal is recorded into Consolidated Income Statement.
- If the Group loses its control right after capital withdrawal and subsidiaries turn into normal investment: the remaining investment is presented at the carrying value in Consolidated Financial Statements and the result of capital withdrawal is recorded into Consolidated Income Statement.

In case where subsidiaries raise capital from the owners, if the additional capital contribution rate of the involved parties is not in correspondence with the current capital ownership rate, the difference between the additional capital contribution rate of the Group and the increase of the ownership share in the subsidiaries' net assets is recorded into item "Retained earnings" on the Consolidated Balance Sheet.

### **3. Foreign currency transactions**

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

Foreign exchange differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

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#### **Notes to the Consolidated Financial Statements (cont.)**

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The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Group and the Bank.
- For capital contribution made or received: the buying rate of the bank where the Group opens its account to receive capital contributed from investors as of the date of capital contribution.
- For receivables: the buying rate of foreign currency ruling as at the time of transaction of the commercial bank where the Group designates the customers to make payments.
- For payables: the selling rate of foreign currency ruling as at the time of transaction of the commercial bank where the Group supposes to make payments.
- For acquisition of assets or immediate payments in foreign currency (not included into payable accounts): the buying rate of the commercial bank where the Group makes payments.

The exchange rate used to re-evaluate ending balances of monetary items in foreign currencies is determined in accordance with following principles:

- For foreign currency deposits: the buying rate of the bank where the Group opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of Citibank, N.A., Ho Chi Minh City Branch where the Group frequently conducts transactions.
- For monetary items in foreign currencies classified as liabilities: the selling rate of Citibank, N.A., Ho Chi Minh City Branch where the Group frequently conducts transactions

Exchange rates used when converting the Financial Statements prepared in foreign currency of subsidiaries into the accounting currency of the Parent Company are as follows:

- For assets and goodwill incurred when acquiring subsidiary overseas, apply the buying rate of the bank as at the balance sheet date.
- For liabilities, apply the selling rate of the bank as at the balance sheet date.
- For net value of assets of subsidiary held by the Parent Company at the acquisition date, apply the carrying exchange rate at the acquisition date.
- For retained earnings incurred after the date of acquiring subsidiary, apply the calculation of the items of income and expenses in the Income Statement.
- For dividends shared, apply the actual exchange rate ruling as at the time of sharing dividends.
- For items in the Income Statement and Cash Flow Statement, apply the actual exchange rate at the time of the transactions. In case the average exchange rates of the accounting period is approximate the actual rate at the time of the transaction (the difference does not exceed 2%), apply the average exchange rate. In case the fluctuation margin of beginning and ending exchange rate exceeds 2%, apply the exchange rate as at the balance sheet date.

Exchange differences arising from the conversion of Financial Statements of the subsidiary are accumulated in the item of “owner’s equity” on the Consolidated Balance Sheet under the following convention:

- Exchange differences attributable to the Parent Company are presented in the item “Foreign exchange differences” under the owner’s equity item of the Consolidated Balance Sheet.
- Exchange differences attributable to non-controlling shareholders are presented in the item “Benefits of non-controlling shareholders”.

The exchange differences arising in relation to the conversion of goodwill not fully allocated as of the balance sheet date are counted for the Parent Company and are recorded in the item “Foreign exchange differences” under the owner’s equity item in the Consolidated Balance Sheet.

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#### **Notes to the Consolidated Financial Statements (cont.)**

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#### **4. Cash and cash equivalents**

Cash includes cash on hand and demand deposits in banks. Cash equivalents are 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 as of the balance sheet date.

#### **5. Financial investments**

##### ***Trading securities***

Investments classified as trading securities are those held for the trading purpose with the aim of making profit.

Trading securities are recognized at original costs. The original costs are determined by the fair value of the payments at the time of the transaction plus other costs related to the purchase of trading securities.

The time of recognizing trading securities is when the Group acquires the ownership, as follows:

- For listed securities: recognized at the time of order-matching (T+0).
- For unlisted securities: recognized at the time of acquiring official ownership as stipulated by law.

Interest, dividends, and profit of the periods prior to the acquisition of trading securities are recorded as a decrease in the value of such securities. Interest, dividends and profit of the periods after the acquisition of such securities are recorded in the revenues. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity is followed up.

Convertible shares are determined on the basis of the fair value at the date of exchange. The fair value of the shares is determined as follows:

- For shares of listed companies: the closing price listed on the stock market at the date of exchange. In case where the stock market is not available for making transaction at the date of exchange, the fair value of shares is the closing price of the preceding transaction section with the date of exchange.
- For unlisted shares traded on UPCOM: the closing price on UPCOM at the date of exchange. In case where the UPCOM is not available for transaction at the exchange date, the fair value of shares is the closing price of the preceding transaction section with the date of exchange.
- For other unlisted shares: the price agreed by the parties under the contracts or the carrying value at the time of exchange.

Provisions for devaluation of trading securities are made for each particular type of securities in the market of which the fair value is lower than original costs. The fair value of trading securities listed on the stock market or traded on UPCOM is the closing price at the balance sheet date. In case where the stock market or UPCOM is not available for transactions as at the balance sheet date, the fair value of shares is the closing price of the preceding transaction with the balance sheet date.

Increases/ (decreases) in the provisions for devaluation of trading securities are recorded into "Financial expenses" as at the balance sheet date.

Gain or loss from transfer of trading securities is recorded into financial income or financial expenses. The costs are determined in accordance with the mobile weighted average method.

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### **CONSOLIDATED FINANCIAL STATEMENTS**

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#### **Notes to the Consolidated Financial Statements (cont.)**

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##### ***Held-to-maturity investments***

Investments are classified as held-to-maturity investments that the Group intends and is able to hold to maturity. Held-to-maturity investments include term deposits (including debentures and promissory note), bonds, preferred shares that the issuer are required to re-purchase at a certain date in the future and held-to-maturity loans for the purpose of receiving periodical interest as well as other held-to-maturity investments.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Group's acquisition of held-to-maturity investments are recorded as a decrease in the costs as at the acquisition time.

When there are reliable evidences proving that a part or the whole investment cannot be recovered and the loss are reliably determined, the loss is recognized as financial expenses during the year while the investment value is derecognized.

##### ***Loans***

Loans are determined at original costs less allowance for doubtful debts, which is made on the basis of estimated losses.

##### ***Investments in joint ventures and associates***

###### ***Joint ventures***

A joint venture is an entity which is established by a contractual arrangement whereby the Group and the involved parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

The Group recognizes its interests in jointly-controlled entities in accordance with the equity method. Accordingly, contributed capital in joint ventures is initially recognized at original cost and then adjusted for the changes in the Group's ownership rate of net assets of jointly-controlled entities. The consolidated Income Statement reflects the Group's ownership in the financial performance of jointly-controlled entities. The Group stops using the equity method from the date it ceases to have the jointly-controlled right or significant influences on jointly-controlled entities.

The Financial Statements of the jointly controlled entity are prepared for the fiscal year that is the same with the Consolidated Financial Statements of the Group. In the case that the accounting policy of a jointly controlled entity is different from the accounting policy applied consistently in the Group, the Financial Statements of that jointly controlled entity will be properly adjusted before being used for the preparation of the Consolidated Financial Statements.

Unrealized profits/ (losses) arising from transactions with jointly-controlled entities are eliminated in proportion to the amount under the Group's ownership in the preparation of the Consolidated Financial Statements.

###### ***Associates***

An associate is an entity which the Group has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate's financial and operating policies but not control those policies.



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#### **Notes to the Consolidated Financial Statements (cont.)**

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Investments in associates are recorded as in the owner's equity method. Accordingly, 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 exceeds or equals the carrying amount of an investment, the investment is then reported at nil (0) value on the Consolidated Financial Statements, except when the Group has obligations to pay on behalf of the associate to satisfy obligations of the associate.

The Financial Statements of the associate are prepared for the accounting period that is the same with the Consolidated Financial Statements 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 properly adjusted before being used for the preparation of the Consolidated Financial Statements.

Unrealized profits/ (losses) arising from transactions with associates are eliminated in proportion to the amount under the Group's ownership in the preparation of the Consolidated Financial Statements.

#### ***Investments in equity instruments of other entities***

Investments in equity instruments of other entities include such investments in equity instruments that the Group does not have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at original costs, including the purchase price plus other directly attributable expenditure. Dividends and profits of the periods prior to the purchase of investments are recorded as a decrease in value of such investments. Dividends and profit of the periods after the purchase of investments are recorded into the sales. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity is followed up.

Provisions for investments in equity instruments of other entities are made as follows:

- For investments in listed shares or the reliably determined fair value of investments, provisions are made on the basis of the market value of shares.
- For investments of which the fair value is unable to determine at the time of reporting, provisions are made on the basis of the losses of the invested entities at the rate equal to the difference between the actual capital invested by parties and the actual owner's equity multiplying (x) by the Group's rate of capital contribution in comparison with the total actual capital invested by parties.

Increases/ (decreases) in the provisions for investments in equity instruments of other entities as of the balance sheet date are recorded into "Financial expenses".

## **6. Receivables**

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Group and customers who are independent to the Group.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

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#### **Notes to the Consolidated Financial Statements (cont.)**

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Allowance is made for each doubtful debt on the basis of estimated loss.

Increases/ (decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into “General and administration expenses”.

#### **7. Inventories**

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and merchandises: Costs comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- Work-in-process: The item reflects the arisen expenses related to unfinished projects.

Stock-out costs are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for inventories is recognized when their costs are higher than their net realizable values. For services in progress, allowance is recorded for each type of services with specific prices. Increases/ (decreases) in the obligatory allowance for inventories as of the balance sheet date are recorded into “Costs of sales”.

#### **8. Prepaid expenses**

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods. Prepaid expenses of the Group mainly include expenses for land use right transfer, land rental, repair expenses and interest expenses for container financial lease. These prepaid expenses are allocated over the prepayment period or period of corresponding economic benefits generated from these expenses.

##### ***Expenses for land use right transfer***

Expenses for land use right transfer represent the rental, consultancy fees and other expenses already prepaid for the land being used by the Group. Expenses for land use right transfer are allocated in line with the land lease period.

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

Prepaid land rental reflects the rental already prepaid for the land being used by the Group. Prepaid land rental is allocated into expenses in accordance with the straight-line method corresponding with the lease term.

##### ***Repair expenses***

Repair expenses arising once with high value are allocated into expenses in accordance with the straight-line method from 02 to 03 years.

##### ***Interest expenses for container financial lease***

Interest expenses for container financial lease are allocated into expenses in accordance with the straight-line method for the maximum period of 06 years.

#### **9. Operating leased assets**

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#### **Notes to the Consolidated Financial Statements (cont.)**

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A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Group's operation costs in accordance with the straight-line method over the lease term and do not depend on the method of lease payment.

#### **10. Tangible fixed assets**

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Group to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation expenses during the year.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible 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 – 40
Machinery and equipment	05 – 10
Vehicles	06 – 20
Office equipment	03 – 10

#### **11. Financial leased assets**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessee. Financial leased assets are determined by their historical costs less accumulated depreciation. Historical cost is the lower cost of the fair value of the leased asset at commencement of the lease term and the present value of the minimum lease payments. Discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease or else mentioned in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate at commencement of the lease term will be applied.

Financial leased assets are depreciated in accordance with the straight-line method over their estimated useful lives. If there is no reasonable certainty that the Group will obtain ownership at the end of the lease, the fixed asset shall be depreciated over the shorter of the lease term and the estimated useful life of the asset. The maximum depreciation years of vehicles are 06 years.

#### **12. Intangible fixed assets**

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Group to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

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#### **Notes to the Consolidated Financial Statements (cont.)**

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When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Intangible fixed assets of the Group include:

##### ***Land use right***

Land use right includes all the actual expenses paid by the Corporation directly related to the land being used such as expenses to obtain the land use right, compensation for house removal, land clearance and ground leveling, registration fees, etc. The land use right is permanent, so it is not amortized.

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

Expenses attributable to computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Corporation until the date the software is put into use. Computer software is amortized in accordance with the straight-line method for the period from 03 to 08 years.

##### ***Website design expenses***

Website design expenses include all the expenses directly related to the development of website. These expenses are amortized in accordance with the straight-line method in 03 years.

#### **13. Construction-in-progress**

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Group) directly related to assets under construction and machinery and equipment under installation to serve for production, leasing, and management as well as the repair of fixed assets in progress. These assets are recorded at historical costs and not depreciated.

Expenses incurred for poorly-grown trees shall be recorded as a decrease in other expenses during the year in the Income Statement.

#### **14. Business combination and goodwill**

The business combination is accounted by applying acquisition method. The costs of business combination include the fair values as at the acquisition date of the exchanged assets, the incurred or assumed liabilities as well as the equity instruments issued by the Group in exchange for control of the acquiree, plus any cost directly attributable to the business combination. The acquired assets, the identifiable and contingent liabilities assumed from the business combination are recognized at their fair values as at the acquisition date.

If the business combination covers some accounting periods, the cost of business combination equals the total investment made at the date of obtaining the control of subsidiaries plus the amount of previous investments which are re-evaluated at fair value as at the date of obtaining the control of subsidiaries. The difference between the re-evaluated amount and the cost of investment shall be recorded in the financial performance provided that the Group does not have any significant influence on subsidiaries prior the date of obtaining the control and the investment in subsidiaries is presented in line with the cost method. In case where the Group has significant influence on the subsidiaries prior the date of obtaining the control the investment in subsidiaries is presented in line with the equity method, the difference between the re-evaluated amount and the cost of investment determined in line with the equity method shall be recorded in the financial performance; and the difference between the investment determined in line with the equity method and the cost of investment shall be directly recorded in "Retained earnings" of the Consolidated Balance Sheet.

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The excess of the cost of business combination over the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date obtaining the control of subsidiaries is recognized as goodwill. If the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date of obtaining the control of subsidiaries exceeds the cost of business combination, the difference will be included in the financial performance.

The goodwill is allocated according the straight-line method in 10 years. When there is evidence that goodwill loss is more than the allocated amount, the allocated amount during the year is the loss incurred.

The benefit of non-controlling shareholders as at the date of business combination is initially measured on the basis of the ownership share of non-controlling shareholders in the fair values of the assets, the liabilities and the inherent liabilities recognized.

#### **15. Payables and accrued expenses**

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services already received. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Group.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Consolidated Balance Sheet on the basis of their remaining term as of the balance sheet date.

#### **16. Provisions for payables**

Provisions are recorded when the Group has present obligations (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If time causes material effects, the provisions will be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money and the specific risks from this liability in the current market. The increase in provisions due to the effect of time will be recognized as a financial expense.

Provisions payable of the Group is related to compensation for damages during transport.

#### **17. Owner's equity**

##### ***Capital***

Capital is recorded according to the actual amounts invested by shareholders.

##### ***Share premiums***

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Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

#### ***Other sources of capital***

Other sources of capital are due to the supplementation from business profits, revaluation of assets and net carrying values between the fair values of the assets gifted or granted to the Group after deducting taxes payable (if any) related to these assets.

### **18. Profit distribution**

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Corporation as well as legal regulations and approved by the General Meeting of Shareholders.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends are recorded as payables upon approval of the General Meeting of Shareholders.

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

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

Sales of service provision shall be recognized when all of the following conditions are satisfied:

- The amount of sales can be measured reliably. When the contract stipulates that the buyer is entitled to return the services provided under specific conditions, sales is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services provided.
- The Group received or shall probably receive the economic benefits associated with the provision of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of sales during the period is done on the basis of the stage of completion as of the balance sheet date.

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

Income from leasing operating assets is recognized in accordance with the straight-line method during the lease term. Rentals received in advance for several periods are allocated to revenues in consistence with the lease term.

#### ***Interest***

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

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

Dividends and profit shared are recognized when the Group has the right to receive dividends or profit from the capital contribution. Particularly, the dividends paid in form of shares are not recorded as an increase in value, but the increasing quantity is followed up.

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#### **Notes to the Consolidated Financial Statements (cont.)**

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#### **20. Sales deductions**

Sales deductions include trade discounts, sales allowances incurred in the same period of providing merchandises, services, in which revenues are derecognized.

In case of merchandises, services provided in the previous years but trade discounts, sales allowances incurred in the current year, revenues are derecognized as follows:

- If trade discounts, sales allowances incur prior to the release of the Consolidated Financial Statements, revenues are derecognized on the Consolidated Financial Statements of the current year.
- If trade discounts, sales allowances incur after the release of the Consolidated Financial Statements, revenues are derecognized on the Consolidated Financial Statements of the following year.

#### **21. Borrowing costs**

Borrowing costs are interests and other costs that the Group directly incurs in connection with the borrowing.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the year, except for particular borrowings serving the purpose of obtaining a specific asset.

#### **22. Expenses**

Expenses are those that result in outflows of the economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

#### **23. Corporate income tax**

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

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

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

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##### ***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.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from 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 as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate 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.

The Group shall offset deferred tax assets and deferred tax liabilities if:

- The Group has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
  - Of the same subject to corporate income tax; or
  - The Group has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

#### **24. 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 is also considered a related party of the Group in case that party is under the same control or is subject to the same material effects.

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

#### **25. Segment reporting**

A business segment is a distinguishable component of the Group that is engaged in manufacturing or providing 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 manufacturing or 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.



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The segment information is prepared and presented in conformity with the accounting policies applicable to the preparation and presentation of the Consolidated Financial Statements of the Group.

**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	21.799.892.560	18.620.790.100
Cash in banks	296.917.475.483	473.687.600.445
Cash in transit	6.076.162.668	2.629.969.092
Cash equivalents ( <i>Bank deposits of which the principal maturity is under 03 months</i> )	132.900.000.000	284.863.840.960
<b>Total</b>	<b><u>457.693.530.711</u></b>	<b><u>779.802.200.597</u></b>

**2. Financial investments**

The financial investments of the Group include trading securities, held-to-maturity investments, investments in joint ventures, associates and investments in other entities. The Group's financial investments are as follows:

**2a. Trading securities**

	<u>Ending balance</u>			<u>Beginning balance</u>		
	<u>Original costs</u>	<u>Fair values</u>	<u>Provisions</u>	<u>Original costs</u>	<u>Fair values</u>	<u>Provisions</u>
<b>Shares</b>						
National Citizen Bank (NCB)	94.971.030.000	69.271.319.700	(25.699.710.300)	94.971.030.000	50.379.141.600	(44.591.888.400)
Thu Duc Steel J.S.C.	31.488.264.362	19.982.925.000	(11.505.339.362)	31.488.264.362	15.799.832.700	(15.688.431.662)
Manganese Mineral Joint Stock Company	14.234.321.100	587.216.500	(13.647.104.600)	14.234.321.100	361.364.000	(13.872.957.100)
Other shares	650.218	496.750	(253.990)	650.218	512.500	(253.990)
<b>Total</b>	<b><u>140.694.265.680</u></b>	<b><u>89.841.957.950</u></b>	<b><u>(50.852.408.252)</u></b>	<b><u>140.694.265.680</u></b>	<b><u>66.540.850.800</u></b>	<b><u>(74.153.531.152)</u></b>

**2b. Held-to-maturity investments**

This item reflects deposits of which term is from over 03 months to 12 months.

**2c. Investments in joint-ventures, associates**

	<u>Ending balance</u>			<u>Profit arising after the investment date</u>		
	<u>Original costs</u>	<u>Profit arising after the investment date</u>	<u>Total</u>			
Golden Globe Trading Co., Ltd.	62.538.064.097	15.984.821.691	78.522.885.788	62.538.064.097	15.344.470.881	77.882.534.978
Power Transportation and						

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Service J.S.C. (Potraco)	-	-	-	23.236.200.000	4.319.159.395	27.555.359.395
Saigon Cargo Service Corporation (SCSC Corp.)	396.204.440.000	90.765.973.917	486.970.413.917	396.204.440.000	116.773.764.979	512.978.204.979
United Food J.S.C.	49.825.280.000	(17.275.963.911)	32.549.316.089	49.825.280.000	(17.054.297.789)	32.770.982.211
Golden Globe Co., Ltd.	1.477.350.000.000	(113.378.021.178)	1.363.971.978.822	1.477.350.000.000	(110.224.254.762)	1.367.125.745.238
Gemadept – Terminal Link Cai Mep Terminal J.S.C.	89.355.403.136	-	89.355.403.136	89.355.403.136	-	89.355.403.136
“K” Line – Gemadept Logistics Co., Ltd.	108.001.500.000	6.767.551.153	114.769.051.153	71.352.500.000	7.348.761.236	78.701.261.236
CJ Gemadept Logistics Holding	131.555.876.205	-	131.555.876.205	-	-	-
Other joint ventures, associates	134.045.631.143	(19.517.315.967)	114.528.315.176	29.425.608.143	(17.759.203.736)	11.666.404.407
<b>Total</b>	<b>2.448.876.194.581</b>	<b>(36.652.954.295)</b>	<b>2.412.223.240.286</b>	<b>2.199.287.495.376</b>	<b>(1.251.599.796)</b>	<b>2.198.035.895.580</b>

*Transactions with joint ventures and associates*

Significant transactions between the Group and its joint-ventures and associates are as follows:

	<b>Current year</b>	<b>Previous year</b>
<b><i>OOCL Logistics (Vietnam) Co., Ltd</i></b>		
<b><i>Service revenue</i></b>	-	3.186.233.335
<b><i>Saigon Cargo Services Corporation</i></b>		
Service costs	-	213.884.980
Dividends are divided	55.885.920.000	-
<b><i>Gemadept - Terminal Link Joint Stock Company</i></b>		
Interest	307.113.788	306.643.042
Revenue from office rental	66.000.000	66.000.000
<b><i>Vung Tau Commercial Port J.S.C.</i></b>		
Dividends shared	1.157.040.000	-
<b><i>Power Transportation and Service J.S.C.</i></b>		
Service charges	-	15.025.480.770
<b><i>Minh Dam Tourism J.S.C.</i></b>		
Loans given	80.000.000	-

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Capital contribution	36.649.000.000	-
Sales from service provision	1.154.213.699	1.728.529.826
Service charges	-	10.818.485

***CJ Gemadept Logistics Co; Ltd***

Interest	192.190.274	-
Equipment rental	602.677.268	-
Sales from service provision	382.525.032	-

***Mekong Logistic Cop; Ltd***

Interest	18.410.959	-
Loans given	3.000.000.000	-

**2d. Investments in other entities**

	<b>Ending balance</b>	<b>Beginning balance</b>
Maritime Bank	165.581.032.000	165.581.032.000
Vietnam Industry Securities Company <sup>(i)</sup>	31.752.000.000	31.752.000.000
Indochina Sun Infrastructure Development Construction Investment Corporation	36.000.000.000	36.000.000.000
Intellectual Vietnam Asset Management Joint-Stock Company	5.000.000.000	5.000.000.000
<b>Total</b>	<b>238.333.032.000</b>	<b>238.333.032.000</b>

(i) The company is completing dissolution procedures.

**3. Short-term trade receivables**

	<b>Ending balance</b>	<b>Beginning balance</b>
<b><i>Receivables from related parties</i></b>	<b><i>11.944.301.120</i></b>	<b><i>1.201.545.526</i></b>
OOCL Logistics (Việt Nam) Co., Ltd.	2.365.698.198	-
“K” Line – Gemadept Logistics Co., Ltd.	709.393.360	1.129.546.073
Saigon Cargo Service Corporation (SCSC Corp.)	25.500.000	25.500.000
Gemadept Logistic Co., Ltd.	1.321.151.786	-
Gemadept Hai Phong Co., Ltd	7.522.557.776	-
Golden Globe Co., Ltd.	-	46.499.453
<b><i>Receivables from other customers</i></b>	<b><i>255.595.200.961</i></b>	<b><i>618.692.783.879</i></b>
Cai Mep International Terminal Co., Ltd.	12.443.370.525	25.281.975.630
Other customers	243.151.830.436	593.410.808.249
<b>Total</b>	<b>267.539.502.081</b>	<b>619.894.329.405</b>

**4. Short-term/ long-term prepayments to suppliers**

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	<u>Ending balance</u>	<u>Beginning balance</u>
Golden Lotus Corporation	63.774.181.296	63.774.181.296
Galaxy Maritime Corporation	10.783.853.004	32.610.413.004
Binh Duong Port J.S.C.	120.978.980.918	109.964.480.918
Other suppliers	106.557.581.733	99.830.312.596
<b>Total</b>	<b>302.094.596.951</b>	<b>306.179.387.814</b>

**4b. Long-term prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Vuong Song Construction Service Trading Co., Ltd.	358.000.000	358.000.000
<b>Total</b>	<b>358.000.000</b>	<b>358.000.000</b>

**5. Receivables for short-term/ long-term loans**

	<u>Ending balance</u>	<u>Beginning balance</u>
<b>Loans given to related parties</b>	<b>4.860.000.000</b>	<b>1.780.000.000</b>
Minh Dam Tourism J.S.C.	1.860.000.000	1.780.000.000
Mekong logistic J.S.C.	3.000.000.000	-
<b>Loans given to other organizations</b>	<b>11.000.000.000</b>	<b>14.000.000.000</b>
Galaxy Maritime Corporation	11.000.000.000	14.000.000.000
<b>Total</b>	<b>15.860.000.000</b>	<b>15.780.000.000</b>

**6. Other short-term/ long-term receivables****6a. Other short-term receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
Minh Dam Tourism J.S.C. – Loan interest	206.882.222	206.882.222
Golden Globe Trading Co., Ltd	300.000.000	300.000.000
Power Transportation and Service J.S.C. – Dividends	1.072.446.000	1.072.446.000
Công ty TNHH MTV tiếp vận Gemadept	529.326.068	-
Me Kong Logistic J.S.C.	18.410.959	-
Gemadept Hải Phòng Co., Ltd	9.082.100.645	-
Golden Globe Trading Co., Ltd. – Payment on other's behalf	20.697.950.000	20.620.600.000
<b>Receivables from other organizations and individuals</b>	<b>226.350.262.513</b>	<b>177.521.258.729</b>
Payment on other's behalf	9.137.095.274	13.131.120.092
Advances	58.946.123.060	80.608.440.135
Vietnam Industry Securities Company – Capital contribution for investment cooperation	26.741.983.658	26.445.000.000
Short-term deposits	3.911.000.000	22.936.179.547
Other short-term receivables	127.614.060.521	34.400.518.955
<b>Total</b>	<b>258.257.378.407</b>	<b>199.721.186.951</b>

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	<u>Ending balance</u>	<u>Beginning balance</u>
Galaxy Maritime Corporation – Capital support	24.000.000.000	24.000.000.000
Hang River Co., Ltd. – Capital contribution to develop the project of Le Chan General Port	19.000.000.000	19.000.000.000
Indochina Sun Infrastructure Development Construction Investment Corporation – Capital contribution to develop the project of Logistics Service Area	18.000.000.000	18.000.000.000
Sain Gon Xanh Trade and service Co., Ltd	31.000.000.000	-
Long-term deposits	11.611.156.600	61.107.531.880
Other long-term receivables	577.000.000	5.024.851.470
<b>Total</b>	<b>104.188.156.600</b>	<b>127.132.383.350</b>

**7. Doubtful debts**

Fluctuations in allowances for doubtful debts are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	(13.885.718.489)	(15.255.839.281)
(Provision) Reversal	3.097.397.830	-
<b>Ending balance</b>	<b>(10.788.320.659)</b>	<b>(15.255.839.281)</b>

**8. Inventories**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original costs</u>	<u>Allowance</u>	<u>Original costs</u>	<u>Allowance</u>
Materials and supplies in stock	28.144.507.437	-	31.030.378.912	-
Fuel in ships	2.688.434.565	-	18.542.370.120	-
Spare parts	14.549.946.823	-	16.817.609.411	-
Tools	357.687.842	-	537.186.111	-
Work-in-process	34.849.287.161	-	33.272.510.599	-
Goods in transit	-	-	2.679.521.050	-
Merchandises, finished goods	4.051.941.736	(3.067.636.713)	7.978.805.088	(3.057.785.720)
<b>Total</b>	<b>84.641.805.564</b>	<b>(3.067.636.713)</b>	<b>110.858.381.291</b>	<b>(3.057.785.720)</b>

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**Notes to the Consolidated Financial Statements (cont.)****9. Short-term/ long-term prepaid expenses****9a. Short-term prepaid expenses**

	<b>Ending balance</b>	<b>Beginning balance</b>
Repair expenses	97.394.403	2.808.533.460
Supplies	1.889.642.470	3.259.581.350
Insurance premiums	3.386.926.223	3.197.397.875
Other expenses	3.078.962.472	2.436.970.042
<b>Total</b>	<b>8.452.925.568</b>	<b>11.702.482.727</b>

**9b. Long-term prepaid expenses**

	<b>Ending balance</b>	<b>Beginning balance</b>
Expenses on transferring land use right (i)	143.517.842.220	275.038.913.742
Land rental (ii)	504.471.130.265	466.246.574.207
Expenses on frontage road investment	26.148.812.962	27.026.364.939
Supplies, spare parts	9.271.994.231	23.087.327.160
Expenses of warehouse, office repair	12.493.453.032	8.620.084.653
Interest expenses for container financial lease	16.647.941.053	17.701.641.274
Other expenses	9.448.162.211	19.909.773.587
<b>Total</b>	<b>721.999.335.974</b>	<b>837.630.679.562</b>

(i) This is the expenses on transferring the land use rights of Nam Hai Dinh Vu Port J.S.C. and Mekong Logistics Company. These land use rights have been mortgaged to secure the loans from Techcombank – Hai Phong Branch and VIB – Can Tho Branch.

(ii) This is the land rentals of Nam Hai ICD Joint Stock Company, Nam Dinh Vu Port Joint Stock Company and Hoa Sen – Gemadept Logistics and International Port Corporation. In which, the land rentals of Nam Hai ICD Joint Stock Company and Nam Dinh Vu Port Joint Stock Company have been mortgaged to secure the loans from Indovina Bank Ltd. – Hai Phong Branch and VIB – Saigon Branch.

**10. Tangible fixed assets**

<b>Original Price</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Office equipment</b>	<b>Total</b>
Beginning balance	1.530.169.505.383	1.109.716.525.465	2.129.356.317.680	47.289.047.202	4.816.531.395.729
Acquisition	351.572.289.103	386.371.296.649	14.151.439.764	6.921.391.101	759.016.416.616
Liquidation	-	-	(1.524.770.517.747)	-	(1.524.770.517.747)
<b>Ending balance</b>	<b>1.881.741.794.486</b>	<b>1.496.087.822.114</b>	<b>618.737.239.696</b>	<b>54.210.438.303</b>	<b>4.050.777.294.598</b>
<b>Depreciation</b>					
Beginning balance	456.822.862.774	385.784.247.638	1.131.841.132.731	14.346.054.755	1.988.794.297.898
Depreciation during the year	28.226.704.022	22.365.574.943	611.337.577.367	270.455.585	662.200.311.917
Liquidation	-	(600.000.000)	(1.291.351.136.664)	-	(1.291.951.136.664)
<b>Ending balance</b>	<b>485.049.566.796</b>	<b>407.549.822.581</b>	<b>451.827.573.434</b>	<b>14.616.510.340</b>	<b>1.359.043.473.151</b>

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Beginning balance	1.073.346.642.609	723.932.277.827	997.515.184.949	32.942.992.447	2.827.737.097.831
Ending balance	<b>1.396.692.227.690</b>	<b>1.088.537.999.533</b>	<b>166.909.666.262</b>	<b>39.593.927.963</b>	<b>2.691.733.821.447</b>

**11. Financial leased assets**

	<b>Vehicles</b>
<b>Historical costs</b>	
Beginning balance	92.987.286.021
Financial lease during the year	-
<b>Ending balance</b>	<b>92.987.286.021</b>
<b>Depreciation</b>	
Beginning balance	28.158.836.164
Depreciation during the year	4.066.316.961
<b>Ending balance</b>	<b>32.225.153.125</b>
<b>Net book values</b>	
Beginning balance	64.828.449.857
<b>Ending balance</b>	<b>60.762.132.896</b>

**12. Intangible fixed assets**

	<b>Land use right</b>	<b>Computer software</b>	<b>Website design expenses</b>	<b>Total</b>
<b>Initial costs</b>				
Beginning balance	344.131.744.203	30.975.810.200	105.000.000	375.212.554.403
Acquisition during the year	-	(119.091.770)	-	(119.091.770)
Liquidation	(37.054.064.202)	-	-	(37.054.064.202)
<b>Ending balance</b>	<b>307.077.680.001</b>	<b>30.856.718.430</b>	<b>105.000.000</b>	<b>338.039.398.431</b>
<b>Amortization</b>				
Beginning balance	42.813.415.433	16.456.438.985	44.112.903	59.313.967.321
Amortization during the year	1.508.899.395	545.267.768	12.500.001	2.066.667.164
Liquidation	(5.640.486.381)	(309.265.409)	-	(5.949.751.790)
<b>Ending balance</b>	<b>38.681.828.447</b>	<b>16.692.441.344</b>	<b>56.612.904</b>	<b>55.430.882.695</b>
<b>Net book values</b>				
Beginning	301.318.328.770	14.519.371.215		315.898.587.082

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	<b>Land use right</b>	<b>Computer software</b>	<b>Website design expenses</b>	<b>Total</b>
balance			60.887.097	
<b>Ending balance</b>	<b>268.395.851.554</b>	<b>14.164.277.086</b>	<b>48.387.096</b>	<b>282.608.515.736</b>

**13. Construction-in-progress**

	<b>Beginning Blance</b>	<b>Transfer to fixed assets during the period</b>	<b>increases during the period</b>	<b>Ending Balance</b>
Procurement of fixed assets	395.909.939.472	(377.498.206.515)	14.046.992.835	32.458.725.792
Construction in progress	2.061.899.033.926	(457.532.921.944)	90.014.823.175	1.694.380.935.157
- Hoa Sen port project	11.409.059.008	-	-	11.409.059.008
- Rach Chiec residential area	51.165.085.825	-	-	51.165.085.825
- Dung Quat road works	4.016.113.207	(4.016.113.207)	-	-
- Rubber project of Pacific Pearl	358.756.768.260	-	9.985.611.864	368.742.380.124
- Rubber project of Pacific Lotus	472.932.713.220	-	9.905.231.970	482.837.945.190
- Rubber project of Pacific Pride	704.723.258.140	-	14.070.534.534	718.793.792.674
Mekong Logistics Project	36.855.889.212	(36.855.889.212)	-	-
- Nam Hai Logistics project	27.171.814.869	-	1.482.443.557	28.654.258.426
- Nam Dinh Vu Port Project	394.552.832.185	(416.345.419.525)	54.571.001.250	32.778.413.910
- Other projects	315.500.000	(315.500.000)	-	-
<b>Total</b>	<b>2.457.808.973.398</b>	<b>(835.031.128.459)</b>	<b>104.061.816.010</b>	<b>1.726.839.660.949</b>

**14. Deferred income tax assets**

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

**15. Goodwill**

The goodwill is generated from the investment in Hoa Sen – Gemadept Logistics and International Port Corporation, Nam Hai Port Corporation and Nam Hai Dinh Vu Port J.S.C. Details are as follows:

<b>Initial costs</b>	
Beginning balance	334.718.217.270
<b>Ending balance</b>	<b>334.718.217.270</b>



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**Notes to the Consolidated Financial Statements (cont.)****Amount allocated**

Beginning balance	241.223.927.058
Allocation during the year	8.348.287.805
<b>Ending balance</b>	<b>249.572.214.863</b>

**Net book values**

Beginning balance	93.494.290.212
<b>Ending balance</b>	<b>85.146.002.407</b>

**16. Short-term trade payables**

	<b>Ending balance</b>	<b>Beginning balance</b>
<i>Payables to related parties</i>	<b>6.252.369.661</b>	<b>22.285.504.586</b>
Power Transportation and Service J.S.C. (Potracco)	-	22.285.504.586
Gemadept Hai Phong	4.419.784.389	-
Gemadept Logistic Co., Ltd	1.832.585.272	-
<i>Phải trả các nhà cung cấp khác</i>	<b>241.807.995.933</b>	<b>738.987.716.921</b>
Shanghai Zhenhua Heavy Industries Co., Ltd	-	219.299.040.000
Rich Mountain Trading Co., Ltd	69.385.608.587	71.072.196.800
V-Forest Trading Co., Ltd	24.872.399.949	43.000.877.680
V.K.S Capital Investment Co.,Ltd	57.928.746.921	-
Other suppliers	89.621.240.476	405.615.602.441
<b>Total</b>	<b>248.060.365.594</b>	<b>761.273.221.507</b>

The Group has no outstanding trade payable.

**17. Short-term advances from customers**

	<b>Ending balance</b>	<b>Beginning balance</b>
<i>Advances from related parties</i>	<b>2.000.000.000</b>	-
Gemadept Logistics Co., Ltd	2.000.000.000	-
<i>Advances from other customers</i>	<b>28.041.294.888</b>	<b>44.834.320.046</b>
Hyosung Vietnam Co., Ltd.	17.879.882.833	17.879.882.833
Marubeni Logistics Corporation	-	15.117.199.993
Other customers	10.161.412.055	11.837.237.220
<b>Total</b>	<b>30.041.294.888</b>	<b>44.834.320.046</b>

**18. Taxes and other obligations to the State Budget**

	<b>Ending balance</b>		<b>Beginning balance</b>	
	<b>Payables</b>	<b>Receivables</b>	<b>Payables</b>	<b>Receivables</b>
VAT	2.919.662.050	-	5.482.829.994	-
Corporate income tax	224.823.009.071	454.197.511	34.103.148.549	1.934.612.615
Personal income tax	57.314.777.482	244.638.801	1.216.632.703	1.522.977.887

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Other taxes	159.513.151	435.868.831	2.000.758.808	313.668.403
<b>Total</b>	<b>285.216.961.754</b>	<b>1.134.705.143</b>	<b>42.803.370.054</b>	<b>3.771.258.905</b>

***Value added tax (VAT)***

The Group companies have to pay VAT in accordance with the deduction method at the rate of 10%.

***Export-import duties***

The Group companies have declared and paid these duties in line with the Customs' notices.

***Corporate income tax***

The Group companies have to pay corporate income tax on taxable income at the rate of 20%. Particularly, overseas companies are responsible for paying corporate income tax at the rate as stipulated by each country.

Determination of corporate income tax liability of the Group companies is based on prevailing regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Consolidated Financial Statements can be changed upon the inspection of tax authorities.

***Other taxes***

The Group companies have declared and paid these taxes in line with the prevailing regulations.

**19. Payables to employees**

This item reflects the salary and others payables to employees.

**20. Short-term accrued expenses**

	<b>Ending balance</b>	<b>Beginning balance</b>
<b><i>Payables to related parties</i></b>	<b>6.772.783.889</b>	<b>6.285.908.465</b>
Gemadept – Terminal Link Cai Mep Terminal J.S.C		
– Loan interest expenses	6.616.497.746	6.285.908.465
Gemadept Hai Phong Co., Ltd	156.286.143	-
<b><i>Payables to other organizations and individuals</i></b>	<b>145.488.559.976</b>	<b>310.759.175.094</b>
Loan interest expenses	12.942.972.692	9.550.398.002
Expenses on rubber tree cultivation project	59.996.826.945	58.143.173.960
Expenses on repairing and building	20.873.087.013	15.248.157.242
Expenses on goods loading, unloading and transport	24.738.170.894	19.152.578.328
Other expenses	26.937.502.433	208.664.867.562
<b>Total</b>	<b>152.261.343.865</b>	<b>317.045.083.559</b>

**21. Short-term/ long-term unearned revenues*****21a. Short-term unearned revenues***

This item reflects advances for transport service for items of uncompleted projects.

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**Notes to the Consolidated Financial Statements (cont.)****21b. Long-term unearned revenues**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deferred interests due to revaluation on fixed assets contributed as capital invested in jointly-controlled entities	232.629.058.993	228.460.256.153
Other unearned revenues	3.108.876.790	3.217.325.980
<b>Total</b>	<b>235.737.935.783</b>	<b>231.677.582.133</b>

**22. Other short-term/ long-term payables****22a. Other short-term payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<b>Payables to related parties</b>	<b>1.842.050.519</b>	<b>72.304.500</b>
Gemadept Hai Phong Co., Ltd	321.868.893	-
Gemadept Logistic Co., Ltd	1.520.181.626	-
“K” Line – Gemadept Logistics Co., Ltd. –	-	72.304.500
Gemadept – Receipt of deposits for office lease	-	72.304.500
<b>Payables to other organizations and individuals</b>	<b>248.218.004.865</b>	<b>580.661.971.703</b>
Trade Union’s expenditures, social insurance, health insurance and unemployment insurance premiums	1.433.725.738	1.967.344.581
Receipts of short-term deposits	1.723.295.000	12.315.425.815
Dividends payable	175.828.036.550	475.664.793.208
Payable for agency service	1.535.903.832	13.857.644.949
Other short-term payables	67.697.043.745	76.856.763.150
<b>Total</b>	<b>250.060.055.384</b>	<b>580.734.276.203</b>

**22b. Other long-term payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<b>Payables to related parties</b>	<b>65.990.745.631</b>	<b>61.593.495.590</b>
<b>Land rental (*)</b>	<b>65.990.745.631</b>	<b>58.210.475.280</b>
<b>Receipt of long-term deposits</b>	<b>-</b>	<b>3.383.020.310</b>
<b>Total</b>	<b>65.990.745.631</b>	<b>61.593.495.590</b>

(\*) Land rentals incurred at Pacific Pearl Joint Stock Company Limited, Pacific Lotus Joint Stock Company Limited and Pacific Pride J.S.C. have been allocated for the period accumulated from 2011 to 31 December 2017. These expenses will be paid after the period of 05 years since the signing date of Land Leasing Contract.

**22c. Outstanding debts**

The Group has no other outstanding payable.

**23. Short-term/ long-term borrowings and financial lease****23a. Short-term borrowings and financial lease**

<u>Ending balance</u>	<u>Beginning Balance</u>
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<b><i>Short-term borrowings and financial lease payables to related parties</i></b>	<b>245.690.876.602</b>	<b>244.776.728.013</b>
Loan from Gemadept – Terminal Link Cai Mep Terminal J.S.C. at fixed interest rate as stipulated in the Contract	245.690.876.602	244.776.728.013
<b><i>Short-term borrowings and financial lease payables to organizations</i></b>	<b>18.778.259.759</b>	<b>239.462.274.519</b>
Short-term loans from banks	18.778.259.759	195.462.274.519
Loan from VIB – Saigon Branch	18.778.259.759	19.127.886.823
Loan from ACB – Saigon Branch	-	175.605.000.000
Loan from Vietinbank – Branch 1 in Ho Chi Minh City	-	729.387.696
Short-term loans from other organizations	-	44.000.000.000
Loan from Minh Phu – Hau Giang Port Corp.	-	44.000.000.000
<b><i>Current portions of borrowings and financial lease payables to organizations</i></b>	<b>163.898.947.214</b>	<b>230.274.337.448</b>
Current portions of long-term loans	142.448.348.901	208.903.550.948
Current portions of financial lease	21.450.598.313	21.370.786.500
<b>Total</b>	<b>428.368.083.575</b>	<b>714.513.339.980</b>

The Group is solvent over short-term loans and financial leases.

**23b. Long-term borrowings and financial lease**

	<b>Ending balance</b>	<b>Beginning balance</b>
Long-term loans from banks	1.529.585.249.179	1.154.741.380.660
Loan from Techcombank – Hai Phong Branch	57.929.172.416	69.515.007.334
Loan from Indovina Bank Ltd. – Hai Phong Branch	241.144.009.875	222.548.126.025
Loan from BIDV – Quang Ngai Branch	96.000.000.000	96.000.000.000
Loan from VIB – Saigon Branch	823.082.312.960	359.696.992.183
Loan from TPBank - Saigon Branch	-	202.632.195.118
Loan from ACB – Saigon Branch	100.000.000.000	100.000.000.000
Loan from OCB – Tan Binh Branch	211.429.753.928	104.349.060.000
<b><i>Financial lease from Intermodal Investment Fund IV LLC</i></b>	<b>60.825.685.635</b>	<b>65.868.878.887</b>
<b>Total</b>	<b>1.590.410.934.814</b>	<b>1.220.610.259.547</b>

The Group is solvent over long-term loans and financial leases.

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**Notes to the Consolidated Financial Statements (cont.)****23c. Outstanding borrowings and financial leases**

The Group has no outstanding loan and financial lease.

**24. Provisions for short-term payables**

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

**25. Bonus and welfare funds**

Bonus and welfare funds of the Corporation include bonus fund, welfare fund and operating fund of the Board of Management.

**26. Deferred income tax liabilities**

	<b>Current year</b>	<b>Previous year</b>
Beginning balance	<b>6.567.021.758</b>	<b>9.891.943.471</b>
Inclusion into operation result during the year	<b>(6.232.721.933)</b>	<b>(241.732.527)</b>
Ending balance	<b>334.299.825</b>	<b>9.650.210.944</b>

The corporate income tax rate used for determining value of deferred income tax is 20%.

**27. Owner's equity****27a. Statement on fluctuations in owner's equity**

	Beginning balance	Increases during the period	Decrease during the period	Ending Balance
Capital contributed by the owner	2.882.769.570.000	-	-	2.882.769.570.000
Surplus equity	1.941.832.197.040	-	-	1.941.832.197.040
Other capital of the owner	71.797.775.902	-	-	71.797.775.902
The exchange rate differences	65.512.288.857	-	(13.055.070.043)	52.457.218.814
Investment and development fund	140.506.685.321	-	-	140.506.685.321
Other funds belong to the owner's equity	128.055.807.347	-	(279.999.998)	127.775.807.349
Retained earnings	1.113.091.207.224	1.267.479.960.284	(1.882.627.396.819)	497.943.770.689
<b>Total</b>	<b>6.343.565.531.691</b>	<b>1.267.479.960.284</b>	<b>(1.895.962.466.860)</b>	<b>5.715.083.025.115</b>

**27b. Shares**

	<b>Ending balance</b>	<b>Beginning balance</b>
Number of shares already sold to the public	288.276.957	288.276.957
- Common shares	288.276.957	288.276.957
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	288.276.957	288.276.957

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	<u>Ending balance</u>	<u>Beginning balance</u>
- Common shares	288.276.957	288.276.957
- Preferred shares	-	-

Face value of outstanding shares: VND 10.000.

**27c. Exchange differences**

Exchange difference arises due to converting the Financial Statements of subsidiaries prepared in USD and MYR into those in VND.

**28. Uncontrolled shareholder benefits**

Non-controlling interests represent the interests of uncontrolled shareholders in the net assets of the subsidiaries.

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

	<u>Current year</u>	<u>Previous year</u>
Sales from port operation	<b>499.195.634.614</b>	<b>377.106.994.733</b>
Sales from logistics services: transportation services, agent services, leasing assets, etc.	<b>189.976.761.211</b>	<b>482.788.593.088</b>
Total	<b>689.172.395.825</b>	<b>859.895.587.821</b>

**1b. Sales to related parties**

Apart from sales of goods and service provisions to joint ventures and associates presented in Note No. V.2c, the Group has no sales of goods and service provisions to related parties which are not joint ventures and associates.

**2. Sales deductions**

This item reflects trade discounts of port operation.

**3. Costs of sales**

	<u>Current year</u>	<u>Previous year</u>
Costs of port operation	304.505.763.259	236.347.339.114
Costs of logistics services: transportation services, agent services, leasing assets, etc.	179.345.498.255	427.990.556.314
<b>Total</b>	<b>483.851.261.514</b>	<b>664.337.895.428</b>

**4. Financial income**

	<u>Current year</u>	<u>Previous year</u>
Bank deposit interest	12.594.159.293	3.841.614.316
Exchange gain arising	2.246.856.561	10.476.864.847
Dividends and profit shared	24.427.899.208	-
Proceeds from sales of investments	1.355.724.109.244	-

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	<b>Current year</b>	<b>Previous year</b>
<b>Total</b>	<b><u>1.394.993.024.305</u></b>	<b><u>14.318.479.163</u></b>

**5. Financial expenses**

	<b>Current year</b>	<b>Previous year</b>
Loan interest expenses	23.495.654.211	35.547.855.206
Exchange loss arising	18.827.949.068	543.115.840
(Reversal of)/ Provision for financial investments	(22.737.835.603)	(1.436.875.230)
Other financial expenses	68.335.790	1.042.288.565
<b>Total</b>	<b><u>19.654.103.466</u></b>	<b><u>35.696.384.381</u></b>

**6. Selling expenses**

Commission, brokerage expenses and other expenses.

**7. General and administration expenses**

	<b>Current year</b>	<b>Previous year</b>
Salary for administrative staff	33.221.999.817	27.933.066.642
Office supplies and stationery	1.729.723.764	1.174.086.581
Depreciation/ (amortization) of fixed assets	4.314.786.147	2.311.304.885
Allocation of goodwill	8.348.287.805	8.348.287.805
External services rendered	15.226.485.506	14.571.542.990
Other expenses	14.704.850.827	14.511.948.179
<b>Total</b>	<b><u>77.546.133.866</u></b>	<b><u>68.850.237.082</u></b>

**8. Other income**

	<b>Current year</b>	<b>Previous year</b>
Proceeds from liquidation of fixed assets	<b>704.999.999</b>	<b>2.070.005.745</b>
Unearned revenues to be allocated (*)	<b>1.453.822.526</b>	<b>1.453.822.526</b>
Other income	<b>3.916.472.820</b>	<b>2.708.820.756</b>
<b>Total</b>	<b><u>6.075.295.345</u></b>	<b><u>6.232.649.027</u></b>

(\*) The unearned revenue of totally VND 283.980.000.000 is due to revaluation of the land use right contributed as capital to Gemadept – Terminal Link Cai Mep Terminal J.S.C., which generated from 2008. During the year, the Group allocated unearned revenue in correspondence with the amortization period applied to land use right, i.e. 48 years and 10 months.

**9. Other expenses**

	<b>Current year</b>	<b>Previous year</b>
Other expenses	<b>3.222.381.022</b>	<b>2.452.746.753</b>

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Total	<u><u>3.222.381.022</u></u>	<u><u>2.452.746.753</u></u>
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**10. Earnings per share****10a. Basic earnings per share and diluted earnings per share**

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after tax of shareholders of the Parent Company	<u>1.267.479.960.284</u>	<u>95.833.110.778</u>
Appropriation for bonus and welfare funds	<u>(10.123.972.090)</u>	<u>(7.666.648.862)</u>
Profit used to calculate basic earnings per share and diluted earnings per share	<u>1.257.355.988.194</u>	<u>88.166.461.916</u>
The average number of ordinary shares outstanding during the year	<u>288.276.957</u>	<u>179.432.281</u>
Basic earnings per share	<u>4.362</u>	<u>491</u>
Diluted earnings per share	<u>4.362</u>	<u>491</u>

(\*)Basic earnings per share of last year (period) is adjusted after appropriation for bonus and welfare funds

**11. Operating costs**

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	56.408.732.109	82.983.413.751
Labor	78.621.309.447	88.545.571.687
Depreciation/ (amortization) of fixed assets and goodwill allocated	77.874.272.784	73.616.448.256
External services rendered	311.732.040.700	460.935.336.435
Other expenses	58.992.121.732	42.746.500.103
<b>Total</b>	<u><u>583.628.476.772</u></u>	<u><u>748.827.270.232</u></u>

**VII. OTHER DISCLOSURES****1. Transactions and balances with related parties**

The Group's related parties include the key managers, their related individuals and other related parties.

**1a. Transactions and balances with the key managers and their related individuals**



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The key managers include members of the Board of Management and the Executive Officers (the Board of Directors and the Chief Accountant). The key managers' related individuals are their close family members.

*Transactions with the key managers and their related individuals*

The Group has no sales of goods and service provisions as well as other transactions with the key managers and their related individuals.

*Receivables from and payables to the key managers and their related individuals*

The Group has no receivables from and payables to the key managers and their related individuals.

*Income of the key managers*

	<b>Current year</b>	<b>Previous year</b>
Salary	2.071.755.000	1.873.500.000
Other income	94.658.823	94.658.823
<b>Total</b>	<b>2.166.413.823</b>	<b>1.968.158.823</b>

**1b. Transactions and balances with other related parties**

Other related parties of the Group include:

<b>Other related parties</b>	<b>Relationship</b>
OOCL Logistics (Vietnam) Co., Ltd.	Associate
Golden Globe Trading Co., Ltd.	Associate
Vung Tau Commercial Port J.S.C. (VCP)	Associate
Minh Dam Tourism J.S.C.	Associate
Power Transportation and Service J.S.C. (Potraco)	Associate
Saigon Cargo Services Corporation	Associate
United Food J.S.C.	Associate
Golden Globe Co., Ltd.	Associate
Gemadep - Terminal Link Cai Mep Terminal J.S.C.	Jointly-controlled entity
"K" Line – Gemadep Logistics Co., Ltd.	Jointly-controlled entity

*Transactions with other related parties*

Apart from transactions with joint ventures and associates presented in Note No. V.2c, the Group has no transaction with other related parties.

*Receivables from and payables to other related parties*

Receivables from and payables to other related parties are presented in Notes No. V.3, V.5, V.6, V.16, V.17, V.20, V.22 and V.23.

The receivables from other related parties are unsecured and will be paid in cash.

**2. Explanation of profit fluctuations in Q1 2018**

	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Difference</b>
Profit after tax of shareholders of parent company	1.267.479.960.284	95.833.110.778	1.171.646.849.505

Profit after tax of shareholders in the first quarter of 2018 reached over 1,267 billion, up by more than 1,171 billion compared with the first quarter of 2017 mainly due to:

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- Gross profit increased by more than VND 9 billion due to the growth of core business activities such as port operation and logistics;
- Profit from financial activities and other profit increased by more than VND 1,394 billion, mainly due to the profit from the transfer of capital in subsidiaries and interest expense, the expense for financial investment decreased;
- Selling expenses, management expenses, corporate income tax and unregulated shareholder benefit increased by more than VND 232 billion.

Ho Chi Minh City, 30 Apr 2018

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**Pham Quang Huy**  
Preparer

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**Nguyen Minh Nguyet**  
Chief Accountant

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**Do Van Minh**  
General Director