

AUDITOR'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2008 OF
GEMADEPT CORPORATION

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE DIRECTORS

We have audited the accompanying consolidated financial statements for the year ended 2008 of Gemadept Corporation as well as its subsidiaries and associates ("the Group") including the consolidated balance sheet as of 31 December 2008, the consolidated income statement, and the notes to the consolidated financial statements for the fiscal year then ended, which were prepared on 31 March 2009 (from page 10 to page 44).

The preparation and the presentation of these consolidated financial statements are the responsibility of the management of Gemadept Corporation. Our responsibility is to express an opinion on these financial statements based on our audit.

Audit's background

We have conducted our audit in accordance with the Vietnamese Auditing Standards. These standards require that we plan and perform the audit procedures to obtain a reasonable assurance that the consolidated financial statements are free from material mistakes. The audit is developed on the basis of our performing the sampling method as well as applying the necessary examinations and tests of evidences supporting the amounts and the disclosures in the consolidated financial statements. The audit also includes our assessing the company's compliance with the prevailing accounting standards and system, the accounting principles and methods applied, the material estimates and judgments of the company's Directors as well as our evaluating the overall presentation of the consolidated financial statements. We believe that our audit has provided reasonable bases for our opinion.

Auditor's opinion

In our opinion, the consolidated financial statements referred to above give a true and fair view, in all material respects, of the financial position as of 31 December 2008, the business results and the cash flows for the fiscal year then ended of the Group in conformity with the prevailing Vietnamese accounting standards and system as well as other related regulations.

Without qualifying our opinion above, we would like to draw the attention of readers of these consolidated financial statements to the additional provision for devaluation of securities of the year 2007. Because the Group has made an additional provision of VND 23.227.704.161 for the devaluation of some securities sold in the first quarter of 2008, which has been already included into the consolidated financial statements of 2007, the retained earnings brought forward to the year 2008 and the loss from trading securities in 2008 have reduced by the corresponding amount.

This report is made in two languages (Vietnamese and English), both of equal validity. The Vietnamese version will be the original for reference when needed.

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

Bui Van Kha - Deputy General Director
Audit Certificate No. Đ.0085/KTV

Ho Chi Minh City, 08 May 2009

Do Thi Mai Loan - Auditor
Audit Certificate No. Đ.0090/KTV

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 2008

The consolidated financial statements of Gemadept Corporation (Gemadept) for the fiscal year ended 31 December 2008 include the financial statements of Gemadept Corporation (Gemadept) and those of its subsidiaries and associates (herein referred to as “the Group”).

I. OPERATION FEATURES

- 1. Investment form** : Joint stock company.
- 2. Operating field** : Port operation services, transportation and logistic services.
- 3. Main operations** :
 - To invest, to build and to operate sea port, river port, air cargo terminal. To perform all kinds of stevedoring services.
 - To offer multi-modal transport services, to transport passengers and all kinds of cargo including containers, out of gauge cargo by sea, air, river way and inland trucking
 - To provide Logistics services; to build, to operate and to trade all kinds of warehouses, container yard and depot; to provide customs brokerage.
 - To provide shipping agency services, container liner agency services, freight forwarding services, ship's chandler and other related shipping services.
 - To sell, purchase, manage, operate, repair, newly build and charter all types of ocean vessels, river ships, containers, cranes, forklifts and other equipment, materials, spare parts for transportation, port operation and logistics.
 - To manage and man crew members.
 - To undertake direct import and export. To act as petrol trading agency. To exploit mineral.
 - To invest, construct, manage, trade and operate real estates, office buildings, restaurant, café, hotels, resorts, apartments, residential area, trading center and industrial park.
 - To undertake financial investment; to trade stocks; to make financial contribution to banks, securities companies, fund management companies and to involve in other financial activities.
 - To undertake other business activities which are decided by Board of Management in each time period in accordance with the stipulation of law and to be registered with concern authorities.
- 4. Number of subsidiaries** : 11
In which:
Number of subsidiaries consolidated: 07
Number of subsidiaries not consolidated: 04.
In the year 2008, because V.N.M General Transportation Service Co., Ltd., the corporation's subsidiary, has transferred 2% of its capital invested in OOCL Vietnam Co., Ltd., the rate of capital ownership of Gemadept Corporation in this company is 49%. Therefore, in 2008, the amount of investment into OOCL Vietnam Co., Ltd. will be consolidated in the financial statements as a associate in accordance with the method of owner's equity.

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Notes to the consolidated financial statements (cont.)**5. List of subsidiaries consolidated**

<i>Subsidiaries</i>	<i>Address</i>	<i>Proportion of interest</i>	<i>Option</i>
Gemadept (Singapore) Ltd.	70 Shenton way #08 03/04 Marina house, Singapore.	100 %	100 %
Gemadept (Malaysia) Ltd.	4217-4219, 3rd floor, Persiaran Raja, Muda Musa, 4200 Port Klang, Selangor Darul Ehsan, Malaysia.	100 %	100 %
V.N.M General Transportation Service Co., Ltd.	15 th floor, Habour View Tower, No. 35 Nguyen Hue, District 1, Ho Chi Minh City, Vietnam.	100 %	100 %
ISS Gemadept Company	No. 8, Nguyen Hue, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	51 %	51 %
Sinokor Vietnam Co., Ltd.	15 th Floor, Habour View Tower, No. 35 Nguyen Hue, District 1, Ho Chi Minh City, Vietnam.	51 %	51 %
Phuoc Long Port Joint Stock Company	15 th floor, Habour View Tower, No. 35 Nguyen Hue, District 1, Ho Chi Minh City, Vietnam.	100%	100%
Dung Quat International Port Joint Stock Company	56 Hung Vuong Avenue, Quang Ngai City, Vietnam	55%	55%

6. Subsidiaries which have not been consolidated in the consolidated financial statements for the year 2008

<i>Subsidiary</i>	<i>Address</i>	<i>Reason</i>
Gemadept Nhon Hoi International Port Corporation	98 Pham Hung, Ly Thuong Kiet Ward, Quy Nhon City, Binh Dinh Province.	Not yet come into operations
Gemadept Logistics One-member Co., Ltd.	Lot J1, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong Province, Vietnam	Not yet come into operations
Gemadept Vung Tau Joint Stock Company	No. 1/1A Pham Hong Thai, Ward 7, Vung Tau City, Ba Ria Province	Having been proceeding formalities on investment capital contribution and having not yet come into operations
Hoa Sen – Gemadept Logistics and International Port Corporation	No. 05-07, 3/2 Street, Ward 8, Vung Tau City, Ba Ria-Vung Tau Province, Vietnam	Not yet come into operations
Gemadept Infrastructures Development and Investment Construction J.S.C	15th floor, No. 35 Nguyen Hue, District 1, Ho Chi Minh City, Vietnam	Not yet come into operations

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Notes to the consolidated financial statements (cont.)**7. List of associates presented in the consolidated financial statements in accordance with the method of owner's equity**

<i>Associates</i>	<i>Address</i>	<i>Main operations</i>	<i>Rate of ownership</i>
MBN-GMD Vietnam Co., Ltd.	9th floor, Harbour View Tower, No. 35 Nguyen Hue, District 1, Ho Chi Minh City, Vietnam.	Leasing warehouses to exporters of Vietnamese coffee and agricultural products in form of "del-credere" warehouses.	34 %
Vung Tau Commercial Port Joint Stock Company	No. 973, 30 April Street, Ward 11, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam.	Generally trading; providing logistics and bonded warehouse services; providing customs clearance services; ground leveling and construction; exploiting sand, gravels and stones; producing beverages; growing aquatic products; providing real estate brokerage service.	26,78%
Vinh Hao Mineral Water Joint Stock Company	No. 72, 19 April Street, Xuan An Ward, Binh Thuan Province, Vietnam	Producing and trading mineral water	25,75%
Potraco	231 Ngo Quyen, May Chai Ward, Ngo Quyen District, Hai Phong City, Vietnam.	Providing services of transportation, loading and unloading goods of super length and weight, providing yard services; providing transportation services by sea and by road, providing mechanic and equipment processing services for civil-industrial electric devices, trading and building civil-industrial works and electric works of 10kV.	38%
Schenker Gemadept Logistics Vietnam	Lot J2, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong Province, Vietnam	Providing service of shipping transport including domestics one transported by Vietnam flag vessel and multi-modal services.	49%
OOCL Vietnam Co., Ltd.	No. 02 Thi Sach, District 1, Ho Chi Minh City, Vietnam.	Providing services of sea, road, waterway and air transportation; acting as a shipping broker, providing services of arranging, dealing with and supervising shipping agencies and service of calculating shipping freights including local customer and logistic services.	49%
Huyn dai -Merchant Marine Vietnam	Saigon Riverside Building, No. 2A-4A	Providing services of forwarding and shipping	49%

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Notes to the consolidated financial statements (cont.)

<i>Associates</i>	<i>Address</i>	<i>Main operations</i>	<i>Rate of ownership</i>
	Ton Duc Thang Street, District 1, Ho Chi Minh City, Vietnam.	transport.	

8. List of associates presented in the consolidated financial statements in accordance with the historical cost method

<i>Associates</i>	<i>Address</i>	<i>Reason</i>
Qua Cau Vang Trading Co., Ltd.	No. 117 Le Loi, District 1, Ho Chi Minh City, Vietnam.	Not yet come into operations
Nam Hai Port Joint Stock Company	Alley 201, May Chai Ward, Ngo Quyen Street, Ngo Quyen District, Hai Phong City, Vietnam.	Not yet come into operations
Hoa Sen – Gemadept Logistics and International Port Corporation	No. 05-07, 3/2 Street, Ward 8, Vung Tau City, Ba Ria-Vung Tau Province, Vietnam	Not yet come into operations
Truong Tho Tourism and Transportation J.S.C	Block 7, Truong Tho Ward, Thu Duc District, Ho Chi Minh City, Vietnam	Not yet come into operations
Saigon Cargo Service Corporation	A2 Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam	Not yet come into operations

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING**1. Fiscal year**

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

2. Standard currency unit

The items in the financial statements for each entity in the Group are presented on the basis of the currency unit of the country in which that entity has been operating.

The currency unit used in preparation and presentation of the consolidated financial statements is Vietnam dong (VND).

III. ACCOUNTING STANDARDS AND SYSTEM**1. Accounting system**

The consolidated financial statements are made and presented according to the Vietnamese standards and system.

2. Statement on the compliance with the Vietnamese accounting system and standards

The Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and standards in the preparation of these consolidated financial statements.

3. Accounting form

Voucher recording.

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Notes to the consolidated financial statements (cont.)

IV. ACCOUNTING POLICIES

1. Accounting convention

All the consolidated financial statements are prepared in accordance with the historical cost convention.

2. Consolidation bases

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 options that are currently valid or will be transferred should also be taken into consideration.

The business results of a subsidiary are included in the consolidated financial statements from the date of acquisition, which is the date on which the control of the acquired subsidiary is effectively transferred to the buyer. The business results of a subsidiary disposed are included in the consolidated income statement until the date of disposal.

The difference between the investment expenses and the ownership share of the Group in the fair value of the net recognizable assets of the subsidiary as of the acquisition date is recorded as a goodwill.

Intra-group balances in the balance sheet and intra-group transactions and unrealized profits resulting from these transactions are eliminated when the consolidated financial statements are prepared. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

Affiliated companies

Affiliated companies are those in which the Group has significant effects on but not having the control for their financial policies and operations. The consolidated financial statements include profit or loss of the Group in affiliated companies in accordance with the method of owner's equity from the date of having the effects. If the benefit of the Group in the affiliated company's loss is larger than or as equal as the book value of investing expenses, the investing expenses presented in the consolidated financial statements will be zero unless the Group has the obligations to settle for affiliated companies.

Investments in affiliated companies are presented in the consolidated financial statements in accordance with the owner's equity method and are initially recorded at costs.

The difference between the investment expenses and the ownership share of the Group in the fair value of the net recognizable assets of the subsidiary as of the acquisition date is recorded as a goodwill.

Unrealized profit, loss generating from transactions with affiliated companies are excluded correspondingly to an amount belonging to the Group when the consolidated financial statements are made.

3. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates can not exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash.

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4. Inventories

Inventories are recorded at their original costs. Costs include purchasing expenses, processing expenses, and other directly related costs to bring the inventories to the current positions and conditions.

Costs of inventories are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Provision for devaluation of inventories is recognized when the costs are higher than the net realizable values. Net realizable values are the estimated selling prices of inventories less the estimated expenses on product completion and other necessary expenses on product consumption.

5. Trade receivable and other receivable

Trade receivable and other receivable are recognized at the values on supporting documents and invoices. Provisions for bad debts are made on the basis of the evaluation on the possibility to recover each debt.

6. Tangible fixed assets

Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses during the period.

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period.

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	5 - 25
Machinery and equipment	5 - 8
Vehicles	5 - 23
Office equipment	3 - 8

7. Financial leasehold assets

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

Fixed assets under financial lease are depreciated in accordance with the straight-line method over their estimated useful lives. In case it is not sure that the Group will have the ownership over the asset upon the expiry date of the financial lease contract, the fixed asset must be depreciated at the shorter between the lease period and the estimated useful life. The depreciation years of the fixed assets under financial lease are shown in Note IV.6.

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8. Operating leasehold assets

A lease of asset is considered an operating lease in case most of the risks and rewards associated with the ownership of that asset belong to the lessor. The lease expenses are included in operating expenses in accordance with the straight-line method over the leasing period and are not subject to the method of lease payment.

9. Investment property

Investment property is property being land use right, a building or a part of building, infrastructure held by the owner or by the lessee under a financial lease to earn rental or for capital appreciation. Historical cost of investment property includes all the expenses paid by the company or the fair value of other consideration given to acquire the assets at the time of its acquisition or construction.

Subsequent expenses relating to an investment property that have already been recognized should be added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the company.

When the investment property is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period.

Investment properties are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are shown in Note V.15.

10. Intangible fixed assets

Land use right

Land use right includes all the actual expenses related to the land being used such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground leveling, registration fees, etc. During the year, since the land has not been put into use, the land use right was not amortized.

Computer software

Computer software includes all expenses paid by the Group to obtain the accounting program serving the accounting and financial recording and managing. These expenses are amortized in 3 years.

11. Borrowing costs

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

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

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12. Financial investments

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

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

13. Recording joint venture activities

Rewards of the company in the joint control activities and the assets under the joint control are reflected in the financial statements by allocating the shares of the Group in assets, liabilities, income, and expenses into the corresponding items.

14. Long-term prepaid expenses

Financial lease interests

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

Tools

Expenses on tools being put into use (mainly container accessories, steel cable, tires, etc.) are allocated into expenses during the period in accordance with the straight-line method for 2 years.

Other prepaid expenses

Other expenses are allocated according to the time as in the invoices or contracts, or for maximum period of 2 years.

15. Accrued expenses

Accrued expenses are recorded basing on reasonable estimates on the amounts payable for goods and services already used in previous years and quarters.

16. Appropriation for unemployment fund

Unemployment fund is used to pay for severance and unemployment allowances.

The rate of extraction for this fund is 1-3% of the salary fund, which is used as the basis for social insurance payment and is included into the company's expenses during the period. In case that the unemployment fund is not enough for subsidizing resigned employees, the insufficient difference is recorded into expenses.

17. Capital - Funds

The Group's sources of capital include:

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

The Group's funds are extracted and used in line with its Charter.

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18. Treasury stocks

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury stocks and is recorded as a decrease in owner's equity.

19. Dividends

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

20. Corporate income tax

The Group has to pay corporate income tax as follows:

- Parent company (Gemadep Corporation): has to pay corporate income tax at the rate of 28% on the taxable income.
- Subsidiaries:
 - Gemadep (Singapore) Ltd.: is responsible to pay corporate income tax at the rate of 18% on the taxable income.

Gemadep (Malaysia) Ltd.: has to pay corporate income tax at the rate of 20% on taxable income from 500.000 Ringgit Malaysia (MYR) down and 28% on the taxable income over 500.000 MYR.

V.N.M General Transportation Service Co., Ltd.: applying the tax rate of 28% on annual taxable income.

ISS Gemadep Co., Ltd.: applying the tax rate of 28% on taxable income.

Sinokor Vietnam Co., Ltd.: the tax rates of 20% on annual taxable income will be applied in the first 10 years from the date of the company's business commencement and of 28% for the following years. The company is exempted from corporate income tax fully in 2 years from the profit-making year and is reduced 50% in 3 following years.

Phuoc Long Port Joint Stock Company is responsible to pay corporate income tax at the rate of 28% on taxable income.

Gemadep Dung Quat International Port Joint Stock Company is exempted from corporate income tax fully in 4 years from the profit-making year and is reduced 50% in 9 following years.

Corporate income tax during the period includes current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income during the period at the tax rates applied as of the balance sheet date. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

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.

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Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity of the company.

21. Foreign currency translation

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

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

When consolidating the financial statements, the items of the balance sheet and the income statement of the entity in foreign country are converted into Vietnam dong (VND) at the rates ruling as of the balance sheet date. The foreign exchange differences resulting from the conversion of the financial statements of the entity operating in a foreign country are directly recorded into owner's equity in the consolidated balance sheet (i.e. "foreign exchange differences" account) and are only included into financial expenses or financial income when the Group liquidates the net investment.

The exchange rates used as of	31 December 2007:	VND 16.114/USD
		: VND 23.413/EUR
		: VND 10.999/SGD
		: VND 4.839/RM
	31 December 2008:	VND 16.977/USD
		: VND 24.967/EUR
		: VND 12.269/SGD
		: VND 4.900/RM

22. Recognition of sales

Sales of finished goods are recognized when most of risks and benefits associated with the goods ownership are transferred to customers and there are no uncertain factors related to payments, additional costs or sales returns.

Sales of service provision are recognized when there are no uncertain factors related to payments or additional costs. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date.

Interests, dividends and profit shared are recognized when the Group is able to gain economic benefits from the transactions and the revenue is determined rather reliably. Interests are recorded based on the term and the interest rates applied for each period. Dividends and profit shared are recognized when the shareholders or the investors have the rights to receive dividends or profit from the capital contribution.

23. Related parties

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

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

	Ending balance	Beginning balance
Cash on hand	9.697.568.294	15.545.928.541
Cash in bank	148.956.429.300	260.208.796.774
Cash in transit	13.500.000.000	-
Total	172.153.997.594	275.754.725.315

2. Short-term investments

	Ending balance	Beginning balance
Stocks	213.833.786.921	184.710.798.218
Certificates of Prudential Investment Fund	4.778.730.000	6.283.000.000
Certificate of Securities Investment Fund of Vietnam	1.118.338.625	14.158.800.000
Under-1-year deposits	8.026.401.136	34.949.930.000
Total	227.757.256.682	240.102.528.218

3. Provisions for devaluation of short-term investments

The provision for devaluation of investments in stocks is determined by the differences between the net realizable values (the market prices as of 31 December 2008) and the historical costs on the accounting book.

4. Receivable from customers

	Ending balance	Beginning balance
Parent company - Gemadept (Vietnam)	140.189.985.788	113.359.434.303
Gemadept (Singapore) Ltd.	34.561.345.916	26.165.477.104
Gemadept (Malaysia) Ltd.	10.837.168.300	15.615.840.120
OOCL Vietnam Co., Ltd.	-	3.977.353.000
Sinokor Vietnam Co., Ltd.	2.993.190.968	10.711.297.710
Phuoc Long Port Co., Ltd.	57.119.258.401	58.571.731.770
Gemadept Dung Quat International Port Joint Stock Company	1.199.865.493	-
Total	246.900.814.866	228.401.134.007

5. Prepayment to suppliers

	Ending balance	Beginning balance
Parent company - Gemadept (Vietnam)	44.287.246.534	31.825.581.527
Gemadept (Singapore) Ltd.	-	-
Phuoc Long Port Co., Ltd.	4.640.400.200	929.809.334
Gemadept Dung Quat International Port Joint Stock Company	76.640.338.600	88.897.476.000
Total	125.567.985.334	121.652.866.861

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	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable of amounts paid on others' behalf to providing agency services	9.316.874.985	31.377.541.742
Receivable from associates and co-operations	59.650.217.919	5.578.120.540
Excessive payment receivable from Hub Shipping Sdn Bhd (Singapore)	-	-
Receivable for capital contribution from FALCON	32.258.712.895	196.770.000.000
Receivable for capital contribution from Truong Tho Transportation Tourist J.S.C.	5.800.000.000	-
Receivable for profit shared by Huynhdai Merchant Marine (Vietnam) Co., Ltd.	1.980.650.057	-
Receivable from Nam Hai Port	21.300.000.000	-
Receivable for trading securities	4.438.921.188	39.716.333.483
Receivable from Phuoc Long Port for salary, insurance and personal income tax paid on this company's behalf	-	8.431.412.987
Receivable of loans given to outsiders	196.996.000	1.284.758.448
Excessive payments receivable	28.537.200	359.635.612
Other receivable	15.026.157.998	19.074.297.129
Total	<u>149.997.068.242</u>	<u>303.512.792.375</u>

7. Provisions for bad debts

	<u>Ending balance</u>	<u>Beginning balance</u>
Ha Noi Ceramic Tiles Company	5.265.000	5.265.000
International Trading and Forwarding Co., Ltd.	96.124.248	96.124.248
Giang Anh Co., Ltd.	-	183.250.000
Ha Hai Transportation Service JSC	84.500.000	84.500.000
Binh An Vegetable Oil Corporation	33.663.006	33.663.006
H.T.N Transportation and Construction Co., Ltd.	161.400.000	161.400.000
Nghia Hung Transportation Company	20.412.000	20.412.000
Nguyen Duc Hung -YML Ha Noi	140.112.750	140.112.750
Sea Supplies Import – Export Joint Stock Company	-	-
Bien Nam A Joint Stock Company	367.500.000	367.500.000
Nguyen Tran International Forwarding Service Co., Ltd.	190.500.000	190.500.000
Phu Tho Agricultural Products Processing Co.	30.700.000	30.700.000
Dong A Co., Ltd.	20.400.000	20.400.000
Vinatrans Regional Container Lines	12.655.566	12.655.566
Accounts receivable from projects	10.600.000	10.600.000
Others	71.783.829	-
Total	<u>1.245.616.399</u>	<u>1.357.082.570</u>

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Notes to the consolidated financial statements (cont.)**8. Inventories**

	Ending balance	Beginning balance
Materials and supplies in stock	11.082.975.358	5.635.665.170
Fuel in stock	364.045.819	287.036.915
Fuel in ships	17.169.349.919	3.457.034.232
Total	28.616.371.096	9.379.736.317

9. Short-term prepaid expenses

	Ending balance	Beginning balance
Expenses on repair of Pacific Express Ship	7.122.481.071	1.084.952.280
Rental of GRAND PACIFIC SHIP	-	2.594.354.000
Tool expenses	4.404.915.259	1.544.676.335
Guarantee fees at HSBC	-	-
Others	3.078.892.514	555.185.600
Total	14.606.288.844	5.779.168.215

10. Taxes and other obligations to the State Budget

	Ending balance	Beginning balance
VAT excessively paid	2.818.236.338	470.597.682
Corporate income tax excessively paid	21.553.887.470	1.563.780.821
<i>OOCL Vietnam Co., Ltd.</i>	-	216.474.000
<i>Phuoc Long Port Co., Ltd.</i>	12.972.347.429	1.347.306.821
<i>V.N.M General Transportation Service Co., Ltd.</i>	1.164.504	-
<i>Gemadept Corporation</i>	8.580.375.537	-
Other taxes	107.800.000	13.178.000
Total	24.479.923.808	2.047.556.503

11. Other current assets

	Ending balance	Beginning balance
Advances	19.190.812.801	12.241.017.897
Deficit assets for treatment	13.432.202	12.841.247
Short-term deposits	88.810.137.758	83.521.313.677
Total	108.014.382.761	95.775.172.821

12. Increases/ (decreases) of tangible fixed assets

The information on the situation of increases/ (decreases) of tangible fixed assets is presented at the Appendix 1.

13. Increases/ (decreases) of financial leasehold assets

Financial leasehold assets are vehicles

	Historical costs	Depreciation	Net book values
Beginning balance	23.890.768.666	4.712.699.575	19.178.069.091
Increases	-	3.981.794.778	
Decreases	-	-	
Ending balance	23.890.768.666	8.694.494.353	15.196.274.313

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

	Land use right	Computer software	Total
Initial costs			
Beginning balance	9.797.658.410	464.467.500	10.262.125.910
Increases	906.555.000	643.464.642	1.550.019.642
<i>New purchases</i>	906.555.000	643.464.642	1.550.019.642
Decreases	-	-	-
Ending balance	10.704.213.410	1.107.932.142	11.812.145.552
Amortization			
Beginning balance	-	144.615.999	144.615.999
Increases	-	283.276.824	283.276.824
<i>Amortization</i>	-	283.276.824	283.276.824
Decreases	-	-	-
Ending balance	-	427.892.823	427.892.823
Net book values			
Beginning balance	9.797.658.410	319.851.501	10.117.509.911
Ending balance	10.704.213.410	680.039.319	11.384.252.729

15. Construction-in-progress

The information on construction-in-progress is presented in the Appendix 2.

16. Increases/ (decreases) of investment property

During the year, the company has temporarily recorded as an increase in investment property for Gemadept Building located at No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City because the company has put it into use since July 2008.

As of the balance sheet date, the company has not been able to determine the fair value of the investment property above. Details as at the year end are as follows:

	Historical costs	Accumulated depreciation	Net book values
Gemadept Building	267.774.752.981	5.355.495.060	262.419.257.921
Ending balance	267.774.752.981	5.355.495.060	262.419.257.921

Investment properties include some real estates leased to the third party. Gains and expenses relating to the activity of leasing investment property are as follows:

	Current year	Previous year
Gains from leasing activity	42.248.575.880	-
Direct expenses relating to earning gains from the activity of leasing	5.355.495.060	-
Direct expenses not relating to earning gains from the activity of leasing	-	-

The investment property has been mortgaged to secure loans from Indovina Bank.

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Notes to the consolidated financial statements (cont.)**17. Investment in subsidiaries**

This item reflects the amounts of investment in subsidiaries. Since these companies have been in the period of carrying out their business activities; the financial statements of these companies have not been consolidated into the financial statements of the Group.

	Ending balance	Beginning balance
Gemadep Nhon Hoi International Port Corp	6.600.000.000	3.850.000.000
Gemadep Logistics One Member Co., Ltd.	25.500.000.000	-
Hoa Sen – Gemadep Logistics and International Port Corporation	33.405.386.260	-
Gemadep Infrastructure Development and Investment J.S.C.	40.034.257.500	-
Total	105.539.643.760	3.850.000.000

18. Investments in associates and affiliated companies

Associates and affiliated companies	Rate of capital ownership		Investment capital
	As in the license	Actually contributed	
Golden Globe Trading Company	45	45	42.761.600.000
Vung Tau Commercial Port Joint Stock Company (VCP)	27	26,78	9.642.000.000
MBN-GMD VIETNAM	34	34	1.534.080.000
Vinh Hao Mineral Water Joint Stock Company	33	25,75	25.357.500.000
Nam Hai Port	30	30	22.500.000.000
Minh Dam Tourist Joint Stock Company	40	38	14.114.608.143
POTRACO	38	38	23.236.200.000
Schenker Gemadep Logistics Vietnam	49	49	11.882.010.000
Huyndai Merchant Marine Vietnam	49	49	2.371.845.000
Truong Tho Transportation Tourist J.S.C.	26	26	15.600.000.000
Saigon Cargo Service Corporation	23	23	18.600.000.000
OOCL Vietnam Co., Ltd.	49	49	3.848.541.000
Others			13.290.000.000
Gains from associates upon consolidation			21.580.129.067
Total			226.318.513.210

19. Other long-term investments

	Ending balance	Beginning balance
Investments in stocks	404.908.709.600	622.951.210.188
Investments in bonds and debentures	1.119.000.000	510.000.000
Other long-term investments	18.160.901.494	18.147.052.089
Total	424.188.611.094	641.608.262.277

20. Provision for devaluation of long-term investments

The provision for devaluation of investments in stocks is determined by the differences between the net realizable values (the market prices as at 31 December 2008) and the historical costs on the accounting book.

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Notes to the consolidated financial statements (cont.)**21. Long-term prepaid expenses**

	Ending balance	Beginning balance
Parent company - Gemadept (Vietnam)	18.232.104.934	6.335.755.368
Gemadept (Malaysia) Ltd.	139.650.000	137.911.500
OOCL Vietnam Co., Ltd.	-	775.318.000
Sinokor Vietnam Co., Ltd.	92.100.191	305.457.311
Phuoc Long Port Co., Ltd.	1.277.366.164	137.911.500
Gemadept Dung Quoc International Port	284.639.292	-
ISS Gemadept Co.	557.662.342	-
Total	20.583.522.923	7.688.151.585

22. Deferred income tax assets

Deferred income tax assets are related to the deductible temporary differences.

23. Other long-term assets

	Ending balance	Beginning balance
Deposits to service providers for office and house rental	507.790.697	715.709.379
Deposits at airlines to guarantee the payment of freights	1.867.470.000	1.450.260.000
Deposit for ship chartering	-	32.228.000.000
Deposits at the overseas banks (Malaysia) to guarantee the use of credit facilities	30.000.000	30.000.000
Other long-term deposits	20.000.000	20.000.000
Total	2.425.260.697	34.443.969.379

24. Short-term debts and loans

	Ending balance	Beginning balance
Parent company - Gemadept (Vietnam)	39.080.883.828	20.388.731.082
Gemadept (Singapore) Ltd.	139.460.569.714	39.564.744.878
Gemadept Dung Quoc International Port	5.700.000.000	5.000.000.000
Total	184.241.453.542	64.953.475.960

25. Payable to suppliers

	Ending balance	Beginning balance
Parent company - Gemadept (Vietnam)	148.835.459.054	144.564.086.097
Gemadept (Singapore) Ltd.	87.330.742	-
Gemadept (Malaysia) Ltd.	10.874.222.100	14.582.089.389
OOCL Vietnam Co., Ltd.	-	226.000
Sinokor Vietnam Co., Ltd.	473.502.961	4.188.385.058
Phuoc Long Port Co., Ltd.	85.506.903.800	60.733.487.948
Gemadept Dung Quoc International Port	10.393.733.148	109.725.000
Total	256.171.151.805	224.177.999.492

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Notes to the consolidated financial statements (cont.)**26. Advances from customers**

	Ending balance	Beginning balance
Parent company - Gemadept (Vietnam)	21.790.662.239	27.075.031.299
Sinokor Vietnam Co., Ltd.	-	7.087.142
Total	21.790.662.239	27.082.118.441

27. Taxes and other obligations to the State Budget

	Ending balance	Beginning balance
VAT on local sales	1.525.383.441	1.064.830.274
Corporate income tax	2.437.734.439	31.214.967.528
Personal income tax	2.370.537.006	3.591.934.556
Other taxes	7.775.762.955	3.569.689.772
<i>In which:</i>	-	-
<i>- License duty</i>	-	(3.500.000)
Total	14.109.417.841	39.441.422.130

Corporate income tax

See Note IV.19.

28. Payable to employees

This item includes salaries, allowances, bonuses, etc. payable to employees.

29. Accrued expenses

	Ending balance	Beginning balance
Goods circulation expenses	4.827.478.316	23.012.779.605
<i>Loading and storage expenses</i>	<i>4.750.906.888</i>	<i>22.207.086.862</i>
<i>Transportation expenses</i>	<i>76.571.428</i>	<i>805.692.743</i>
Warehousing and office rentals	-	467.889.300
Ship chartering	10.975.833.375	-
Salaries for employees of ships	271.632.000	-
Insurance on ships	-	-
Telephone, power and water charges	-	200.292.414
Repairing expenses	17.250.000	396.906.359
Loan interest expenses	3.212.507.500	2.300.000.000
Port dues	77.532.170	1.718.182
Compensations	456.309.313	-
Others	15.943.575.925	14.478.906.231
Total	35.782.118.599	40.858.492.091

30. Other payable

	Ending balance	Beginning balance
Trade Union's expenditure	3.690.413.116	2.056.815.255
Social insurance	1.515.566.990	2.061.759
Health insurance	3.174.000	-
Dividends payable	12.428.043.500	74.483.000
Unearned revenue	-	-

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Notes to the consolidated financial statements (cont.)

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits and mortgages received	5.436.148.000	4.872.000.000
Excessive assets for treatment	1.534.687.654	2.043.764.310
Other payable	116.934.725.143	108.395.324.450
- <i>Amounts received on others' behalf payable</i>	84.408.106.325	86.629.821.633
- <i>Sales of goods at ports payable to the State</i>	1.716.241.909	1.716.241.909
- <i>Payable to ship owners</i>	486.122.100	470.296.947
- <i>Payable of associates</i>	21.673.442.695	-
- <i>Other payable</i>	8.650.812.114	19.578.963.961
Total	<u>141.542.758.403</u>	<u>117.444.448.774</u>

31. Provisions for short-term accounts payable

	<u>Beginning balance</u>	<u>Increases due to extraction during the year</u>	<u>Ending balance</u>
Provisions for accounts payable relating to compensations during transportation period:			
- <i>Thuduc Electro-Mechanical Company : the electric generator fell into the sea during the transportation process</i>	4.127.690.538	-	4.127.690.538
- <i>Geodis Wilson Vietnam: setting wrong temperature in the container causing effects on the quality of the cargo</i>	-	5.965.960.405	5.965.960.405
- <i>Others</i>	-	1.648.316.717	1.648.316.717
Total	<u>4.127.690.538</u>	<u>7.614.277.122</u>	<u>11.741.967.660</u>

32. Other long-term accounts payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Receipt of deposit to rent warehouse of Lever Vietnam according to the contract on leasing assets No. 18/WH/GMD-LVN/2005 dated 14 March 2005.	101.640.000	101.640.000
Deposits for ship chartering	-	31.651.800.302
Receipt of deposit to lease Gemadept Building located at No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	25.612.873.302	-
Total	<u>25.714.513.302</u>	<u>31.753.440.302</u>

33. Long-term debts and loans

	<u>Ending balance</u>	<u>Beginning balance</u>
Parent company - Gemadept (Vietnam)	248.830.638.478	150.564.928.341
Gemadept (Singapore) Ltd.	293.749.869.974	156.043.362.950
Gemadept Dung Quoc International Port	215.163.698.795	94.205.902.471
Total	<u>757.744.207.247</u>	<u>400.814.193.762</u>

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Notes to the consolidated financial statements (cont.)**34. Owner's equity*****Statement of fluctuations in owner's equity***

The information on fluctuations in owner's equity is presented at Appendix 3.

Details of owner's equity

	Ending balance	Beginning balance
State capital	80.403.270.000	80.403.270.000
Capital contributed by other shareholders	394.596.730.000	394.596.730.000
Share premiums	1.366.907.462.400	1.366.907.462.400
Other sources of capital	71.797.775.902	71.797.775.902
Total	1.913.705.238.302	1.913.705.238.302

Dividends

During the year, the parent company has paid dividends of the previous year for the total amount of VND 58.896.439.500.

Shares

	Ending balance	Beginning balance
Number of shares registered to be issued	47.500.000	47.500.000
Number of shares already sold to the public	47.500.000	47.500.000
- <i>Common shares</i>	47.500.000	47.500.000
- <i>Preferred shares</i>	-	-
Number of shares repurchased	-	-
- <i>Common shares</i>	-	-
- <i>Preferred shares</i>	-	-
Number of outstanding shares	47.500.000	47.500.000
- <i>Common shares</i>	47.500.000	47.500.000
- <i>Preferred shares</i>	-	-

Face value per outstanding share: VND 10.000.

Purposes of appropriation for financial reserved fund

Financial reserved fund is used to:

- Compensate losses, damages of assets and accounts receivable unable to be recovered during the operations;
- Compensate the losses according to the decision of the Board of Management.

35. Bonus and welfare funds

	Beginning balance	Increase due to extraction from profit	Other increases	Disbursement during the year	Ending balance
Bonus fund	10.010.819.043	3.095.998.973	82.186.689	(8.904.951.536)	4.284.053.169
Welfare fund	2.150.833.476	3.095.998.974	3.008.665	(4.263.717.808)	986.123.307
Fund for training	163.178.782	-	-	(113.000.000)	50.178.782
Production encouraging and reward fund	505.584.000	-	-	-	505.584.000
Assistance fund	21.411.693	-	2.000.000	(2.000.000)	21.411.693
Total	12.851.826.994	6.191.997.947	87.195.354	(13.283.669.344)	5.847.350.951

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Notes to the consolidated financial statements (cont.)**36. Interest of minority shareholders**

	<u>Ending balance</u>	<u>Beginning balance</u>
Investment capital returned to minority shareholders	17.008.881.900	13.893.702.900
Profits payable to minority shareholders	5.796.679.122	16.090.271.283
Total	22.805.561.022	29.983.974.183

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

	<u>Current year</u>	<u>Previous year</u>
Parent company - Gemadept (Vietnam)	1.573.790.767.425	806.269.485.907
Subsidiaries	339.133.948.794	365.647.797.116
Total	1.912.924.716.219	1.171.917.283.023

2. Costs of goods sold

	<u>Current year</u>	<u>Previous year</u>
Parent company - Gemadept (Vietnam)	1.342.242.393.712	695.364.369.372
Subsidiaries	244.532.510.750	248.351.307.345
Total	1.586.774.904.462	943.715.676.717

3. Financial income

	<u>Current year</u>	<u>Previous year</u>
Gains from investments in securities	31.505.547.327	97.854.120.760
Gains from capital contribution in joint ventures	27.916.345.080	5.344.132.772
Interests on bonds and deposits	1.513.239.433	634.926.016
Interest on demand deposits	3.377.323.615	9.011.869.779
Interest on time deposits	2.068.726.742	36.159.717.771
Dividends and profits shared	24.744.864.537	16.772.780.041
Unrealized exchange gains	13.404.170.416	1.938.235.647
Realized exchange gains	20.194.575.833	2.733.471.191
Gains from the liquidation of the capital contribution into Healthy Falcon Ship	16.736.849.405	-
Others	-	25.020.272.353
Total	141.461.642.388	195.469.526.330

4. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	59.937.423.125	32.281.303.869
Interests on financial leases	2.289.174.068	1.234.301.465
Unrealized exchange loss	20.259.824.238	234.118.345
Realized exchange loss	14.117.041.552	3.576.416.137
Loss from investment in securities	214.504.171.263	4.510.263.466
Provisions for short-term and long-term investments	207.876.993.282	63.956.894.720
Others	61.328.400	160.021.449
Total	519.045.955.927	105.953.319.451

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Notes to the consolidated financial statements (cont.)**5. Selling expenses**

Materials	8.753.544	-
Other cash expenses	741.641.409	172.955.788
Total	750.394.953	172.955.788

6. Administrative overheads

	Current year	Previous year
Salary of office staff	47.308.612.159	47.426.386.533
Materials	1.605.761.554	382.022.260
Office supplies	2.184.125.074	608.988.698
Depreciation of fixed assets	8.944.675.908	3.520.322.419
Taxes, fees and legal fees	281.455.003	1.030.520.016
Provisions	1.015.346.789	694.485.962
External service rendered	17.900.228.592	10.082.016.398
Other cash expenses	25.061.504.904	35.535.314.367
Total	104.301.709.983	99.280.056.653

7. Other income

	Current year	Previous year
Treatment of outstanding debts of shipping and container agents	-	3.221.532
Liquidation of fixed assets	50.181.818	1.028.558.553
Receipts of compensations	3.968.097.325	1.810.243.323
Bonuses from customers	377.313.624	65.837.404
Others	901.474.625	48.432.768.997
Total	5.297.067.392	51.340.629.809

8. Other expenses

	Current year	Previous year
Net book values of liquidated fixed assets	21.308.026	516.463.281
Consulting fee on the establishment of Canh Bay Viet Airport J.S.C.	1.160.040.600	-
Fines for contract violation	97073046	-
Additional payments for taxes according to tax assessment	3.265.021	254.965.562
Goods compensation	8.567.522.570	8.861.728.615
Others	714.833.625	289.873.992
Total	10.564.042.888	9.923.031.450

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Notes to the consolidated financial statements (cont.)**9. Earning per share**

	Current year	Previous year
Accounting profit after corporate income tax	(166.983.786.725)	202.684.620.310
Increase/(decrease) of accounting profit to determine profit attributable to holders of ordinary shares	-	-
Profit attributable to holders of ordinary shares	(166.983.786.725)	202.684.620.310
Average ordinary shares outstanding during the year	47.500.000	44.748.571
Earning per share	(3.515)	4.529

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

	Current year	Previous year
Ordinary shares outstanding at the beginning of the year	47.500.000	34.523.123
Effects of the issued ordinary shares	-	10.225.448
Average ordinary shares outstanding during the year	47.500.000	44.748.571

10. Operating expenses

	Current year	Previous year
Materials and supplies	399.832.840.206	108.828.472.006
Labor	139.652.116.115	102.160.586.023
Depreciation of fixed assets	119.842.582.764	101.808.406.276
External service rendered	843.541.742.333	628.081.399.418
Other expenses	188.957.727.980	96.456.191.160
Total	1.691.827.009.398	1.037.335.054.883

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

During the year, non-cash transactions are as follows:

	Current year	Previous year
Acquisition of fixed assets by means of receiving liabilities	61.793.402.749	40.034.723.653
Contributing capital into Phuoc Long Port Co., Ltd. by means of assets	-	48.251.553.864
Capital increases from retained earnings	-	6.852.587.253
Total	61.793.402.749	95.138.864.770

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2008

Notes to the consolidated financial statements (cont.)

VIII. OTHER INFORMATION**Contingent assets and liabilities**

The company has signed a contract with Marine Materials Import Export Co. to transfer the right to use the land lot of 1.112,60 m² of land and the assets attached to the land located at No. 276A Da Nang, Ngo Quyen District, Hai Phong City according to the transfer contract No. 12/2007/HDCN dated 30 August 2007. However, Marine Materials Import Export Co. has now been in their dissolution process and has not yet proceeded the formalities of the transfer the use right of the said land lot to the company. At present, the final decision for this matter has not been reached yet; however, perhaps the company will have to pay the amount of related taxes to have the ownership of the above land lot.

Ho Chi Minh City, 31 March 2009

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Accountant in charge

Do Van Minh
General Director

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2008

CONSOLIDATED BALANCE SHEET**As of 31 December 2008**

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		975.557.342.580	1.258.781.838.322
I. Cash and cash equivalents	110		172.153.997.594	275.754.725.315
1. Cash	111	V.1	158.653.997.594	275.754.725.315
2. Cash equivalents	112		13.500.000.000	-
II. Short-term investments	120		91.315.414.965	203.305.865.250
1. Short-term investments	121	V.2	227.757.256.682	240.102.528.218
2. Provisions for devaluation of short-term investments in securities	129	V.3	(136.441.841.717)	(36.796.662.968)
III. Accounts receivable	130		521.220.252.044	652.209.710.673
1. Receivable from customers	131	V.4	246.900.814.866	228.401.134.007
2. Prepayments to suppliers	132	V.5	125.567.985.334	121.652.866.861
3. Short-term inter-company receivable	133		0	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Other receivable	138	V.6	149.997.068.243	303.512.792.375
6. Provisions for bad debts	139	V.7	(1.245.616.399)	(1.357.082.570)
IV. Inventories	140		28.616.371.096	9.379.736.317
1. Inventories	141	V.8	28.616.371.096	9.379.736.317
2. Provisions for devaluation of inventories	149		-	-
V. Other current assets	150		162.251.306.882	118.131.800.768
1. Short-term prepaid expenses	151	V.9	14.606.288.844	5.779.168.215
2. VAT to be deducted	152		15.150.711.470	14.529.903.229
3. Taxes and other accounts receivable from the State	154	V.10	24.479.923.807	2.047.556.503
4. Other current assets	158	V.11	108.014.382.761	95.775.172.821

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

For the fiscal year ended 31 December 2008

Consolidated balance sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		2.568.599.967.038	2.027.754.981.285
I. Long-term accounts receivable	210		-	-
1. Long-term accounts receivable from customers	211		-	-
2. Long-term inter-company receivable	212		-	-
3. Other long-term receivable	213		-	-
4. Provisions for bad debts	219		-	-
II. Fixed assets	220		1.661.821.240.963	1.178.670.486.993
1. Tangible assets	221	V.12	1.311.736.609.650	967.645.674.970
<i>Historical costs</i>	222		1.760.094.977.018	1.304.869.143.128
<i>Accumulated depreciation</i>	223		(448.358.367.368)	(337.223.468.158)
2. Financial leasehold assets	224	V.13	15.196.274.313	19.178.069.091
<i>Historical costs</i>	225		23.890.768.666	23.890.768.666
<i>Accumulated depreciation</i>	226		(8.694.494.353)	(4.712.699.575)
3. Intangible assets	227	V.14	11.384.252.729	10.117.509.911
<i>Initial costs</i>	228		11.812.145.552	10.262.125.910
<i>Accumulated amortization</i>	229		(427.892.823)	(144.615.999)
4. Construction-in-progress	230	V.15	323.504.104.271	181.729.233.021
III. Investment property	240	V.16	262.419.257.921	-
Historical costs	241		267.774.752.981	-
Accumulated depreciation	242		(5.355.495.060)	-
IV. Long-term investments	250		620.106.937.664	792.951.115.733
1. Investments in affiliates	251	V.17	105.539.643.760	3.850.000.000
2. Investments in business concerns and joint ventures	252	V.18	226.318.513.210	175.200.869.323
3. Other long-term investments	258	V.19	424.188.611.094	641.608.262.277
4. Provisions for devaluation of long-term investments in securities	259	V.20	(135.939.830.400)	(27.708.015.867)
V. Goodwill	260		-	-
VI. Other long-term assets	270		24.252.530.490	56.133.378.559
1. Long-term prepaid expenses	271	V.21	20.583.522.923	7.688.151.585
2. Deferred income tax assets	272	V.22	1.243.746.870	14.001.257.595
3. Other long-term assets	278	V.23	2.425.260.697	34.443.969.379
TOTAL ASSETS	270		3.544.157.309.619	3.286.536.819.606

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

For the fiscal year ended 31 December 2008

Consolidated balance sheet (cont.)

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
A - LIABILITIES	300		1.485.208.905.413	972.812.643.323
I. Current liabilities	310		688.815.603.129	532.547.438.497
1. Short-term debts and loans	311	V.24	184.241.453.542	64.953.475.960
2. Payable to suppliers	312	V.25	256.171.151.805	224.177.999.492
3. Advances from customers	313	V.26	21.790.662.239	27.082.118.441
4. Taxes and other obligations to the State Budget	314	V.27	14.109.417.841	39.444.922.130
5. Payable to employees	315	V.28	23.436.073.041	14.458.291.071
6. Accrued expenses	316	V.29	35.782.118.599	40.858.492.091
7. Inter-company payable	317		(0)	-
8. Payable according to the progress of construction contracts	318		-	-
9. Other short-term payable	319	V.30	141.542.758.403	117.444.448.774
10. Provisions for short-term accounts payable		V.31	11.741.967.660	4.127.690.538
II. Long-term liabilities	320		796.393.302.284	440.265.204.826
1. Long-term accounts payable to suppliers	321		-	-
2. Long-term inter-company payable	322		-	-
3. Other long-term payable	323	V.32	25.714.513.302	31.753.440.302
4. Long-term debts and loans	324	V.33	757.744.207.247	400.814.193.762
5. Deferred income tax payable	325		10.940.703.745	7.198.920.468
6. Provisions for unemployment allowances	336		1.993.877.990	498.650.294
7. Provisions for long-term accounts payable	337		-	-
B - OWNER'S EQUITY	400		2.036.142.843.182	2.283.740.202.100
I. Owner's equity	410		2.030.295.492.231	2.270.888.375.106
1. Capital	411	V.34	475.000.000.000	475.000.000.000
2. Share premiums	412	V.34	1.366.907.462.400	1.366.907.462.400
3. Other sources of capital	413	V.34	71.797.775.902	71.797.775.902
4. Treasury stocks	413		-	-
5. Differences on asset revaluation	414		-	-
6. Foreign exchange differences	415		7.985.841.555	907.009.938
7. Business promotion fund	416		-	-
8. Financial reserved fund	417	V.34	13.410.665.221	7.218.667.273
9. Other funds	418	V.34	13.320.100.315	6.971.403.599
10. Retained earnings	419	V.34	81.873.646.838	342.086.055.994
11. Construction investment fund	421		-	-
II. Other sources and funds	420		5.847.350.951	12.851.826.994
1. Bonus and welfare funds	421	V.35	5.847.350.951	12.851.826.994
2. Sources of expenditure	422		-	-
3. Fund to form fixed assets	423		-	-
C - INTEREST OF MINORITY SHAREHOLDERS	500	V.36	22.805.561.022	29.983.974.183
TOTAL LIABILITIES AND OWNER'S EQUITY	430		3.544.157.309.619	3.286.536.819.606

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

For the fiscal year ended 31 December 2008

Consolidated balance sheet (cont.)**OFF-BALANCE SHEET ITEMS**

ITEMS	Note	Ending balance	Beginning balance
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Goods deposited by others		-	-
4. Bad debts already treated		519.867.556	519.867.556
5. Foreign currencies:			
USD		2.188.120,64	1.952.477,02
EUR		272.866,12	202.785,90
SGD		1.941.389,00	6.871.187,00
MYR		1.209.430,00	2.641.227,00
6. Estimates for operating expenses		-	-

Ho Chi Minh City, 31 March 2009

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Accountant in charge

Do Van Minh
General Director

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2008

CONSOLIDATED CASH FLOW STATEMENT**(Indirect method)****Year ended 2008**

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		(145.096.874.110)	264.605.819.809
2. Adjustments				
- Depreciation of fixed assets	02		119.969.549.770	102.275.649.409
- Provisions	03		215.379.804.233	68.702.969.312
- Gain/ (loss) from foreign exchange differences	04		14.123.423.580	(14.956.733.086)
- Gain/ (loss) from investing activities	05		111.149.765.547	(211.144.601.063)
- Loan interest expenses	06		59.937.423.125	32.281.303.869
3. Operating profit before changes of working capital	08		375.463.092.144	241.764.408.250
- Increase/ (decrease) of accounts receivable	09		192.829.807.378	(430.935.961.954)
- Increase/ (decrease) of inventories	10		(19.236.634.779)	(3.768.184.247)
- Increase/ (decrease) of accounts payable	11		580.962.315	148.072.554.522
- Increase/ (decrease) of prepaid expenses	12		(21.722.491.967)	(1.106.350.439)
- Loan interest already paid	13		(56.724.915.625)	(30.071.303.869)
- Corporate income tax already paid	14		(52.871.466.750)	(38.749.319.670)
- Other gains	15		145.502.116.395	322.139.979.692
- Other disbursements	16		(212.098.807.997)	(231.002.013.741)
Net cash flows from operating activities	20		351.721.661.115	(23.656.191.456)
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(819.050.944.523)	(750.185.651.481)
2. Gains from disposal, liquidation of fixed assets and other long-term assets	22		50.181.818	162.223.688.118
3. Loan given and purchases of debt instruments of other entities	23		(17.477.445.779)	(32.720.873.000)
4. Recovery of loans given and disposals of debt instruments of other entities	24		44.900.974.643	
5. Investment into other entities	25		(539.477.504.641)	(729.407.506.546)
6. Withdrawals of investments in other entities	26		370.557.582.768	
7. Receipts of loan interests, dividends and profit shared	27		114.086.438.284	72.392.079.459
Net cash flows from investing activities	30		(846.410.717.430)	(1.277.698.263.450)

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

For the fiscal year ended 31 December 2008

Consolidated cash flow statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
1. Gains from stock issuance and capital contributions from shareholders	31		-	1.455.697.557.150
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	
3. Short-term and long-term loans received	33		551.274.229.744	604.285.902.471
4. Loan principal amounts repaid	34		(93.087.000.000)	(511.517.980.924)
5. Payments for financial leasehold assets	35		(5.388.731.082)	(5.982.733.566)
6. Dividends and profit already paid to the owners	36		(58.896.439.500)	(41.503.783.400)
7. Dividends and profit already paid to minority shareholders			(9.002.147.620)	(10.572.099.370)
<i>Net cash flows from financing activities</i>	40		384.899.911.542	1.490.406.862.361
Net cash flows during the year	50		(109.789.144.773)	189.052.407.455
Beginning cash and cash equivalents	60	V.1	275.754.725.315	103.897.171.188
Effects of fluctuation in foreign exchange rates	61		6.188.417.052	(17.194.853.329)
Ending cash and cash equivalents	70	V.1	172.153.997.594	275.754.725.315

Ho Chi Minh City, 31 March 2009

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Accountant in charge

Do Van Minh
General Director

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2008

CONSOLIDATED INCOME STATEMENT**Year ended 2008**

Unit: VND

ITEMS		Code	Note	Current year	Previous year
1.	Sales	01	VI.1	1.912.924.716.219	1.171.917.283.023
2.	Deductions	03	VI.1	-	-
3.	Net sales	10	VI.1	1.912.924.716.219	1.171.917.283.023
4.	Costs of goods sold	11	VI.2	1.586.774.904.462	943.715.676.717
5.	Gross profit	20		326.149.811.757	228.201.606.305
6.	Financial income	21	VI.3	141.461.642.388	195.469.526.074
7.	Financial expenses	22	VI.4	519.045.955.927	105.953.319.451
	In which: Loan interest expenses	23		59.937.423.125	32.281.303.869
8.	Selling expenses	24	VI.5	750.394.953	172.955.788
9.	Administrative overheads	25	VI.6	104.301.709.983	99.280.056.653
10.	Net operating profit/ (loss)	30		(156.486.606.718)	218.264.800.487
11.	Other income	31	VI.7	5.297.067.392	51.340.629.809
12.	Other expenses	32	VI.8	10.564.042.888	9.923.031.450
13.	Other profit/ (loss)	40		(5.266.975.496)	41.417.598.359
14.	Profit from business concerns and joint ventures	50		16.656.708.104	4.923.420.963
15.	Total accounting profit/ (loss) before tax	60		(145.096.874.110)	264.605.819.809

GEMADEPT CORPORATION

Address: 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City

For the fiscal year ended 31 December 2008

Consolidated income statement (cont.)

ITEMS	Code	Note	Current year	Previous year
16. Current corporate income tax	61		5.144.525.629	49.808.162.546
17. Deferred corporate income tax			-	-
			14.918.652.527	(1.944.230.139)
18. Profit/ (loss) after tax	70		<u>(165.160.052.265)</u>	<u>216.741.887.402</u>
18.1. Interest of minority shareholders			1.823.734.459	14.057.267.092
18.2. Profit/ (loss) after tax of parent company's shareholders			(166.983.786.725)	202.684.620.310
19. Earning per share	VI.9		<u>(3.515)</u>	<u>4.529</u>

Ho Chi Minh City, 31 March 2009

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Accountant in charge

Do Van Minh
General Director