

**CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2017

GEMADEPT CORPORATION

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Gemadept Corporation (hereinafter referred to as "the Corporation") presents this statement together with the Consolidated Financial Statements for the fiscal year ended 31 December 2017 including the Financial Statements of the Corporation and those of its subsidiaries (hereinafter collectively referred to as "the Group").

Business highlights

Gemadept Corporation has been operating under the Business Registration Certificate No. 0301116791, registered for the 1st time on 01 November 1993 and amended for the 22nd time on 15 November 2017, granted by Ho Chi Minh City Department of Planning and Investment.

Head office

- Address : No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.
- Tel. : (84-28) 38 236 236
- Fax : (84-28) 38 235 236

The Corporation has been consistent with its strategy to develop core businesses and to selectively diversify business sectors. The business scopes of the Corporation 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.

Board of Management and Executive Officers

The Board of Management and the Executive Officers of the Corporation during the year and as of the date of this statement include:

The Board of Management

Full name	Position
Mr. Do Van Nhan	Chairman
Mr. Chu Duc Khang	Vice Chairman
Mr. Do Van Minh	Member
Mr. Pham Hong Hai	Member
Mr. Vu Ninh	Member
Ms. Nguyen Minh Nguyet	Member
Ms. Bui Thi Thu Huong	Member
Mr. Pham Tien Tinh	Member
Mr. Phan Thanh Loc	Member
Mr. Bolat Duisenov	Member

GEMADEPT CORPORATION**STATEMENT OF THE BOARD OF DIRECTORS (cont.)*****The Control Board***

Full name	Position
Mr. Luu Tuong Giai	Chief of the Board
Ms. Vu Thi Hoang Bac	Member
Mr. Tran Duc Thuan	Member
Ms. Phan Cam Ly	Member

The Board of Directors

Full name	Position
Mr. Do Van Minh	General Director
Mr. Chu Duc Khang	Deputy General Director
Mr. Pham Quoc Long	Deputy General Director
Mr. Nguyen Thanh Binh	Deputy General Director
Mr. Tran Quang Tien	Deputy General Director

Legal Representative

The Corporation's legal representative during the year and as of the date of this statement is Mr. Do Van Minh – General Director (appointed on 02 April 2007).

Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Group's Consolidated Financial Statements for the fiscal year ended 31 December 2017.

Responsibilities of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation of the Consolidated Financial Statements to give a true and fair view of the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group during the year. In order to prepare these Consolidated Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the accounting standards applied to the Group are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements;
- prepare the Consolidated Financial Statements of the Group on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Consolidated Financial Statements are free from material misstatements due to frauds or errors.

The Board of Directors hereby ensures that all the accounting books have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Consolidated Financial Statements.

GEMADEPT CORPORATION

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

Approval on the Financial Statements

The Board of Directors of the Corporation approves the accompanying Consolidated Financial Statements, which give a true and fair view of the consolidated financial position of the Group as of 31 December 2017, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended in conformity with the Vietnamese Accounting Standards and System and other legal regulations related to the preparation and presentation of the Consolidated Financial Statements.

For ~~and on~~ behalf of the Board of Directors,



Do Van Minh
General Director

Date: 05 April 2018



Head Office

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No. 1.0795/18/TC-AC

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS GEMADEPT CORPORATION

We have audited the accompanying Consolidated Financial Statements of Gemadept Corporation (hereinafter referred to as "the Corporation") and its subsidiaries (hereinafter collectively called "the Group"), which were prepared on 30 March 2018 (from page 06 to page 56) including the Consolidated Balance Sheet as of 31 December 2017, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

Responsibility of the Board of Directors

The Corporation's Board of Directors is responsible for the preparation, true and fair presentation of the Consolidated Financial Statements of the Group in accordance with the Vietnamese Accounting Standards and System as well as the legal regulations related to the preparation and presentation of the Consolidated Financial Statements; and responsible for the internal control as the Board of Directors determines necessary to enable the preparation and presentation of the Consolidated Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements of the Group are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion of Auditors

In our opinion, the Consolidated Financial Statements referred to above, give a true and fair view, in all material respects, of the consolidated financial position as of 31 December 2017, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and System as well as legal regulations related the preparation and presentation of Consolidated Financial Statements.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.



Ly Quốc Trung - Deputy General Director

Audit Practice Registration Certificate No. 0099-2018-008-1

Ho Chi Minh City, 05 April 2018



Nguyen Hoang Yen - Auditor

Audit Practice Registration Certificate No. 0088-2018-008-1

GEMADEPT CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2017

CONSOLIDATED BALANCE SHEET

As of 31 December 2017

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		2.223.117.121.083	2.143.533.096.942
I. Cash and cash equivalents	110	V.1	779.802.200.597	724.469.956.298
1. Cash	111		494.938.359.637	374.694.896.454
2. Cash equivalents	112		284.863.840.960	349.775.059.844
II. Short-term financial investments	120		113.000.452.720	88.716.047.075
1. Trading securities	121	V.2a	140.694.265.680	142.758.654.627
2. Provisions for devaluation of trading securities	122	V.2a	(74.153.531.152)	(91.692.607.552)
3. Held-to-maturity investments	123	V.2b	46.459.718.192	37.650.000.000
III. Short-term receivables	130		1.127.689.185.681	1.128.058.857.408
1. Short-term trade receivables	131	V.3	619.894.329.405	531.010.290.195
2. Short-term prepayments to suppliers	132	V.4a	306.179.387.814	343.338.550.855
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	15.780.000.000	51.730.000.000
6. Other short-term receivables	136	V.6a	199.721.186.951	217.235.855.739
7. Allowance for short-term doubtful debts	137	V.7	(13.885.718.489)	(15.255.839.381)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140	V.8	107.800.595.571	87.029.572.424
1. Inventories	141		110.858.381.291	90.095.454.664
2. Allowance for inventories	149		(3.057.785.720)	(3.065.882.240)
V. Other current assets	150		94.824.686.514	115.258.663.737
1. Short-term prepaid expenses	151	V.9a	11.702.482.727	15.900.008.085
2. Deductible VAT	152		79.350.944.882	85.769.846.635
3. Taxes and other receivables from the State	153	V.18	3.771.258.905	13.588.809.017
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

GEMADEPT CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2017

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
B - NON-CURRENT ASSETS	200		9.068.100.086.189	7.977.667.319.966
I. Long-term receivables	210		127.490.383.350	151.378.820.840
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212	V.4b	358.000.000	1.584.788.000
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215	V.5b	-	4.000.000.000
6. Other long-term receivables	216	V.6b	127.132.383.350	145.794.032.840
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		3.208.464.134.770	2.697.536.270.457
1. Tangible fixed assets	221	V.10	2.827.737.097.831	2.316.875.179.766
- Historical cost	222		4.816.531.395.729	4.093.225.273.192
- Accumulated depreciation	223		(1.988.794.297.898)	(1.776.350.093.426)
2. Financial leased assets	224	V.11	64.828.449.857	49.233.149.725
- Historical cost	225		92.987.286.021	61.557.635.228
- Accumulated depreciation	226		(28.158.836.164)	(12.324.485.503)
3. Intangible fixed assets	227	V.12	315.898.587.082	331.427.940.966
- Initial cost	228		375.212.554.403	372.062.062.114
- Accumulated amortization	229		(59.313.967.321)	(40.634.121.148)
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		2.457.808.973.398	1.823.657.063.794
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.13	2.457.808.973.398	1.823.657.063.794
V. Long-term financial investments	250		2.310.194.997.897	2.308.318.447.213
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2c	2.198.035.895.580	2.149.647.691.318
3. Investments in other entities	253	V.2d	238.333.032.000	275.945.057.558
Provisions for devaluation of long-term financial				
4. investments	254	V.2d	(126.173.929.683)	(117.274.301.663)
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		964.141.596.774	996.776.717.662
1. Long-term prepaid expenses	261	V.9b	837.630.679.562	843.802.607.436
2. Deferred income tax assets	262	V.14	33.016.627.000	26.086.668.794
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269	V.15	93.494.290.212	126.887.441.432
TOTAL ASSETS	270		11.291.217.207.272	10.121.200.416.908

GEMADEPT CORPORATION

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2017

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		4.196.680.125.183	4.251.302.978.148
I. Current liabilities	310		2.676.231.766.155	2.961.152.475.919
1. Short-term trade payables	311	V.16	761.273.221.507	595.037.992.356
2. Short-term advances from customers	312	V.17	44.834.320.046	14.933.285.739
3. Taxes and other obligations to the State Budget	313	V.18	42.803.370.054	48.625.494.827
4. Payables to employees	314	V.19	101.245.754.112	98.413.458.834
5. Short-term accrued expenses	315	V.20	317.045.083.559	382.826.893.239
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	9.500.000	2.374.125.464
9. Other short-term payables	319	V.22a	580.734.276.203	95.314.582.835
10. Short-term borrowings and financial leases	320	V.23a	714.513.339.980	1.578.670.998.246
11. Provisions for short-term payables	321	V.24	66.971.291.211	88.180.028.854
12. Bonus and welfare funds	322	V.25	46.801.609.483	56.775.615.525
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		1.520.448.359.028	1.290.150.502.229
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	231.677.582.133	237.926.668.995
7. Other long-term payables	337	V.22b	61.593.495.590	114.773.339.125
8. Long-term borrowings and financial leases	338	V.23b	1.220.610.259.547	927.558.550.638
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341	V.26	6.567.021.758	9.891.943.471
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

GEMADEPT CORPORATION


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

CONSOLIDATED FINANCIAL STATEMENTS


For the fiscal year ended 31 December 2017

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		7.094.537.082.089	5.869.897.438.760
I. Owner's equity	410		7.094.537.082.089	5.869.897.438.760
1. Capital	411	V.27	2.882.769.570.000	1.794.322.810.000
- Ordinary shares carrying voting rights	411a		2.882.769.570.000	1.794.322.810.000
- Preferred shares	411b		-	-
2. Share premiums	412	V.27	1.941.832.197.040	1.872.171.604.400
3. Bond conversion options	413		-	-
4. Other sources of capital	414	V.27	71.797.775.902	71.797.775.902
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417	V.27	65.512.288.857	62.531.779.733
8. Investment and development fund	418	V.27	140.506.685.321	131.005.909.687
9. Business arrangement supporting fund	419		-	-
10. Other funds	420	V.27	128.055.807.347	103.480.642.037
11. Retained earnings	421	V.27	1.113.091.207.224	1.134.111.091.412
- Retained earnings accumulated to the end of the previous period	421a		605.206.881.853	1.134.111.091.412
- Retained earnings of the current period	421b		507.884.325.371	-
12. Construction investment fund	422		-	-
13. Benefits of non-controlling shareholders	429	V.27	750.971.550.398	700.475.825.589
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		11.291.217.207.272	10.121.200.416.908


Pham Quang Huy
Preparer


Nguyen Minh Nguyet
Chief Accountant


Do Van Minh
General Director



Ho Chi Minh City, 30 March 2018

GEMADEPT CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS


For the fiscal year ended 31 December 2017

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2017

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	3.990.532.084.494	3.743.839.681.801
2. Sales deductions	02	VI.2	6.569.407.882	2.170.800.686
3. Net sales	10		3.983.962.676.612	3.741.668.881.115
4. Cost of sales	11	VI.3	2.954.816.507.075	2.723.430.511.250
5. Gross profit	20		1.029.146.169.537	1.018.238.369.865
6. Financial income	21	VI.4	173.076.431.925	39.239.748.206
7. Financial expenses	22	VI.5	145.904.768.287	150.966.297.263
In which: Loan interest expenses	23		143.856.433.218	121.195.333.723
8. Gain or loss in joint ventures, associates	24	V.2c	108.693.530.262	50.128.679.137
9. Selling expenses	25	VI.6	87.241.075.658	62.642.490.177
10. General and administration expenses	26	VI.7	344.481.363.099	296.974.630.217
11. Net operating profit	30		733.288.924.680	597.023.379.551
12. Other income	31	VI.8	60.614.141.614	19.421.668.898
13. Other expenses	32	VI.9	143.448.248.481	135.718.457.326
14. Other profit/ (loss)	40		(82.834.106.867)	(116.296.788.428)
15. Total accounting profit before tax	50		650.454.817.813	480.726.591.123
16. Current income tax	51	V.18	79.204.813.688	49.048.289.155
17. Deferred income tax	52	VI.10	(10.186.272.749)	(12.056.489.050)
18. Profit after tax	60		581.436.276.874	443.734.791.018
19. Profit after tax of the Parent Company	61		507.884.325.371	389.740.169.371
20. Profit after tax of non-controlling shareholders	62		73.551.951.503	53.994.621.647
21. Basic earnings per share	70	VI.11	1.962	2.009
22. Diluted earnings per share	71	VI.11	1.962	2.009


Pham Quang Huy
Preparer


Nguyen Minh Nguyet
Chief Accountant

Ho Chi Minh City, 30 March 2018




Do Van Minh
General Director

GEMADEPT CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2017

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2017

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		650.454.817.813	480.726.591.123
2. Adjustments				
- Depreciation of fixed assets and investment properties	02		311.224.396.453	279.812.039.118
- Provisions and allowances	03	V.2, V.7, V.8, V.24	(31.199.526.664)	20.460.706.354
- Exchange gain/ (loss) due to revaluation of monetary items in foreign currencies	04	VI.4, VI.5	(1.214.025.035)	4.628.774.172
- Gain/ (loss) from investing activities	05	VI.4, VI.8, VI.9	(117.858.891.134)	7.545.993.841
- Interest expenses	06	VI.5	143.856.433.218	121.195.333.723
- Others	07		-	-
3. Operating profit before changes of working capital	08		955.263.204.651	914.369.438.331
- Increase/ (decrease) of receivables	09		123.714.499.644	(36.845.435.309)
- Increase/ (decrease) of inventories	10		(20.762.926.627)	17.112.731.177
- Increase/ (decrease) of payables	11		(225.610.296.499)	25.580.372.972
- Increase/ (decrease) of prepaid expenses	12		5.965.976.929	(15.363.462.828)
- Increase/ (decrease) of trading securities	13		2.064.388.947	(1.036.455.585)
- Interests paid	14	V.20, VI.4, VII	(103.635.847.809)	(46.336.124.778)
- Corporate income tax paid	15	V.18	(72.856.054.832)	(76.081.264.009)
- Other cash inflows	16		-	-
- Other cash outflows	17		(31.266.279.011)	(19.881.387.840)
Net cash flows from operating activities	20		632.876.665.393	761.518.412.131
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21		(1.148.149.211.349)	(1.017.506.991.178)
2. Proceeds from disposals of fixed assets and other non-current assets	22		22.481.268.448	72.982.112.955
3. Cash outflow for lending, buying debt instruments of other entities	23	V.2, V.5	(49.659.718.192)	(143.970.000.000)
4. Cash recovered from lending, selling debt instruments of other entities	24	V.2, V.5	76.800.000.000	80.290.000.000
5. Investments into other entities	25	V.2c	(24.596.000.000)	(292.955.940.000)
6. Withdrawals of investments in other entities	26		154.654.500.000	4.382.494.721
7. Interest earned, dividends and profits received	27	V.2, V.6, VI.4	127.614.880.989	60.234.450.611
Net cash flows from investing activities	30		(840.854.280.104)	(1.236.543.872.891)

GEMADEPT CORPORATION

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


CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2017


Consolidated Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
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		853.366.668.224	764.306.971.607
4. Repayment for loan principal	34		(528.949.247.431)	(185.933.687.654)
5. Payments for financial leased assets	35		(19.821.961.924)	(12.540.424.527)
6. Dividends and profit paid to the owners	36		(40.196.768.938)	(271.431.192.900)
<i>Net cash flows from financing activities</i>	40		<u>264.398.689.931</u>	<u>294.401.666.526</u>
Net cash flows during the year	50		56.421.075.220	(180.623.794.234)
Beginning cash and cash equivalents	60	V.1	724.469.956.298	904.519.085.757
Effects of fluctuations in foreign exchange rates	61		(1.088.830.921)	574.664.775
Ending cash and cash equivalents	70	V.1	<u>779.802.200.597</u>	<u>724.469.956.298</u>

Ho Chi Minh City, 30 March 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 December 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2017

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

Gemadep 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

Gemadep 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 Gemadep 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

The Corporation terminated operations of Huu Nghi Shipping Enterprise; and is completing procedures to dissolve Bright Ocean Logistics Co., Ltd. and Gemadep Nhon Hoi International Port J.S.C.

According to the Resolution No. 051/GMD-DHĐCĐ dated 26 May 2017 of the General Meeting of Shareholders, the Corporation issued shares under private placement to convert loans into shares and restructure the Corporation, withdrew capital from some member companies to muster up resources for key operations. Details are as follows:

- Issuing shares under private placement to convert loans into shares;
- Establishing Gemadep Logistics Holding Company Limited and contributing capital by all of its share capital at Gemadep Logistics Co., Ltd., Gemadep Hai Phong Co., Ltd. and Power Transport and Service Joint Stock Company.
- Establishing Gemadep Shipping Holding Limited Company and contributing capital by all of its share capital at Gemadep Shipping Co., Ltd., and transferring all of its share capital at Gemadep (Malaysia) Sdn. Bhd. to Gemadep Shipping Holding Limited Company;

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For the fiscal year ended 31 December 2017

Notes to the Consolidated Financial Statements (cont.)

- Establishing Gemadept Shipping Singapore Pte., Ltd. in accordance with the first Overseas Investment License No. 201700428 dated 15 December 2017;
- Completing the transfer of 15% of remaining share capital at CJ Vietnam Co., Ltd. and entire 51% of share capital at Yearning Joint Carrier Vietnam Co., Ltd.;
- Signing contract to transfer 50,90% of its share capital at Gemadept Logistics Holding Company Limited and 49% of its share capital at Gemadept Shipping Holding Limited Company;
- Signing contract to transfer entire 51% of share capital at Hoa Sen - Gemadept Logistics and International Port Corporation.

In accordance with the Decision No. 2513/QĐ-CT-XP dated 30 May 2017 of the Tax Department of Ho Chi Minh City regarding free from payment of corporate income tax fine of VND 21.054.124.191, the Corporation reversed the allowance for payables related to this fine into financial performance during the year.

During the year, the Corporation kept investing in Pacific Lotus Joint Stock Company Limited, Pacific Pride J.S.C., Pacific Rubber Industry Co., Ltd. and "K" Line – Gemadept Logistics Company Limited.

6. Structure of the Group

The Group includes the Parent Company and 32 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. ⁽ⁱ⁾	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 (Malaysia) Sdn. Bhd.	No. 68B, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia	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 Logistics One Member Company Limited	Lot J1, Road No. 8, Song Than I Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam	100%	100%	100%	100%
Yearning Joint Carrier Vietnam Co., Ltd. ⁽ⁱⁱ⁾	No. 2A-4A Ton Duc Thang Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	-	51,00%	-	51,00%

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For the fiscal year ended 31 December 2017

Notes to the Consolidated Financial Statements (cont.)

Subsidiaries	Address	Benefit rate		Voting right	
		Ending balance	Beginning balance	Ending balance	Beginning balance
Mekong Logistics Company	Song Hau Industrial Park, Dong Phu Commune, Chau Thanh District, Hau Giang Province	50,96%	50,96%	50,96%	50,96%
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 Hai Phong Co., Ltd.	6 th Floor, Lot 20A, TD Plaza Business Center Building, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam	100%	100%	100%	100%
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 ⁽ⁱⁱⁱ⁾	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%
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 ^(iv)	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%

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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
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%
Gemadept Shipping Limited Company ^(v)	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	-	100%	-
Gemadept Logistics Holding Company Limited ^(v)	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	-	100%	-
Gemadept Shipping Holding Limited Company ^(v)	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	-	100%	-
Gemadept Shipping Singapore Pte., Ltd. ^(v)	63 Market Street #05 – 01A Bank of Singapore Centre, Singapore, 048942	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 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
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.) ⁽ⁱ⁾	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%

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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
Gemadept - Terminal Link Cai Mep Terminal J.S.C. ⁽ⁱ⁾	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 th 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%

(i) During the year, Saigon Cargo Service Corporation additionally issued shares and increased capital from convertible debts, resulted in a decrease from 34,90% to 32,89% in Corporation's benefit rate and voting rate.

(ii) 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".

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 1.845 employees working for the Group companies (at the beginning of the year: 2.301 employees).

II. FISCAL YEAR AND ACCOUNTING CURRENCY**1. Fiscal year**

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

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.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2017

Notes to the Consolidated Financial Statements (cont.)

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 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.

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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.

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.

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Notes to the Consolidated Financial Statements (cont.)

- 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.

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.

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Notes to the Consolidated Financial Statements (cont.)

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.

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.

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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.

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.

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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.

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.

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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

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.

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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.

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.

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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.

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.

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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

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.

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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.

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.

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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.

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.

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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.

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	18.620.790.100	23.659.922.060
Cash in banks	473.687.600.445	348.157.661.975
Cash in transit	2.629.969.092	2.877.312.419
Cash equivalents (<i>Bank deposits of which the principal maturity is under 03 months</i>)	284.863.840.960	349.775.059.844
Total	<u>779.802.200.597</u>	<u>724.469.956.298</u>

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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

	Ending balance			Beginning balance		
	Original costs	Fair values	Provisions	Original costs	Fair values	Provisions
Shares						
National Citizen Bank (NCB)	94.971.030.000	50.379.141.600	(44.591.888.400)	94.971.030.000	33.586.094.400	(61.384.935.600)
Thu Duc Steel J.S.C.	31.488.264.362	15.799.832.700	(15.688.431.662)	31.488.264.362	15.053.803.500	(16.434.460.862)
Manganese Mineral Joint Stock Company	14.234.321.100	361.364.000	(13.872.957.100)	14.234.321.100	361.364.000	(13.872.957.100)
Binh Duong Mineral And Construction Joint Stock Company	121.578	170.800	-	2.064.510.525	2.217.718.600	-
Other shares	528.640	341.700	(253.990)	528.640	353.600	(253.990)
Total	140.694.265.680	66.540.850.800	(74.153.531.152)	142.758.654.627	51.219.334.100	(91.692.607.552)

Fluctuations in provisions for impairments of trading securities are as follows:

	Current year	Previous year
Beginning balance	(91.692.607.552)	(79.980.618.602)
Additional extraction	-	(11.711.988.950)
Reversal	17.539.076.400	-
Ending balance	(74.153.531.152)	(91.692.607.552)

2b. Held-to-maturity investments

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

The 12-month deposit at BIDV – Quang Ngai Branch has been mortgaged at this bank to secure the implementation of Fuel Purchase Contract with Branch of PV Oil Mien Trung Joint Stock Company in Quang Nam.

2c. Investments in joint-ventures, associates

	Ending balance			Beginning balance		
	Original costs	Profit arising after the investment date	Total	Original costs	Profit arising after the investment date	Total
Golden Globe Trading Co., Ltd.	62.538.064.097	15.344.470.881	77.882.534.978	62.538.064.097	12.777.500.518	75.315.564.615
Power Transportation and Service J.S.C. (Potraco)	23.236.200.000	4.319.159.395	27.555.359.395	23.236.200.000	4.280.410.720	27.516.610.720
Saigon Cargo Service Corporation (SCSC Corp.)	396.204.440.000	116.773.764.979	512.978.204.979	396.204.440.000	84.407.869.000	480.612.309.000
United Food J.S.C.	49.825.280.000	(17.054.297.789)	32.770.982.211	49.825.280.000	(14.119.975.616)	35.705.304.384
Golden Globe Co., Ltd.	89.355.403.136	-	89.355.403.136	89.355.403.136	-	89.355.403.136

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	Ending balance			Beginning balance		
	Profit arising after the			Profit arising after the		
	Original costs	investment date	Total	Original costs	investment date	Total
Gemadep – Terminal Link Cai Mep Terminal J.S.C.	1.477.350.000.000	(110.224.254.762)	1.367.125.745.238	1.477.350.000.000	(97.877.163.238)	1.379.472.836.762
"K" Line – Gemadep Logistics Co., Ltd.	71.352.500.000	7.348.761.236	78.701.261.236	46.756.500.000	4.624.883.303	51.381.383.303
Other joint ventures, associates	29.425.608.143	(17.759.203.736)	11.666.404.407	29.425.608.143	(19.137.328.745)	10.288.279.398
Total	2.199.287.495.376	(1.251.599.796)	2.198.035.895.580	2.174.691.495.376	(25.043.804.058)	2.149.647.691.318

The ownership rate of the Group in joint-ventures, associates is as follows:

	Beginning value of the ownership	Additional investment during the year	Gain or loss during the year	Dividends and profit shared during the year	Ending value of the ownership
Golden Globe Trading Co., Ltd.	75.315.564.615	-	2.566.970.363	-	77.882.534.978
Power Transportation and Service J.S.C (Potraco)	27.516.610.720	-	1.111.194.675	(1.072.446.000)	27.555.359.395
Saigon Cargo Service Corporation (SCSC Corp.)	480.612.309.000	-	116.194.775.979	(83.828.880.000)	512.978.204.979
United Food J.S.C.	35.705.304.384	-	(2.934.322.173)	-	32.770.982.211
Golden Globe Co., Ltd.	89.355.403.136	-	-	-	89.355.403.136
Gemadep – Terminal Link Cai Mep Terminal J.S.C.	1.379.472.836.762	-	(12.347.091.524)	-	1.367.125.745.238
"K" Line – Gemadep Logistics Co., Ltd.	51.381.383.303	24.596.000.000	2.723.877.933	-	78.701.261.236
Other associates	10.288.279.398	-	1.378.125.009	-	11.666.404.407
Total	2.149.647.691.318	24.596.000.000	108.693.530.262	(84.901.326.000)	2.198.035.895.580

Operation of joint ventures, associates

The joint ventures and associates have been in their normal operations.

Transactions with joint ventures and associates

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

	Current year	Previous year
Saigon Cargo Services Corporation		
Sales from service provision	18.000.000	36.000.000
Service charges	809.483.195	444.433.820
Dividends shared	83.828.880.000	35.780.000.000
Additional investment	-	252.523.440.000
Gemadep - Terminal Link Cai Mep Terminal J.S.C.		
Loan interest	1.240.875.200	1.247.561.869
Sales from leasing offices	264.000.000	264.000.000
Vung Tau Commercial Port J.S.C.		
Dividends shared	-	2.410.356.000
Power Transportation and Service J.S.C.		
Service charges	38.145.978.893	14.876.782.821
Dividends shared	1.072.446.000	1.394.179.800

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	<u>Current year</u>	<u>Previous year</u>
<i>United Food J.S.C.</i>		
Dividends shared	-	259.001.900
<i>Minh Dam Tourism J.S.C.</i>		
Interest on loans given	-	1.034.882.222
Loans given	500.000.000	3.600.000.000
<i>"K" Line – Gemadept Logistics Co., Ltd.</i>		
Loans given	3.000.000.000	4.500.000.000
Interest on loans given	24.666.667	-
Sales from service provision	9.064.662.452	9.022.177.702
Service charges	18.873.032	10.190.000
Capital contribution	24.596.000.000	40.432.500.000
<i>Golden Globe Co., Ltd.</i>		
Payment on this company's behalf	20.647.334.268	18.000.000

Investments in joint ventures and associates used as mortgage

The Group has mortgaged 11.100.000 shares of Saigon Cargo Services Corporation to secure loans from ACB – Saigon Branch (see Note No. V.23b).

2d. Investments in other entities

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original costs</u>	<u>Provisions</u>	<u>Original costs</u>	<u>Provisions</u>
Maritime Bank	165.581.032.000	(113.572.432.000)	165.581.032.000	(113.572.432.000)
Indochina Sun Infrastructure Development Corporation	36.000.000.000	-	36.000.000.000	-
Vietnam Industry Securities Company	31.752.000.000	(9.276.109.455)	31.752.000.000	-
Intellectual Vietnam Asset Management Joint-Stock Company	5.000.000.000	(3.325.388.228)	5.000.000.000	(3.701.869.663)
CJ Vietnam Co., Ltd.	-	-	37.612.025.558	-
Total	238.333.032.000	(126.173.929.683)	275.945.057.558	(117.274.301.663)

Fair value

Fair value of investments with listed price is determined at the listed price as of the balance sheet date. The Group has not determined the fair value of the investments without listed price because there is no specific instruction on determination of fair value.

Provisions for investments in other entities

Fluctuations in provisions for investments in other entities are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	(117.274.301.663)	(116.712.026.033)
Additional extraction	(8.899.628.020)	(562.275.630)
Ending balance	(126.173.929.683)	(117.274.301.663)

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Notes to the Consolidated Financial Statements (cont.)**3. Short-term trade receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	<i>1.201.545.526</i>	<i>1.960.360.434</i>
"K" Line – Gemadept Logistics Co., Ltd.	1.129.546.073	1.951.360.434
Golden Globe Co., Ltd.	46.499.453	-
Saigon Cargo Service Corporation (SCSC Corp.)	25.500.000	9.000.000
<i>Receivables from other customers</i>	<i>618.692.783.879</i>	<i>529.049.929.761</i>
Hyosung Vietnam Co., Ltd.	-	43.257.695.422
Cai Mep International Terminal Co., Ltd.	25.281.975.630	32.509.490.660
Other customers	593.410.808.249	453.282.743.679
Total	<u>619.894.329.405</u>	<u>531.010.290.195</u>

The claim for some receivables has been mortgaged to secure the loan from Vietinbank – Branch 1 in Ho Chi Minh City (see Note No. V.23a).

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Galaxy Maritime Corporation	32.610.413.004	59.827.318.457
Binh Duong Port J.S.C.	109.964.480.918	95.500.000.000
Golden Lotus Corporation	63.774.181.296	65.823.381.296
Other suppliers	99.830.312.596	122.187.851.102
Total	<u>306.179.387.814</u>	<u>343.338.550.855</u>

4b. Long-term prepayments to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Compensation Board for land clearance of Long An Province	-	1.226.788.000
Vuong Song Construction Service Trading Co., Ltd.	358.000.000	358.000.000
Total	<u>358.000.000</u>	<u>1.584.788.000</u>

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

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Loans given to related parties</i>	<i>1.780.000.000</i>	<i>1.730.000.000</i>
Minh Dam Tourism J.S.C.	1.780.000.000	1.730.000.000
<i>Loans given to other organizations</i>	<i>14.000.000.000</i>	<i>50.000.000.000</i>
Nam Dinh Vu Investment Joint Stock Company	-	30.000.000.000
Galaxy Maritime Corporation	14.000.000.000	20.000.000.000
Total	<u>15.780.000.000</u>	<u>51.730.000.000</u>

5b. Receivables for long-term loans

	<u>Ending balance</u>	<u>Beginning balance</u>
Binh Duong Port J.S.C.	-	3.000.000.000
Galaxy Maritime Corporation	-	1.000.000.000
Total	<u>-</u>	<u>4.000.000.000</u>

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Notes to the Consolidated Financial Statements (cont.)**6. Other short-term/ long-term receivables****6a. Other short-term receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	<i>22.199.928.222</i>	<i>3.057.958.022</i>
Golden Globe Co., Ltd. – Payment on other's behalf	20.620.600.000	-
Power Transportation and Service J.S.C. – Dividends	1.072.446.000	1.394.179.800
Golden Globe Trading Co., Ltd. – Payment on other's behalf	300.000.000	300.000.000
Minh Dam Tourism J.S.C. – Loan interest	206.882.222	206.882.222
Vung Tau Commercial Port J.S.C. – Dividends	-	1.156.896.000
<i>Receivables from other organizations and individuals</i>	<i>177.521.258.729</i>	<i>214.177.897.717</i>
Advances	80.608.440.135	88.201.239.175
Vietnam Industry Securities Company – Capital contribution for investment cooperation	26.445.000.000	26.445.000.000
Payments on other's behalf	13.131.120.092	54.868.008.919
Short-term deposits	22.936.179.547	7.020.316.831
Other short-term receivables	34.400.518.955	37.643.332.792
Total	199.721.186.951	217.235.855.739

6b. Other long-term receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
Galaxy Maritime Corporation – Capital support	24.000.000.000	36.000.000.000
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
Long-term deposits	61.107.531.880	65.492.224.975
Other long-term receivables	5.024.851.470	7.301.807.865
Total	127.132.383.350	145.794.032.840

7. Doubtful debts

	<u>Outstanding period</u>	<u>Ending balance</u>		<u>Outstanding period</u>	<u>Beginning balance</u>	
		<u>Original costs</u>	<u>Provisions already made</u>		<u>Original costs</u>	<u>Provisions already made</u>
Ms. Nguyen Thi Hong Linh – Receivable for trading securities	Over 03 years	3.000.000.000	(3.000.000.000)	Over 03 years	3.000.000.000	(3.000.000.000)
Penex Container lines Pte., Ltd. – Trade receivables	Over 03 years	2.763.212.976	(2.763.212.976)	Over 03 years	2.763.212.976	(2.763.212.976)
VNT 19 Pulp - Paper Joint Stock Company - Trade receivables	-	-	-	From 01 year to 02 years	3.326.238.000	(1.663.119.000)

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	Ending balance		Beginning balance	
	Outstanding period	Original costs	Outstanding period	Original costs
Receivables from other organizations and individuals	From 01 year to over 03 years	8.731.663.815	From 01 year to over 03 years	8.956.719.584
		(8.122.505.513)		(7.829.507.405)
Total		14.494.876.791		18.046.170.560
		(13.885.718.489)		(15.255.839.381)

Fluctuations in allowances for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	(15.255.839.381)	(30.290.341.859)
Additional extraction	-	(5.120.559.534)
Reversal	1.343.244.123	-
Other decrease	26.876.769	20.155.062.012
Ending balance	(13.885.718.489)	(15.255.839.381)

8. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies in stock	31.030.378.912	-	25.497.845.567	-
Fuel in ships	18.542.370.120	-	18.088.355.178	-
Spare parts	16.817.609.411	-	16.412.732.316	-
Tools	537.186.111	-	1.898.486.160	-
Work-in-process	33.272.510.599	-	21.224.425.065	-
Goods in transit	2.679.521.050	-	6.933.636	-
Merchandises, finished goods	7.978.805.088	(3.057.785.720)	6.966.676.742	(3.065.882.240)
Total	110.858.381.291	(3.057.785.720)	90.095.454.664	(3.065.882.240)

Fluctuations in allowances for inventories are as follows:

	Current year	Previous year
Beginning balance	(3.065.882.240)	-
Extraction for allowance	-	(3.065.882.240)
Reversal	8.096.520	-
Ending balance	(3.057.785.720)	(3.065.882.240)

9. Short-term/ long-term prepaid expenses**9a. Short-term prepaid expenses**

	Ending balance	Beginning balance
Repair expenses	2.808.533.460	2.975.575.021
Supplies	3.259.581.350	7.735.677.769
Insurance premiums	3.197.397.875	1.628.910.598
Other expenses	2.436.970.042	3.559.844.697
Total	11.702.482.727	15.900.008.085

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Notes to the Consolidated Financial Statements (cont.)**9b. Long-term prepaid expenses**

	Ending balance	Beginning balance
Expenses on transferring land use right ⁽ⁱ⁾	275.038.913.742	281.879.926.025
Land rental ⁽ⁱⁱ⁾	466.246.574.207	469.651.699.500
Expenses on frontage road investment	27.026.364.939	30.585.325.745
Supplies, spare parts	23.087.327.160	18.251.772.595
Expenses of warehouse, office repair	8.620.084.653	21.182.122.031
Interest expenses for container financial lease	17.701.641.274	14.531.883.251
Other expenses	19.909.773.587	7.719.878.289
Total	837.630.679.562	843.802.607.436

(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

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	1.433.584.644.235	730.419.026.002	1.909.468.104.937	19.753.498.019	4.093.225.273.192
Acquisition during the year	1.762.859.686	260.677.973.195	54.191.143.645	636.155.773	317.268.132.299
Completed constructions	95.373.765.442	125.611.243.503	236.485.950.070	28.725.797.409	486.196.756.424
Re-classification	-	1.050.275.000	(1.050.275.000)	-	-
Liquidation	-	(8.033.400.655)	(68.433.702.314)	(1.822.052.380)	(78.289.155.349)
Effect of exchange difference	(551.763.980)	(8.591.580)	(1.304.903.658)	(4.351.620)	(1.869.610.838)
Ending balance	1.530.169.505.383	1.109.716.525.465	2.129.356.317.680	47.289.047.201	4.816.531.395.729
<i>In which:</i>					
Assets fully depreciated but still in use	19.838.472.337	51.575.661.037	487.538.182.419	11.829.260.474	570.781.576.267
Assets waiting for liquidation	-	-	-	-	-
Depreciation					
Beginning balance	357.325.692.917	325.502.899.227	1.081.323.994.355	12.197.506.927	1.776.350.093.426
Depreciation during the year	99.807.309.437	66.488.282.994	120.140.897.428	3.980.276.225	290.416.766.084
Liquidation	-	(6.198.222.863)	(57.086.596.280)	(1.822.052.384)	(65.106.871.527)
Other decrease	-	-	(11.003.784.479)	-	(11.003.784.479)
Effect of exchange difference	(310.139.580)	(8.711.720)	(1.533.378.293)	(9.676.013)	(1.861.905.606)
Ending balance	456.822.862.774	385.784.247.638	1.131.841.132.731	14.346.054.755	1.988.794.297.898
Net book values					
Beginning balance	1.076.258.951.318	404.916.126.775	828.144.110.582	7.555.991.092	2.316.875.179.766
Ending balance	1.073.346.642.609	723.932.277.827	997.515.184.949	32.942.992.446	2.827.737.097.831
<i>In which:</i>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

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Some tangible fixed assets, of which the net book values are VND 1.702.151.825.364, have been mortgaged to secure the loans.

11. Financial leased assets

	Vehicles
Historical costs	
Beginning balance	61.557.635.228
Financial lease during the year	31.429.650.793
Ending balance	92.987.286.021
Depreciation	
Beginning balance	12.324.485.503
Depreciation during the year	15.834.350.661
Ending balance	28.158.836.164
Net book values	
Beginning balance	49.233.149.725
Ending balance	64.828.449.857

12. Intangible fixed assets

	Land use right	Computer software	Website design expenses	Total
Initial costs				
Beginning balance	354.658.873.578	17.373.188.536	30.000.000	372.062.062.114
Acquisition during the year	-	1.081.993.750	75.000.000	1.156.993.750
Completed constructions	-	12.585.633.789	-	12.585.633.789
Liquidation	-	(64.647.735)	-	(64.647.735)
Transfer to prepaid expenses	(9.790.975.455)	-	-	(9.790.975.455)
Effect of exchange difference	(736.153.920)	(358.140)	-	(736.512.060)
Ending balance	344.131.744.203	30.975.810.200	105.000.000	375.212.554.403
<i>In which:</i>				
Assets fully amortized but still in use	-	11.806.401.474	-	11.806.401.474
Amortization				
Beginning balance	26.968.464.245	13.642.314.442	23.342.461	40.634.121.148
Amortization during the year	7.447.642.659	2.833.910.467	20.770.442	10.302.323.568
Other increase	8.495.462.409	45.070.740	-	8.540.533.149
Liquidation	-	(64.647.735)	-	(64.647.735)
Effect of exchange difference	(98.153.880)	(208.929)	-	(98.362.809)
Ending balance	42.813.415.433	16.456.438.985	44.112.903	59.313.967.321
Net book values				
Beginning balance	327.690.409.333	3.730.874.094	6.657.539	331.427.940.966
Ending balance	301.318.328.779	14.519.371.206	60.887.097	315.898.587.082
<i>In which:</i>				
Assets temporarily not in use	-	-	-	-
Assets waiting for liquidation	-	-	-	-

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Information on increases/ (decreases) of construction-in-progress is presented in attached Appendix 01.

Construction-in-progress valued at VND 814.139.321.162 has been mortgaged to secure the loans from VIB – Saigon Branch and VIB – Can Tho Branch.

14. Deferred income tax assets

This item reflects deferred income tax assets related to temporarily deductible differences. Details of increases/ (decreases) during the year are as follows:

	Current year	Previous year
Beginning balance	26.086.668.794	16.666.429.344
Inclusion into operation results during the year	6.929.958.206	9.420.239.450
Ending balance	33.016.627.000	26.086.668.794

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

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:

	Initial costs	Amount allocated	Net book values
Beginning balance	334.718.217.270	207.830.775.838	126.887.441.432
Allocation during the year		33.393.151.220	
Ending balance	334.718.217.270	241.223.927.058	93.494.290.212

16. Short-term trade payables

	Ending balance	Beginning balance
<i>Payables to related parties</i>	22.285.504.586	11.097.306.923
Power Transportation and Service J.S.C. (Potraco)	22.285.504.586	11.097.306.923
<i>Payables to other suppliers</i>	738.987.716.921	583.940.685.433
Shanghai Zhenhua Heavy Industries Co., Ltd.	219.299.040.000	-
Rich Mountain Trading Co., Ltd.	71.072.196.800	92.574.738.340
V-Forest Trading Co., Ltd.	43.000.877.680	58.335.153.940
Other suppliers	405.615.602.441	433.030.793.153
Total	761.273.221.507	595.037.992.356

The Group has no outstanding trade payable.

17. Short-term advances from customers

	Ending balance	Beginning balance
<i>Advances from related parties</i>	-	7.500.000
Saigon Cargo Service Corporation (SCSC Corp.)	-	7.500.000
<i>Advances from other customers</i>	44.834.320.046	14.925.785.739
Hyosung Vietnam Co., Ltd.	17.879.882.833	-
Marubeni Logistics Corporation	15.117.199.993	-
Other customers	11.837.237.220	14.925.785.739
Total	44.834.320.046	14.933.285.739

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	Beginning balance		Increase		Decrease due to transfer of contribution capital	Ending balance	
	Payables	Receivables	Amount payable	Amount already paid		Payables	Receivables
VAT on local sales	4.968.284.807	3.040.540.898	129.498.996.952	(124.274.255.567)	(1.669.655.300)	5.482.829.994	-
VAT on imports	-	-	28.633.208.115	(28.633.208.115)	-	-	-
Export-import duties	-	-	89.190.989	(89.190.989)	-	-	-
Corporate income tax	37.036.405.485	10.180.811.387	79.204.813.688	(72.856.054.832)	(1.035.817.020)	34.103.148.549	1.934.612.615
Personal income tax	2.368.155.448	53.092.621	18.908.939.243	(21.537.321.120)	6.973.865	1.216.632.703	1.522.977.887
Other taxes	4.252.649.087	314.364.111	48.455.962.645	(50.707.157.216)	-	2.000.758.808	313.668.403
Total	48.625.494.827	13.588.809.017	304.791.111.632	(298.097.187.839)	(2.698.498.454)	42.803.370.054	3.771.258.905

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

	Ending balance	Beginning balance
Payables to related parties	6.285.908.465	5.058.326.384
Gemadep – Terminal Link Cai Mep Terminal J.S.C – Loan interest expenses	6.285.908.465	5.058.326.384
Payables to other organizations and individuals	310.759.175.094	377.768.566.855
Loan interest expenses	9.550.398.002	218.980.826.824
Expenses on rubber tree cultivation project	58.143.173.960	49.535.122.980
Expenses on repairing and building	15.248.157.242	4.803.555.166

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	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses on goods loading, unloading and transport	19.152.578.328	14.877.047.525
Expenses on asset acquisition	147.290.400.000	-
Other expenses	61.374.467.562	89.572.014.360
Total	317.045.083.559	382.826.893.239

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

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

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	228.460.256.153	234.275.546.255
Other unearned revenues	3.217.325.980	3.651.122.740
Total	231.677.582.133	237.926.668.995

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

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	<i>72.304.500</i>	-
"K" Line – Gemadept Logistics Co., Ltd. – Gemadept – Receipt of deposits for office lease	72.304.500	-
<i>Payables to other organizations and individuals</i>	<i>580.661.971.703</i>	<i>95.314.582.835</i>
Hyosung Transworld Co., Ltd.	-	14.460.542.610
Trade Union's expenditures, social insurance, health insurance and unemployment insurance premiums	1.967.344.581	1.602.737.706
Receipts of short-term deposits	12.315.425.815	15.126.133.640
Dividends payable	475.664.793.208	3.735.467.013
Payable for agency service	13.857.644.949	31.286.170.361
Other short-term payables	76.856.763.150	29.103.531.505
Total	580.734.276.203	95.314.582.835

22b. Other long-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	-	<i>72.304.500</i>
"K" Line – Gemadept Logistics Co., Ltd. – Receipt of deposits for office lease	-	72.304.500
<i>Payables to other organizations and individuals</i>	<i>61.593.495.590</i>	<i>114.701.034.625</i>
Land rental (*)	58.210.475.280	109.542.846.000
Receipt of long-term deposits	3.383.020.310	5.158.188.625
Total	61.593.495.590	114.773.339.125

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- (*) 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>
<i>Short-term borrowings and financial lease payables to related parties</i>	244.776.728.013	245.422.009.140
Loan from Gemadept – Terminal Link Cai Mep Terminal J.S.C. at fixed interest rate as stipulated in the Contract	244.776.728.013	245.422.009.140
<i>Short-term borrowings and financial lease payables to organizations</i>	239.462.274.519	257.829.139.586
Short-term loans from banks	195.462.274.519	203.829.139.586
Loan from ACB – Saigon Branch ⁽ⁱ⁾	175.605.000.000	198.350.000.000
Loan from VIB – Saigon Branch ⁽ⁱⁱ⁾	19.127.886.823	5.479.139.586
Loan from Vietinbank – Branch 1 in Ho Chi Minh City ⁽ⁱⁱⁱ⁾	729.387.696	-
Short-term loans from other organizations	44.000.000.000	54.000.000.000
Loan from Minh Phu – Hau Giang Port Corp. ^(iv)	44.000.000.000	44.000.000.000
Loan from Minh Phu Seafood Corporation	-	10.000.000.000
<i>Current portions of borrowings and financial lease payables to organizations</i>	230.274.337.448	1.075.419.849.520
Current portions of long-term loans ^(v) (see Note No. V.23b)	208.903.550.948	1.060.560.794.785
Current portions of financial lease (see Note No. V.23b)	21.370.786.500	14.859.054.735
Total	714.513.339.980	1.578.670.998.246

- (i) The loan from ACB – Saigon Branch is to supplement the working capital. The loan term is 12 months.
- (ii) The loan from VIB – Saigon Branch is to supplement the working capital. This loan is secured by mortgaging real estate at No. 41 Quang Trung Street, Hai Chau 1 Ward, Hai Chau District, Da Nang City.
- (iii) The loan from Vietinbank – Branch 1 in Ho Chi Minh City is to supplement the working capital. This loan is secured by mortgaging asset right arising from contracts signed by the Corporation before and after the signing date of credit contracts.
- (iv) The unsecured loan from Minh Phu – Hau Giang Port Corp. is to implement construction investment and exploit logistics center.
- (v) The loan from VI (Vietnam Investments) Fund II, L.P has been converted into shares in accordance with the Resolution No. 051/GMD-ĐHĐCĐ dated 26 May 2017 of the General Meeting of Shareholders.

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

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23b. Long-term borrowings and financial lease

	<u>Ending balance</u>	<u>Beginning balance</u>
Long-term loans from banks	1.154.741.380.660	873.505.824.825
Loan from Techcombank – Hai Phong Branch ⁽ⁱ⁾	69.515.007.334	115.858.347.006
Loan from Indovina Bank Ltd. – Hai Phong Branch ⁽ⁱⁱ⁾	222.548.126.025	278.760.259.967
Loan from BIDV – Quang Ngai Branch ⁽ⁱⁱⁱ⁾	96.000.000.000	126.000.000.000
Loan from VIB – Saigon Branch ^(iv)	359.696.992.183	26.635.950.000
Loan from VIB – Can Tho Branch ^(v)	202.632.195.118	184.017.934.520
Loan from ACB – Saigon Branch ^(vi)	100.000.000.000	100.000.000.000
Loan from OCB – Tan Binh Branch ^(vii)	104.349.060.000	-
Loan from TPBank – Ben Thanh Branch	-	42.233.333.332
Financial lease from Intermodal Investment Fund IV LLC	65.868.878.887	54.052.725.813
Total	1.220.610.259.547	927.558.550.638

(i) The loan from Techcombank – Hai Phong Branch is to implement the project of Nam Hai Dinh Vu Port. The loan term is 07 years, starting from the date of first loan disbursement. This loan is secured by leased land use right, of which the rental is paid annually and benefits generating from the leased land, assets on the land formed from the loan, machinery and equipment formed from the loan.

(ii) The loan from Indovina Bank Ltd. – Hai Phong Branch is to fund machinery and equipment package of Nam Hai Dinh Vu Port project. The loan term is 08 years, starting from the date of first loan disbursement. This loan is secured by all values of machinery and equipment package of Nam Hai Dinh Vu Port project.

The loan from Indovina Bank Ltd. – Hai Phong Branch is to fund partially Nam Hai Logistics and Industry Center project. This loan is secured by mortgaging asset right arising from the Contract on subleasing land lot CN3 – MP Dinh Vu Industrial Park, assets attached to land and equipment.

(iii) The loan from BIDV – Quang Ngai Branch is to invest in Wharf No. 1 – Dung Quat General Port. The loan term is 14,5 years, starting from the date of first loan disbursement. This loan is secured by assets formed from investment project of Wharf No. 1 – Dung Quat General Port.

(iv) The loans from VIB – Saigon Branch are to supplement the capital for the operations. The loan term is 05 years, starting from the date of first loan disbursement. These loans are also to invest in Nam Dinh Vu Port project and the loan term is 120 months, starting from the date of first loan disbursement. The grace period is 24 months. These loans are secured by mortgaging machinery, equipment and all rights to exploit the project, to use infrastructure on land, construction works, machinery and equipment, etc. and existing assets attached to land as well as assets formed in the future under the project's scope. (see Notes No. V.10 and V.13).

(v) The loan from VIB – Can Tho Branch is to fund construction investment project of 50.000-pallet cold storage. The loan term is 07 years, starting from the date of first loan disbursement. This loan is secured by mortgaging land use right, right to use infrastructure, construction works on land, assets and equipment formed from loan (see Note No. V.13).

(vi) The loan from ACB – Saigon Branch is to contribute capital to Phuoc Long Port Co., Ltd. The loan term is 84 months, starting from the date of first loan disbursement. This loan is secured by 11.100.000 shares of Saigon Cargo Service Corporation (see Note No. V.2c).

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- (vii) The loan from OCB – Tan Binh Branch is to purchase Green Pacific ship. The loan term is 84 months, starting from the date of first loan disbursement. This loan is secured by assets formed from the loan (see Note No. V.10).

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

Payment schedule of long-term loans and financial lease is as follows:

	Total debts	Under 01 year	From 01 year to 05 years	Over 05 years
Ending balance				
Long-term loans from banks	1.363.644.931.608	208.903.550.948	900.864.952.106	253.876.428.554
Financial lease	87.239.665.387	21.370.786.500	65.868.878.887	-
Total	1.450.884.596.995	230.274.337.448	966.733.830.993	253.876.428.554
Beginning balance				
Long-term loans from banks	1.021.266.619.610	147.760.794.785	794.581.323.449	78.924.501.376
Long-term loans from other organizations	912.800.000.000	912.800.000.000	-	-
Financial lease	68.911.780.548	14.859.054.735	54.052.725.813	-
Total	2.002.978.400.158	1.075.419.849.520	848.634.049.262	78.924.501.376

Total financial lease payable is as follows:

	Under 01 year	From 01 year to 05 years	Total
Ending balance			
Principal	16.730.186.272	51.923.382.967	68.653.569.239
Interest	4.640.600.228	13.945.495.920	18.586.096.148
Financial lease payable	21.370.786.500	65.868.878.887	87.239.665.387
Beginning balance			
Principal	11.492.088.679	41.982.784.276	53.474.872.955
Interest	3.366.966.056	12.069.941.537	15.436.907.593
Financial lease payable	14.859.054.735	54.052.725.813	68.911.780.548

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.

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26. Deferred income tax liabilities

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	9.891.943.471	11.437.566.186
Inclusion into operation result during the year	(3.256.314.543)	(2.636.249.600)
Other increase	-	712.540.645
Exchange difference due to conversion	(68.607.170)	378.086.240
Ending balance	6.567.021.758	9.891.943.471

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**

Information on the fluctuations in owner's equity is presented in attached Appendix 02.

During the year, the Corporation increased its charter capital from VND 1.794.322.810.000 to VND 2.882.769.570.000 by converting the loan from VI (Vietnam Investments) Fund II, L.P into share capital according to the Resolution No. 051/GMD-ĐHĐCĐ dated 26 May 2017 of the General Meeting of Shareholders.

27b. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares already sold to the public	288.276.957	179.432.281
- Common shares	288.276.957	179.432.281
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	288.276.957	179.432.281
- Common shares	288.276.957	179.432.281
- 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. Off-balance sheet items**28a. External leased assets**

The total minimum lease payment in the future for leasing contracts will be settled as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Under 01 year	22.517.449.299	24.710.208.000
From 01 year to 05 years	10.893.101.618	12.355.104.000
Total	33.410.550.917	37.065.312.000

The above-mentioned lease payments reflects the rental and management fee payable for leasing office of CJ Vietnam Co., Ltd. located at No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City.

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28b. Foreign currencies

	<u>Ending balance</u>	<u>Beginning balance</u>
United States Dollar (USD)	8.213.668,67	2.551.935,60
Euro (EUR)	7,00	774,87
Singapore Dollar (SGD)	5.382,00	11.630,86
Ringgit (MYR)	-	85.415,71

28c. Treated doubtful debts

	<u>Ending balance</u>	<u>Beginning balance</u>	<u>Reasons for writing off</u>
Lion Lord Corporation	1.277.515.915	1.277.515.915	This Company was dissolved.
Other subjects	1.491.795.718	1.491.795.718	Unrecoverable
Total	2.769.311.633	2.769.311.633	

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	1.835.237.955.108	1.626.266.580.999
Sales from logistics services: transportation services, agent services, leasing assets, etc.	2.152.902.070.265	2.116.383.863.392
Sales from leasing offices	2.392.059.121	1.189.237.410
Total	3.990.532.084.494	3.743.839.681.801

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	1.125.780.192.171	935.754.045.343
Costs of logistics services: transportation services, agent services, leasing assets, etc.	1.829.036.314.904	1.787.676.465.907
Total	2.954.816.507.075	2.723.430.511.250

4. Financial income

	<u>Current year</u>	<u>Previous year</u>
Bank deposit interest	10.805.385.748	19.705.786.009
Interest on loans given	3.099.002.092	1.184.326.666
Dividends and profit shared	27.330.537.349	2.051.917.921
Proceeds from investments in securities	2.196.695.053	1.123.698.085
Proceeds from sales of investments	114.566.904.912	-

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	Current year	Previous year
Exchange gain arising	6.268.726.360	9.912.764.995
Exchange gain due to the revaluation of monetary items in foreign currencies	7.830.986.103	3.707.065.286
Other financial income	978.194.308	1.554.189.244
Total	173.076.431.925	39.239.748.206
5. Financial expenses		
	Current year	Previous year
Loan interest expenses	143.856.433.218	121.195.333.723
Exchange loss arising	2.119.416.199	7.664.955.777
Exchange loss due to the revaluation of monetary items in foreign currencies	6.616.961.068	8.335.839.458
(Reversal of)/ Provision for financial investments	(8.639.448.380)	12.274.264.580
Other financial expenses	1.951.406.182	1.495.903.725
Total	145.904.768.287	150.966.297.263
6. Selling expenses		
	Current year	Previous year
Commission, brokerage expenses	70.814.550.153	45.623.607.877
Other expenses	16.426.525.505	17.018.882.300
Total	87.241.075.658	62.642.490.177
7. General and administration expenses		
	Current year	Previous year
Salary for administrative staff	158.076.566.391	113.334.793.495
Office supplies and stationery	5.974.967.688	4.481.069.931
Depreciation/ (amortization) of fixed assets	10.360.134.304	6.459.772.161
(Reversal of)/ allowance for doubtful debts	(1.343.244.123)	5.093.682.765
Allocation of goodwill	33.393.151.220	33.393.151.220
Office rental	22.982.346.400	26.606.639.040
External services rendered	42.172.608.454	43.971.361.362
Other expenses	72.864.832.765	63.634.160.243
Total	344.481.363.099	296.974.630.217
8. Other income		
	Current year	Previous year
Proceeds from liquidation of fixed assets	22.332.333.410	-
Unearned revenues to be allocated (*)	5.815.290.102	4.070.703.071
Reversal of allowance for tax fine	21.054.124.191	-
Other income	11.412.393.911	15.350.965.827
Total	60.614.141.614	19.421.668.898

(*) 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.

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Notes to the Consolidated Financial Statements (cont.)**9. Other expenses**

	<u>Current year</u>	<u>Previous year</u>
Loss from liquidation of fixed assets	-	30.488.024.437
Expenses on ineffective investment	60.275.272.377	53.549.027.220
Other expenses	83.172.976.104	51.681.405.669
Total	143.448.248.481	135.718.457.326

10. Deferred income tax

	<u>Current year</u>	<u>Previous year</u>
Deferred income tax arising from temporarily taxable differences	401.857.360	378.551.308
Deferred corporate income tax arising from reversal of deferred income tax assets	2.726.699.371	649.455.776
Gain from deferred income tax arising from temporarily deductible differences	(9.656.657.577)	(10.069.695.226)
Gain from deferred income tax arising from reversal of deferred income tax payable	(3.658.171.903)	(3.014.800.908)
Total	(10.186.272.749)	(12.056.489.050)

11. Earnings per share**11a. 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	507.884.325.371	389.740.169.371
Appropriation for bonus and welfare funds	(25.394.216.269)	(19.487.008.469)
Appropriation for funds of the Board of Management, Executive Officers and Control Board	(15.236.529.761)	(9.743.504.234)
Increases/ (decreases) in accounting profit used to determine profit distributed to ordinary equity holders	-	-
Profit used to calculate basic earnings per share and diluted earnings per share	467.253.579.341	360.509.656.668
The average number of ordinary shares outstanding during the year	238.178.586	179.432.281
Basic earnings per share	1.962	2.009
Diluted earnings per share	1.962	2.009

11b. Other information

There is no transaction over the common share or potential common share from the balance sheet date until the date of these Consolidated Financial Statements.

12. Operating costs

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	318.575.461.214	270.889.209.660
Labor	442.535.935.673	383.636.501.165
Depreciation/ (amortization) of fixed assets and goodwill allocated	311.224.396.453	279.812.039.118
External services rendered	2.118.238.076.114	1.961.986.382.007
Other expenses	195.965.076.378	186.723.499.694
Total	3.386.538.945.832	3.083.047.631.644

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VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT**Non-cash transactions**

During the year, the Group has the following non-cash transactions:

	<u>Current year</u>	<u>Previous year</u>
Capital increase from the loans	912.800.000.000	-
Capital increase from share premiums	-	598.102.870.000
Capital increase from loan interests	248.423.432.150	-
Capital contribution to subsidiaries by means of fixed assets	64.340.207.000	-
Capital contribution to subsidiaries by capital contribution to other companies	310.460.943.000	-

VIII. 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

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

	<u>Current year</u>	<u>Previous year</u>
Salary	7.894.365.000	7.218.834.000
Other income	3.135.835.292	2.876.635.294
Total	11.030.200.292	10.095.469.294

1b. Transactions and balances with other related parties

Other related parties of the Group include:

Other related parties	Relationship
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
Gemadept - Terminal Link Cai Mep Terminal J.S.C.	Jointly-controlled entity
"K" Line - Gemadept Logistics Co., Ltd.	Jointly-controlled entity

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

The primary segment report is for the business segment since the organization and management of business operations of the Group are mainly based on their types of services.

2a. Information on business segment

The Group has the major business segments as follows:

- Port operation: including all services related to port operation.
- Logistics: including providing transportation, leasing vehicles, and agency services, etc.;
- Real estate: leasing office and investing in construction of a mixed-use development in Laos.
- Planting rubber trees: including the activities of planting rubber trees in Cambodia.

The information on financial performance, fixed assets, other non-current assets and remarkable non-cash expenses of the business segments of the Group is presented in attached Appendix 03.

2b. Information on geographical segment

The Group's activities are taken place locally and overseas (Southeast Asian countries).

Details of net external sales according to geographical segments based on the locations of customers are as follows:

	<u>Current year</u>	<u>Previous year</u>
Local areas	3.734.737.473.175	3.498.102.149.166
Overseas areas	249.225.203.437	243.566.731.949
Total	3.983.962.676.612	3.741.668.881.115

Details of expenses generated on purchases of fixed assets, other non-current assets and segment assets according to geographical segments, based on the locations of assets are as follows:

	Expenses increased to purchase fixed assets and other non-current assets		Segment assets	
	<u>Current year</u>	<u>Previous year</u>	<u>Ending balance</u>	<u>Beginning balance</u>
Local areas	1.495.214.689.614	779.555.929.869	9.001.471.068.536	7.245.533.194.393
Overseas areas	119.227.610.023	35.748.423.235	1.504.230.338.579	1.915.054.017.170
Total	1.614.442.299.637	815.304.353.104	10.505.701.407.115	9.160.587.211.563

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3. Comparative figures

During the year, the Group retroactively adjusted figures in the Consolidated Financial Statements relevant to the corporate income tax reduction due to the transfer of real estate. Effects of this adjustment on comparative figures in the Consolidated Financial Statements are as follows:

	Code	Unadjusted figures	Adjustments	Adjusted figures
Consolidated Balance Sheet				
Taxes and other receivables from the State	153	10.307.388.289	3.281.420.728	13.588.809.017
Retained earnings	421	1.130.829.670.684	3.281.420.728	1.134.111.091.412

4. Subsequent events

Bright Ocean Logistics Co., Ltd. completed the dissolution procedures in accordance with Notice No. 176597/18 dated 08 March 2018 of Ho Chi Minh City Department of Planning and Investment.

The Group finished transfer 49% of capital contributed at Gemadept Shipping Holding Limited Company and this company was renamed into CJ Gemadept Shipping Holdings Company Limited in accordance with the Business Registration Certificate No. 0314492497 dated 15 March 2018.


The Group finished transfer 50,9% of capital contributed at Gemadept Logistics Holding Company Limited and this company was renamed into CJ Gemadept Logistics Holdings Company Limited in accordance with the Business Registration Certificate No. 0314546921 dated 15 March 2018.

On 28 March 2018, the Group paid dividends of 2016 and special dividends in cash at the rate of 80% of face value.


On 28 March 2018, the Corporation's Board of Management hold a meeting and made the Resolution regarding the business termination and dissolution of Gemadept (S) Pte., Ltd. and Grand Pacific Shipping Pte., Ltd.

Apart from the foresaid events, there is no material subsequent event which is required to adjust figures or disclosures in the Consolidated Financial Statements.

Ho Chi Minh City, 30 March 2018


Pham Quang Huy
Preparer


Nguyen Minh Nguyet
Chief Accountant


Do Van Minh
General Director

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Appendix 01: Increases/ (decreases) of construction-in-progress

Unit: VND

	Beginning balance	Increase during the year	Inclusion into fixed assets during the year	Other decrease	Ending balance
Acquisition of fixed assets	55.309.096.465	596.350.686.349	(255.471.291.298)	-	396.188.491.516
Construction-in-progress	1.768.347.967.329	659.474.573.941	(243.311.098.915)	(122.890.960.473)	2.061.620.481.882
- Rach Chiec Residential Area	51.865.085.825	-	-	(700.000.000)	51.165.085.825
- Pacific Pride Rubber Trees	663.218.247.680	62.794.122.300	(235.859.280)	(21.053.252.560)	704.723.258.140
- Pacific Pearl Rubber Trees	411.358.823.040	27.443.837.220	(407.273.400)	(79.638.618.600)	358.756.768.260
- Pacific Lotus Rubber Trees	466.418.834.560	25.552.733.340	(129.686.220)	(18.909.168.460)	472.932.713.220
- Hau Giang Warehouse	165.588.978.618	98.346.545.114	(224.870.077.304)	(2.209.557.216)	36.855.889.212
- Nam Dinh Vu Port	-	397.279.232.185	(2.726.400.000)	-	394.552.832.185
- Other projects	9.897.997.606	48.058.103.782	(14.941.802.711)	(380.363.637)	42.633.935.040
Total	1.823.657.063.794	1.255.825.260.290	(498.782.390.213)	(122.890.960.473)	2.457.808.973.398

Ho Chi Minh City, 30 March 2018



Nguyen Minh Nguyen
Nguyen Minh Nguyen
 Chief Accountant

Pham Quang Huy
Pham Quang Huy
 Preparer

Do Van Minh
 General Director

GEMADEPT CORPORATION

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

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Appendix 02: Statement on fluctuation in owner's equity

	Capital	Share premiums	Other sources of capital	Exchange difference	Investment and development fund	Other funds	Retained earnings	Benefits of non-controlling shareholders	Total
Beginning balance of the previous year	1,196,219,940,000	2,471,474,474,400	71,797,775,902	35,081,586,984	98,136,497,726	60,260,991,434	1,104,670,659,373	525,365,024,864	5,563,006,950,683
Capital increased during the year	598,102,870,000	(598,102,870,000)	-	-	-	-	-	150,000,000,000	150,000,000,000
Expenses on share issuance to increase capital from share premiums	-	(1,200,000,000)	-	-	-	-	-	-	(1,200,000,000)
Profit during the year	-	-	-	-	-	-	389,740,169,371	53,994,621,647	443,734,791,018
Appropriation for funds	-	-	-	-	32,869,411,961	44,646,317,267	(77,515,779,228)	-	-
Appropriation for bonus and welfare funds	-	-	-	-	-	-	(43,540,020,104)	(1,245,269,422)	(44,785,289,526)
Dividends shared during the year	-	-	-	-	-	-	(239,243,988,000)	(27,638,551,500)	(266,882,539,500)
Disbursement during the year	-	-	-	-	-	(1,426,666,664)	-	-	(1,426,666,664)
Exchange difference	-	-	-	27,450,192,749	-	-	-	-	27,450,192,749
Ending balance of the previous year	1,794,322,810,000	1,872,171,604,400	71,797,775,902	62,531,779,733	131,005,909,687	103,480,642,037	1,134,111,091,412	700,475,825,589	5,869,897,438,760
Beginning balance of the current year	1,794,322,810,000	1,872,171,604,400	71,797,775,902	62,531,779,733	131,005,909,687	103,480,642,037	1,134,111,091,412	700,475,825,589	5,869,897,438,760
Capital increased during the year	1,088,446,760,000	69,660,592,640	-	-	-	-	-	101,264,966,449	1,259,372,319,089
Capital decreased during the year	-	-	-	-	-	-	-	(7,450,450,000)	(7,450,450,000)
Profit during the year	-	-	-	-	-	-	507,884,325,371	73,551,951,503	581,436,276,874
Appropriation for funds	-	-	-	-	12,847,582,553	25,695,165,306	(38,542,747,959)	-	-
Appropriation for bonus and welfare funds	-	-	-	-	-	-	(56,970,275,464)	(1,517,729,892)	(58,488,005,356)
Dividends shared during the year	-	-	-	-	-	-	(432,415,435,500)	(79,694,266,003)	(512,109,701,503)
Disbursement during the year	-	-	-	-	-	(1,119,999,996)	-	-	(1,119,999,996)
Decrease due to sales of subsidiaries	-	-	-	-	(3,346,807,019)	-	-	(35,658,552,098)	(39,005,359,117)
Other decreases	-	-	-	2,980,509,124	-	-	(975,750,636)	(195,150)	2,004,561,338
Ending balance of the current year	2,882,769,570,000	1,941,832,197,040	71,797,775,902	65,512,288,857	140,506,688,321	128,655,807,347	1,113,091,207,224	750,971,550,398	7,094,537,082,089



Nguyễn Minh Nguyệt
Nguyễn Minh Nguyệt
 Chief Accountant

Phạm Quang Huy
Phạm Quang Huy
 Preparer

Do Van Minh
 General Director

GEMADEPT CORPORATION

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Appendix 03: Segment information according to the business segments

Unit: VND

Information on the Group's financial performance, fixed assets, other non-current assets and values of remarkable non-cash expenses according to the business segments is as follows:

Current year	Port operation	Logistic services	Trading real estate	Planting rubber trees	Deductions	Total
Net external sales	1,828,668,547.226	2,152,902,070.265	2,392,059,121	-	-	3,983,962,676.612
Net inter-segment sales	375,001,565.554	666,429,779.859	-	1,781,072,724	(1,043,212,418,137)	-
Total net sales	2,203,670,112,780	2,819,331,850,124	2,392,059,121	1,781,072,724	(1,043,212,418,137)	3,983,962,676.612
Segment financial performance	514,129,692,483	17,561,312,295	2,392,059,121	(14,044,363,518)	110,778,181,619	630,816,882,000
Expenses not attributable to segments						(33,393,151,220)
Operating profit						597,423,730,780
Financial income						173,076,431,925
Financial expenses						(145,904,768,287)
Other income						60,614,141,614
Other expenses						(143,448,248,481)
Gain or loss in associates and joint ventures						108,693,530,262
Current income tax	(12,347,091,524)	118,473,651,423	2,566,970,363	-	-	(79,204,813,688)
Deferred income tax						10,186,272,749
Profit after tax						581,436,276,874
Total expenses on acquisition of fixed assets and other non-current assets	1,127,143,245,303	371,508,361,474	-	115,790,692,860	-	1,614,442,299,637
Total depreciation/ (amortization) and allocation of long-term prepayments	180,667,875,048	163,607,836,385	-	190,775,194	-	344,466,486,627
Total remarkable non-cash expenses (except for depreciation/ (amortization) and allocation of long-term prepayments)	-	-	-	-	-	-



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Appendix 03: Segment information according to the business segments (cont.)

Previous year	Port operation	Logistic services	Trading real estate	Planting rubber trees	Deductions	Total
Net: external sales	1.626.468.334.651	2.114.011.309.054	1.189.237.410	-	-	3.741.668.881.115
Net: inter-segment sales	322.450.330.767	437.094.936.301	-	1.781.072.724	(761.326.339.792)	-
Total net sales	1.948.918.665.418	2.551.106.245.355	1.189.237.410	1.781.072.724	(761.326.339.792)	3.741.668.881.115
Segment financial performance	550.004.625.542	165.838.492.439	1.189.237.410	(11.949.235.808)	(13.068.718.892)	692.014.400.691
Expenses not attributable to segments						(33.393.151.220)
Operating profit						658.621.249.471
Financial income						39.239.748.206
Financial expenses						(150.966.297.263)
Other income						19.421.668.898
Other expenses						(135.718.457.326)
Gain or loss in associates and joint ventures						50.128.679.137
Current income tax						(49.048.289.155)
Deferred income tax						12.056.489.050
Profit after tax	(12.909.914.890)	59.431.568.143	3.607.025.884	-	-	443.734.791.018
Total expenses on acquisition of fixed assets and other non-current assets	506.599.717.792	277.431.603.132	-	31.273.032.180	-	815.304.353.104
Total depreciation/ (amortization) and allocation of long-term prepayments	128.577.980.454	148.816.243.781	-	658.543.094	-	278.052.767.329
Total remarkable non-cash expenses (except for depreciation/ (amortization) and allocation of long-term prepayments)	-	-	-	-	-	-



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For the fiscal year ended 31 December 2017

Appendix 03: Segment information according to the business segments (cont.)

The Group's assets and liabilities according to the business segments are as follows:

	Port operation	Logistic services	Trading real estate	Planting rubber trees	Deductions	Total
Ending balance						
Direct assets of segment	4,146,931,845.374	3,392,769,827.332	151,893,467.233	2,814,106,267.176	-	10,505,701,407.115
Unallocated assets						785,515,800.157
Total assets						11,291,217,207.272
Direct liabilities of segment	1,426,404,870.008	1,732,170,373.736	-	969,994,688.299	-	4,128,569,934.043
Unallocated liabilities						68,110,191.140
Total liabilities						4,196,680,125.183
Beginning balance						
Direct assets of segment	3,600,846,470.002	2,609,444,200.536	151,893,467.233	2,798,403,073.792	-	9,160,587,211.563
Unallocated assets						960,613,205.345
Total assets						10,121,200,416.908
Direct liabilities of segment	845,030,376.532	2,180,680,022.149	-	1,130,715,121.702	-	4,156,425,520.383
Unallocated liabilities						94,877,457.765
Total liabilities						4,251,302,978.148


Pham Quang Huy
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