

GEMADEPT CORPORATION

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

INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

INTERIM INCOME STATEMENT
(Full form)
For the fiscal year ending 31 December 2010

Unit: VND

	ITEMS	Quarter IV		Accumulated from the beginning of the year	
		Year 2010	Year 2009	Year 2010	Year 2009
1.	Sales	367.476.347.043	328.169.427.008	1.451.770.476.761	1.339.631.761.259
2.	Deductions	-	-	-	-
3.	Net sales	367.476.347.043	328.169.427.008	1.451.770.476.761	1.339.631.761.259
4.	Costs of goods sold	335.737.839.095	343.472.830.230	1.322.819.391.771	1.234.001.142.792
5.	Gross profit	31.738.507.948	(15.303.403.222)	128.951.084.990	105.630.618.467
6.	Financial income	105.284.650.113	68.753.667.438	224.689.059.790	164.002.938.862
7.	Financial expenses	86.556.328.150	(11.440.743.860)	196.029.523.309	(16.554.774.375)
	In which:				
	- Loan interest expenses	19.622.500.571	7.890.546.143	72.475.436.125	35.440.526.735
8.	Selling expenses	250.668.160	2.060.683.503	868.388.435	2.557.919.199
9.	Administrative overheads	21.849.151.143	19.644.710.886	65.246.946.713	65.839.263.808
10.	Net operating profit	28.367.010.608	43.185.613.687	91.495.286.323	217.791.148.697
11.	Other income	9.497.555.192	2.036.449.253	53.981.892.757	10.986.316.238
12.	Other expenses	519.456.060	5.023.390.403	7.001.382.080	10.342.677.171
13.	Other profit	8.978.099.132	(2.986.941.150)	46.980.510.677	643.639.067
14.	Total accounting profit before tax	37.345.109.740	40.198.672.537	138.475.797.000	218.434.787.764
15.	Current corporate income tax	214.980.473	9.823.971.387	11.656.519.819	9.823.971.387
	Deferred corporate income tax	1.326.659.474	1.520.983.543	(627.498.732)	1.520.983.543
16.	Profit after tax	35.803.469.793	28.853.717.607	127.446.775.913	207.089.832.834

Ho Chi Minh City, 20 January 2011

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Chief Accountant

Do Van Minh
General Director

GEMADEPT CORPORATION

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

INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

INTERIM BALANCE SHEET

(Full form)

As of 31 December 2010

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		2.058.510.863.940	756.387.229.322
I. Cash and cash equivalents	110	V.1	263.852.535.893	92.732.327.324
1. Cash	111		94.829.207.697	92.732.327.324
2. Cash equivalents	112		169.023.328.196	-
II. Short-term investments	120		1.027.123.505.566	138.622.560.256
1. Short-term investments	121	V.2	1.102.369.021.562	170.519.121.505
2. Provisions for devaluation of short-term investments	129	V.3	(75.245.515.996)	(31.896.561.249)
III. Accounts receivable	130		626.731.592.847	425.945.946.057
1. Receivable from customers	131	V.4	326.317.427.727	288.625.438.099
2. Prepayments to suppliers	132	V.5	100.469.441.298	4.964.760.644
3. Inter-company receivable	133		-	-
Receivable according to the progress of construction				
4. contracts	134		-	-
5. Other receivable	135	V.6	200.773.783.144	133.184.806.636
6. Provisions for bad debts	139	V.7	(829.059.322)	(829.059.322)
IV. Inventories	140		30.577.584.270	27.856.801.618
1. Inventories	141	V.8	30.577.584.270	27.856.801.618
2. Provisions for devaluation of inventories	149		-	-
V. Other current assets	150		110.225.645.364	71.229.594.067
1. Short-term prepaid expenses	151	V.9	7.619.853.227	2.303.301.804
2. VAT to be deducted	152		-	955.615.844
3. Taxes and other accounts receivable from the State	154		1.440.500	3.000.000
4. Other current assets	158	V.10	102.604.351.637	67.967.676.419

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INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

Interim balance sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		2.735.636.533.598	2.170.738.320.850
I. Long-term accounts receivable	210		37.000.000.000	24.800.000.000
1. Long-term accounts receivable from customers	211		-	-
2. Working capital at affiliates	212		-	-
3. Long-term inter-company receivable	213		-	-
4. Other long-term receivable	218		37.000.000.000	24.800.000.000
5. Provisions for bad debts	219		-	-
II. Fixed assets	220		713.653.264.979	772.945.094.438
1. Tangible assets	221	V.12	653.816.958.651	714.195.090.277
<i>Historical costs</i>	222		1.107.465.742.961	1.122.423.332.013
<i>Accumulated depreciation</i>	223		(453.648.784.310)	(408.228.241.736)
2. Financial leasehold assets	224	V.13	7.266.838.830	11.231.556.573
<i>Historical costs</i>	225		23.890.768.666	23.890.768.666
<i>Accumulated depreciation</i>	226		(16.623.929.836)	(12.659.212.093)
3. Intangible assets	227	V.14	14.935.179.723	19.078.800.335
<i>Initial costs</i>	228		17.104.321.171	20.154.251.867
<i>Accumulated amortization</i>	229		(2.169.141.448)	(1.075.451.532)
4. Construction-in-progress	230	V.15	37.634.287.775	28.439.647.253
III. Investment property	240	V.16	251.094.268.173	262.211.533.407
Historical costs	241		279.448.439.795	278.948.439.795
Accumulated depreciation	242		(28.354.171.622)	(16.736.906.388)
IV. Long-term investments	250		1.686.345.112.409	1.064.962.782.537
1. Investments in affiliates	251	V.17	946.927.512.103	469.809.521.512
2. Investments in business concerns and joint ventures	252	V.18	309.469.472.143	260.856.533.757
3. Other long-term investments	258	V.19	480.003.661.730	368.363.871.494
4. Provisions for devaluation of long-term investments	259	V.20	(50.055.533.567)	(34.067.144.226)
V. Other long-term assets	260		47.543.888.037	45.818.910.468
1. Long-term prepaid expenses	261	V.21	8.024.542.185	7.352.471.254
2. Deferred income tax assets	262	V.22	627.498.732	1.387.027.094
3. Other long-term assets	268	V.23	38.891.847.120	37.079.412.120
TOTAL ASSETS	270		4.794.147.397.538	2.927.125.550.172

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INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

Interim balance sheet (cont.)

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
A - LIABILITIES	300		1.266.855.823.271	840.757.633.849
I. Current liabilities	310		762.451.259.055	605.999.994.920
1. Short-term debts and loans	311	V.24	290.207.732.413	204.618.868.697
2. Payable to suppliers	312	V.25	156.581.773.392	131.292.107.654
3. Advances from customers	313	V.26	4.594.982.223	10.818.608.373
4. Taxes and other obligations to the State Budget	314	V.27	14.642.957.156	6.934.019.243
5. Payable to employees	315	V.28	5.485.274.972	12.895.318.000
6. Accrued expenses	316	V.29	12.541.077.109	37.557.168.343
7. Inter-company payable Payable according to the progress of construction	317		-	-
8. contracts	318		-	-
9. Other payable	319	V.30	271.721.648.456	196.832.455.000
10. Provisions for short-term accounts payable	320	V.31	-	1.648.316.717
11. Bonus and welfare fund	323		6.675.813.335	3.403.132.893
II. Long-term liabilities	330		504.404.564.216	234.757.638.930
1. Long-term accounts payable to suppliers	331		-	-
2. Long-term inter-company payable	332		-	-
3. Other long-term payable	333	V.32	22.620.519.216	24.531.675.907
4. Long-term debts and loans	334	V.33	481.784.045.000	206.672.301.747
5. Deferred income tax payable	335	V.34	-	2.908.010.637
6. Provisions for unemployment allowances	336	V.35	-	645.650.639
7. Provisions for long-term accounts payable	337		-	-
B - OWNER'S EQUITY	400		3.527.291.574.268	2.086.367.916.322
I. Owner's equity	410		3.527.291.574.268	2.086.367.916.322
1. Capital	411	V.36	1.000.000.000.000	475.000.000.000
2. Share premiums	412	V.36	2.169.160.586.400	1.366.907.462.400
3. Other sources of capital	413	V.36	69.388.382.902	69.388.382.902
4. Treasury stocks	414		-	-
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416		2.790.944.659	-
7. Business promotion fund	417		-	-
8. Financial reserved fund	418	V.36	23.765.156.863	13.410.665.221
9. Other funds	419	V.36	20.651.091.956	10.296.600.315
10. Retained earnings	420	V.36	241.535.411.488	151.364.805.484
11. Construction investment fund	421		-	-
II. Other sources and funds	430		-	-
1. Bonus and welfare funds	431	V.37	-	-
2. Sources of expenditures	432		-	-
2. Fund to form fixed assets	433		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		4.794.147.397.538	2.927.125.550.172

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INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

Interim balance sheet (cont.)

Ho Chi Minh City, 20 January 2011

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Chief Accountant

Do Van Minh
General Director

GEMADEPT CORPORATION

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

INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

INTERIM CASH FLOW STATEMENT

(Full form)

(Indirect method)

For the fiscal year ending 31 December 2010

Unit: VND

ITEMS	Code Note	Current year	Previous year
I. Cash flows from operating activities			
1. Profit before tax	01	138.475.797.000	218.434.787.764
2. Adjustments			
- Depreciation of fixed assets	02	94.892.331.831	100.033.089.552
- Provisions	03	57.689.027.371	(191.813.851.890)
- Gain/ (loss) from foreign exchange differences	04	5.539.518.798	(9.625.514.578)
- Gain/ (loss) from investing activities	05	(162.897.702.608)	(3.819.858.356)
- Loan interest expenses	06	72.475.436.125	35.440.526.735
3. Operating profit before changes of working capital	08	206.174.408.517	148.649.179.227
- Increase/ (decrease) of accounts receivable	09	(248.477.581.664)	133.525.306.320
- Increase/ (decrease) of inventories	10	(2.720.782.652)	(10.213.185.013)
- Increase/ (decrease) of accounts payable	11	67.326.880.004	(38.109.102.084)
- Increase/ (decrease) of prepaid expenses	12	(5.988.622.354)	16.875.379.023
- Loan interests already paid	13	(61.057.412.698)	(37.104.922.244)
- Corporate income tax already paid	14	(11.000.000.000)	(180.699.958)
- Other gains	15	184.461.809.930	61.409.593.004
- Other disbursements	16	(127.743.698.531)	(64.002.637.774)
Net cash flows from operating activities	20	975.000.551	210.848.910.501
II. Cash flows from investing activities			
1. Purchases and construction of fixed assets and other long-term assets	21	(38.404.247.095)	(159.830.022.549)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22	8.071.167.904	6.485.019.602
3. Loans given and purchases of debt instruments of other entities	23	-	(2.800.476.881)
4. Recovery of loans given and disposals of debt instruments of other entities	24	-	2.248.060.386
5. Investments into other entities	25	(1.297.870.270.684)	(753.277.170.657)
6. Withdrawals of investments in other entities	26	125.436.651.414	538.341.776.457
7. Receipts of loan interests, dividends and profit shared	27	88.957.296.449	114.503.469.533
Net cash flows from investing activities	30	(1.113.809.402.012)	(254.329.344.109)

GEMADEPT CORPORATION

Address: No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City
 INTERIM FINANCIAL STATEMENTS

ITEMS	Note	Current year	Previous year
III. Cash flows from financing activities			
1. Gains from stock issuance and capital contributions from shareholders	31	1.327.253.124.000	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32	-	-
3. Short-term and long-term loans received	33	1.085.758.006.232	509.498.543.131
4. Loan principal amounts repaid	34	(1.121.844.399.263)	(381.044.735.540)
5. Payments for financial leasehold assets	35	(6.212.120.939)	(5.684.018.216)
6. Dividends and profit already paid to the owners	36	(1.000.000.000)	(82.612.796.900)
<i>Net cash flows from financing activities</i>	40	<u>1.283.954.610.030</u>	<u>40.156.992.475</u>
Net cash flows during the year	50	171.120.208.569	(3.323.441.132)
Beginning cash and cash equivalents	60 V.1	92.732.327.324	95.158.324.826
Effects of fluctuations in foreign exchange rates	61	-	897.443.630
Ending cash and cash equivalents	70 V.1	<u>263.852.535.893</u>	<u>92.732.327.323</u>

Ho Chi Minh City, 20 January 2011

Truong Nhu Nguyen
 Preparer

Nguyen Minh Nguyet
 Chief Accountant

Do Van Minh
 General Director

GEMADEPT CORPORATION

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

INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

Notes to the interim financial statements (cont.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

I. OPERATION FEATURES

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

II. FISCAL YEAR AND STANDARD CURRENCY USED IN ACCOUNTING

- 1. Fiscal year**

The fiscal year of the company is from 01 January to 31 December annually.
- 2. Standard currency unit**

The standard currency unit used is Vietnam Dong (VND).

III. ACCOUNTING SYSTEM AND STANDARDS

- 1. Accounting system**

The financial statements have been prepared and presented in compliance with the Vietnamese accounting system and standards.

GEMADEPT CORPORATION

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

INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

Notes to the interim financial statements (cont.)

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

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

3. Accounting form

General journal recording

IV. ACCOUNTING POLICIES

1. Accounting convention

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

The company's affiliates have their own accounting sections but cannot do the accounts recording independently. The combined financial statements of the whole company are prepared on the basis of the combination of the financial statements of the company's affiliates. Sales and ending balances between affiliates are excluded when the combined financial statements are prepared.

2. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates cannot exceed 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.

3. Inventories

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

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

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

4. Trade receivable and other receivable

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

Provision is made for each bad debt basing on outstanding debt age or estimated loss.

5. 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 corporation 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.

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INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

Notes to the interim financial statements (cont.)

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 & structures	5 - 25
Machinery and equipment	5 - 7
Vehicles	6 - 15
Office equipment	3 - 8

6. Financial leasehold assets

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

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

7. 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 allocated in the company's operating expenses in accordance with the straight-line method over the leasing period and are not subject to the method of lease payment.

8. 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.

GEMADEPT CORPORATION

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INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

Notes to the interim financial statements (cont.)

Investment properties are depreciated in accordance with the straight-line method over their estimated useful lives.

9. 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. The land use right is permanent, so it is not amortized.

Computer software

Computer software includes all the expenses paid by the company until the date the software is put into use. Computer software is amortized in 3 years.

10. 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.

11. Financial investments

Investments into securities, affiliates, associates and jointly-controlled entities 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. Provisions for loss of investments in other economic organizations are made when these organizations suffer from loss (except for the loss as expected in the company's business budgets before making the investments) at the rate equivalent to the rate of capital contribution of the company in these organizations.

When an investment is liquidated, the differences between net liquidation values and book values are recorded into income or expenses during the period. The gain from transferring the right to buy stocks has been recorded as a decrease of the investment.

12. Long-term pre-paid expenses

Designing fee

Designing fee is allocated in accordance with the straight-line method for 2 years.

Financial lease interests

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

13. Accrued expenses

GEMADEPT CORPORATION

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INTERIM FINANCIAL STATEMENTS

For the fiscal year ending 31 December 2010

Notes to the interim financial statements (cont.)

Accrued expenses are recorded, based on reasonable estimates on the amounts payable for goods and services already used during the period.

14. Appropriation for unemployment fund

Unemployment fund is used to pay for severance and unemployment allowances to employees for their working period at the company before 01 January 2009. The rate of extraction for this fund is 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 as guided in the Circular No. 82/2003/TT-BTC dated 14 August 2003 of the Ministry of Finance. In case that the unemployment fund is not enough for subsidizing resigned employees, the insufficient difference is recorded into expenses.

15. Capital and funds

The company's sources of capital include:

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

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

16. Dividends

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

17. Corporate income tax

The company is responsible to pay corporate income tax at the rate of 25 % on the annual taxable income in Vietnam.

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.

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.

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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.

18. Foreign currency translation

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

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

The exchange rates used as of:	31 December 2009 :	17.941 VND/USD
		26.963 VND/EUR
	31 December 2010 :	18.932 VND/USD
		25.945 VND/EUR

19. 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 are recorded based on the term and the interest rates applied for each period. Royalty fees are recognized on the accrual basis in line with the contract signed. Dividends and profit shared are recognized when the shareholders or the investors have the rights to receive dividends or profit from the capital contribution.

20. Related parties

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

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	Ending balance	Beginning balance
Cash on hand	4.576.013.879	6.056.728.672
Cash in bank	88.989.945.569	86.077.597.568
Cash in transit	1.263.248.249	598.001.084
Cash equivalents ^(*)	169.023.328.196	-
Total	263.852.535.893	92.732.327.324

^(*) Under-3-month deposit.**2. Short-term investments**

	Ending balance	Beginning balance
Short-term investments in shares	267.403.947.096	161.059.731.211
PRUBF1	4.778.370.000	4.778.730.000
Time deposit ^(*)	184.686.704.466	4.680.660.294
Investment into Gemadept Terminal – Link	487.500.000.000	
Other investment	158.000.000.000	
Total	1.102.369.021.562	170.519.121.505

^(*) Time deposit in which the period is from over 3 months to less than 1 year**3. Provision for devaluation of short-term investments**

Provision for devaluation of short-term investments in securities.

4. Receivable from customers

	Ending balance	Beginning balance
Receivable for acting as shipping agent	16.521.794.098	11.990.812.451
Receivable for transportation activities	206.946.195.251	122.616.654.035
Receivable for services of asset leasing	10.657.123.004	71.945.961.735
Receivable for services of exploiting port, container yards and other related services	92.192.315.374	82.072.009.878
Total	326.317.427.727	288.625.438.099

5. Prepayment to suppliers

	Ending balance	Beginning balance
Portcoast Consultant Corporation		1.273.160.900
Port and Waterway Engineering Consultants		
JSC (TEDI-port)	1.250.000.000	1.250.000.000
Saigon Xanh Co.	6.848.000.000	-
Galaxy Co.,	38.000.000.000	-
Others	54.371.441.298	2.441.599.744
Total	100.469.441.298	4.964.760.644

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	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable for payments on others' behalf to providing agency services	18.821.310.596	20.314.027.551
Receivable from FALCON	-	152.163.534
Receivable from securities trading	3.500.000.000	3.968.000.000
Others	-	88.000.000
Receivable from subsidiaries, associates and business co-operations	131.245.108.523	80.166.677.929
Estimated receivable from interest on government bonds	-	3.540.000
Others	47.207.364.025	28.492.397.622
Total	<u>200.773.783.144</u>	<u>133.184.806.636</u>

7. Provision for bad debts

	<u>Ending balance</u>	<u>Beginning balance</u>
South Asia Maritime Joint Stock Company	333.125.000	333.125.000
Nguyen Tran International Forwarding Co., Ltd.	190.500.000	190.500.000
H.T.N Transportation and Construction Co., Ltd.	14.091.000	14.091.000
Ha Hai Transportation Services Joint Stock Company	84.500.000	84.500.000
Binh An Edible Oil Company	33.663.006	33.663.006
Nghia Hung Transportation Co., Ltd.	20.412.000	20.412.000
Vinatrans Regional Container Lines	12.655.566	12.655.566
Nguyen Duc Hung (Ha Noi branch)	140.112.750	140.112.750
Total	<u>829.059.322</u>	<u>829.059.322</u>

8. Inventories

	<u>Ending Balance</u>	<u>Beginning Balance</u>
Fuel stored on ships	30.577.584.270	27.856.801.618
Total	<u>30.577.584.270</u>	<u>27.856.801.618</u>

9. Short-term prepaid expenses

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Amortisation</u>	<u>Ending Balance</u>
Expenses on ship repairing	1.541.527.749	23.067.842.517	23.701.591.321	907.778.945
Others	761.774.055	30.917.228.556	24.966.928.329	6.712.074.282
Total	<u>2.303.301.804</u>	<u>53.985.071.073</u>	<u>48.668.519.650</u>	<u>7.619.853.227</u>

10. Other current assets

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	16.205.159.446	14.146.787.783
Short-term deposits and mortgages	86.399.192.191	53.820.888.636
Total	<u>102.604.351.637</u>	<u>67.967.676.419</u>

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Notes to the interim financial statements (cont.)**11. Other long-term receivable**

Capital contribution according to business co-operation contracts includes:

	Ending balance	Beginning balance
Truong Tho Tourism and Transportation J.S.C.	-	5.800.000.000
Song Hang Co., Ltd.	19.000.000.000	19.000.000.000
Indochina Construction and Infrastructure Development J.S.C.	18.000.000.000	-
Total	37.000.000.000	24.800.000.000

12. Increases/ (decreases) of tangible fixed assets

Buildings and structures include:

- The value of land use right of 2 houses at No. 39 and 40 Quang Trung, Da Nang City which has not been determined.
- The value of the right to use leased land of lot at No. 276A Da Nang, Ngo Quyen District, Hai Phong.
- The value of the land use right and assets pertaining to land which have been dismantled to construct Le Thanh Ton High-rise Building in Ben Nghe Ward, District 1, Ho Chi Minh City. The company has stopped depreciating these assets since the date of dismantling.

	Building and structures	Machinery and equipments	Vehicles	Office equipments	Total
Historical Costs					
Beginning Bal.	81.370.179.487	107.611.584.016	921.475.193.868	11.966.374.642	1.122.423.332.013
<i>Increase</i>			<i>26.435.406.621</i>	<i>549.070.304</i>	<i>26.984.476.925</i>
<i>Decrease</i>	<i>5.011.964.653</i>	<i>33.241.600</i>	<i>36.658.926.299</i>	<i>237.933.425</i>	<i>41.942.065.977</i>
Ending Bal.	76.358.214.834	107.578.342.416	911.251.674.190	12.277.511.521	1.107.465.742.961
Depreciation					
Beginning Bal.	32.163.345.291	71.451.539.870	297.226.531.484	7.386.825.091	408.228.241.736
<i>Increase</i>	<i>2.807.904.886</i>	<i>9.242.045.716</i>	<i>63.737.616.513</i>	<i>2.428.991.823</i>	<i>78.216.558.938</i>
<i>Decrease</i>	<i>2.712.208.248</i>	<i>32.679.694</i>	<i>29.760.400.036</i>	<i>290.728.386</i>	<i>32.796.016.364</i>
Ending Bal.	32.259.041.929	80.660.905.892	331.203.747.961	9.525.088.528	453.648.784.310
Net book values					
Beginning Bal.	49.206.834.196	36.160.044.146	624.248.662.384	4.579.549.551	714.195.090.277
Ending Bal.	44.099.172.905	26.917.436.524	580.047.926.229	2.752.422.993	653.816.958.651

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Notes to the interim financial statements (cont.)**13. Increases/ (decreases) of financial leasehold assets**

	Historical costs	Depreciation	Net book values
Beginning balance	23.890.768.666	12.659.212.093	11.231.556.573
Increases	-	3.964.717.743	
Ending balance	23.890.768.666	16.623.929.836	7.266.838.830

14. Increases/ (decreases) of intangible fixed assets

	Land use right	Computer software	Total
Initial cost			
Beginning balance	10.704.213.410	9.450.038.457	20.154.251.867
Increase	-	301.799.304	301.799.304
Decrease	3.351.730.000	-	3.351.730.000
Ending balance	7.352.483.410	9.751.837.761	17.104.321.171
<i>In which:</i>			
Assets fully depreciated but still being in use	-	-	-
Depreciation			
Beginning balance	-	1.075.451.532	1.075.451.532
Depreciation	-	1.093.689.916	1.093.689.916
Ending balance	-	2.169.141.448	2.169.141.448
Net book values			
Beginning balance	10.704.213.410	8.374.586.925	19.078.800.335
Ending balance	7.352.483.410	7.582.696.313	14.935.179.723

15. Construction-in-progress

Name of assets	Ending Balance	Beginning Balance
GSS	630.000.000	630.000.000
Barge	7.760.889.548	
Northern Rach Chiec Area	21.504.054.060	20.404.054.061
Phu Thuan District 7 PJ	125.768.883	119.028.883
Container Bai Chay PJ	179.643.600	179.643.600
Le Loi Building PJ	2.694.479.091	2.694.479.091
Gemadept Hi – Tech Park PJ	3.658.444.173	3.658.444.173
Quang Ngai building PJ	182.090.909	-
Other projects	898.817.511	753.997.445
	37.634.287.775	28.439.647.253

16. Increases/ (decreases) of investment property

The company's investment property is Gemadept Maritime Trading Center Building at No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City. Details of increases/(decreases) of investment property are as follows:

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	Historical costs	Depreciation	Net book values
Beginning balance	278.948.439.795	16.736.906.388	262.211.533.407
Increases	500.000.000	11.617.265.234	
Ending balance	279.448.439.795	28.354.171.622	251.094.268.173

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

Gain from the lease	Year 2010	Year 2009
Direct expenses related to the gain from the lease	107.757.576.088	122.358.314.923
Direct expenses not related to the gain from the lease	34.695.244.165	35.318.915.368

17. Investments in subsidiaries

Subsidiaries	Rate of capital ownership (%)		Investment capital (VND)
	As in the license	Actually contributed	
Dung Quat International Port Joint Stock Company	73,80	73,80	36.900.000.000
V.N.M General Transportation Service Co., Ltd.	100,00	100,00	5.000.000.000
Gemadept (Malaysia) Ltd.	100,00	100,00	15.206.200.000
Gemadept (Singapore) Ltd.	100,00	100,00	15.207.300.000
Gemadept Nhon Hoi International Port Joint Stock Company	55,00	9,43	6.600.000.000
Phuoc Long Port Co., Ltd.	100,00	100,00	100.000.000.000
ISS - Gemadept Co., Ltd.	51,00	51,00	1.637.304.000
Gemadept Logistics Co., Ltd.	100,00	100,00	80.000.000.000
Gemadept – Vung Tau Corporation	70,00	70,00	67.200.000.000
Hoa Sen - Gemadept Logistics and International Port Corporation	51,00	51,00	82.069.375.793
Gemadept Infrastructures Development and Investment Construction J.S.C	50,00	50,00	60.000.000.000
Gemadept Hai Phong Co., Ltd.	100,00	22,04	23.924.332.310
Lion Lord Corporation ^(*)	5,00	5,00	700.000.000
Truong Tho Tourism and Transportation J.S.C ^(**)	46,00	72,00	27.600.000.000
Pacific Marine	100,00	5,00	500.000.000
Nam Hai Port	99,98	99,98	424.383.000.000
Total			946.927.512.103

(a) Gemadept has directly contributed capital into Lion Lord Corporation at the rate of 5% and V.N.M General Transportation Service Co., Ltd., a wholly-owned subsidiary of the company has also directly contributed capital into Lion Lord Corporation at the rate of 50%.

(b) Gemadept has controlled Truong Tho Tourism and Transportation J.S.C according to the Vietnamese Accounting Standard No. 25. On the other hand, the company has been given the authority to reach the voting right rate of 72% in the shareholders' meetings by some shareholders.

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

Business concerns and joint ventures	Rate of capital ownership (%)		Investment capital (VND)
	As in the license	Actually contributed	
Golden Globe Trading Co., Ltd.	45,00	45,00	42.761.600.000
Vung Tau Commercial Port Joint Stock Company (VCP)	26,78	26,78	9.642.000.000
MBN-GMD VIETNAM	34,00	34,00	1.534.080.000
Vinh Hao Mineral Water Joint Stock Company	29,00	29,00	32.206.940.000
Minh Dam Tourism Joint Stock Company	40,00	10,94	18.264.608.143
Electric Service and Transportation JSC	38,00	38,00	23.236.200.000
Schenker Gemadept Logistics Vietnam Co., Ltd.	49,00	49,00	11.682.010.000
Huyndai Merchant Marine Vietnam Co., Ltd.	49,00	49,00	2.371.845.000
Saigon Cargo Service Corporation	23,00	19,27	86.250.000.000
Thuc Pham Co.	26,56	26,56	49.825.280.000
Falcon Ha Dong Investment and Trading JSC	25,00	25,00	29.375.000.000
Sinokor Vietnam Co., Ltd.	49,00	49,00	2.319.909.000
Total			309.469.472.143

19. Other long-term investments

	Ending balance	Beginning balance
Investments in stocks	203.374.669.600	350.952.740.000
Investments in bonds (irrigation bonds)	-	10.000.000
Investments in other entities	276.628.992.130	17.401.131.494
Total	480.003.661.730	368.363.871.494

20. Provision for devaluation of long-term investments

	Ending balance	Beginning balance
Provision for devaluation of long-term investments in securities	21.156.345.000	20.260.415.500
Provision for the loss of subsidiaries	19.104.095.106	6.039.181.721
- <i>Dung Quat International Port Joint Stock Company</i>	14.211.230.273	1.467.176.763
- <i>Gemadept Infrastructures Development and Investment Construction J.S.C</i>	1.077.158.262	1.077.158.262
- <i>Lion Lord Corporation</i>	724.626.174	433.621.851
- <i>Gemadept Nhon Hoi International Port Joint Stock Company</i>	3.061.224.845	3.061.224.845
- <i>Hoa Sen - Gemadept Logistics and International Port Corporation</i>	29.855.552	-
Provision for the loss of business concerns and joint ventures	6.713.511.036	5.761.837.348
- <i>Schenker Gemadept Logistics Vietnam Co., Ltd.</i>	6.713.511.036	5.133.232.614
- <i>Gemadept - LCL</i>	-	628.604.734
Provision for loss from other long-term financial	3.081.582.424	2.005.709.657

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	<u>Ending balance</u>	<u>Beginning balance</u>
investments		
- <i>RNG</i>	2.932.535.705	1.856.662.938
- <i>Saigon Sapa Co.</i>	149.046.719	149.046.719
Total	50.055.533.567	34.067.144.226

21. Long-term prepaid expenses

	<u>Beginning Balance</u>	<u>Addition</u>	<u>Amortisation for the year</u>	<u>Ending Balance</u>
Long – term prepaid Expenses	7.352.471.254	15.430.944.421	14.758.873.490	8.024.542.185
Total	7.352.471.254	15.430.944.421	14.758.873.490	8.024.542.185

22. Other long-term assets

	<u>Ending Balance</u>	<u>Beginning Balance</u>
Long – term deposit and mortgages	38.891.847.120	37.079.412.120
Total	38.891.847.120	37.079.412.120

23. Short-term debts and loans

	<u>Ending Balance</u>	<u>Beginning Balance</u>
<i>Short – term loans from bank</i>	23.975.330.144	154.985.144.986
- VIB Bank – Saigon Branch	18.803.981.842	71.810.659.687
- Maritime Bank – Ho Chi Minh Branch	5.171.348.302	64.698.683.354
- ANZ Bank	-	18.475.801.945
- Vietin Bank – Branch 7	-	-
<i>Short – term loans from other organizations and individual</i>	240.293.585.975	414.020.578
- Industry securities company	-	51.020.578
- Galaxy Co.,	-	363.000.000
- Hoa Sen - Gemadept Logistics and International Port Corporation	10.293.585.975	-
- Gemadept Terminal-Link	230.000.000.000	-
<i>Current portion of long – term loans (refer to notes V.33)</i>	20.720.000.000	43.220.000.000
- Navibank	12.000.000.000	12.000.000.000
- Indovina Bank	-	22.500.000.000
- VIB Bank – Sai Gon Branch	8.720.000.000	8.720.000.000
<i>Current portion of financial leases (refer to notes V.33)</i>	5.218.816.294	5.999.703.133
Total	290.207.732.413	204.618.868.697

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Notes to the interim financial statements (cont.)*Details of loans and financial leases are as follows:*

	Beginning Balance	Increase	Decrease	Exchange Difference	Amount already repaid	Ending Balance
Short-term loans from banks	154.985.144.986	714.564.420.257			845.574.235.099	23.975.330.144
Short-term loans from other organizations and individuals	414.020.578	371.193.586.475			131.314.021.078	240.293.585.975
Current portion of long-term loans	43.220.000.000	20.720.000.000			43.220.000.000	20.720.000.000
Current portion of financial leases	5.999.703.133	5.431.233.600			6.212.120.439	5.218.816.294
Total	<u>204.618.868.697</u>	<u>1.111.909.240.332</u>			<u>1.026.320.376.616</u>	<u>290.207.732.413</u>

24. Payable to suppliers

	Ending Balance	Beginning Balance
Payable to suppliers	156.581.773.392	131.292.107.654
Total	<u>156.581.773.392</u>	<u>131.292.107.654</u>

25. Advances from customers

	Ending Balance	Beginning Balance
Advances from customers	1.809.584.245	6.432.850.116
Unearned revenue	2.785.397.978	4.385.758.257
Total	<u>4.594.982.223</u>	<u>10.818.608.373</u>

26. Taxes and other obligations to the State Budget

	Ending balance	Beginning balance
VAT on local sales	1.099.686.067	1.104.945.464
Corporate income tax	12.311.120.411	3.341.322.781
Personal income tax	373.516.716	386.190.074
Others	858.633.962	2.101.560.924
- License duty	-	(3.000.000)
- Freight tax	118.161.385	335.423.194
- Withholding tax	740.472.577	1.769.137.730
Total	<u>14.642.957.156</u>	<u>6.934.019.243</u>

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Notes to the interim financial statements (cont.)**27. Payable to employees**

Salary to be paid to employees

28. Accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Loan interest expenses	6.532.772.073	1.548.111.991
Others	6.008.305.036	36.009.056.352
Total	12.541.077.109	37.557.168.343

29. Other payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's expenditure	-	2.806.047.700
Social insurance and health insurance	-	952.838.144
Dividends payable	65.246.600	1.065.246.600
Short-term deposits and mortgages	736.917.500	1.431.343.999
Excessive assets for treatment	957.057.062	1.554.897.428
<i>Others</i>	269.962.427.294	189.022.081.129
Total	271.721.648.456	196.832.455.000

30. Provision for short – term accounts payable

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Provision</u>	<u>Ending Balance</u>
Provision for short – term accounts payable	1.648.316.717	-	1.648.316.717	-
Total	1.648.316.717	-	1.648.316.717	-

31. Other long – term accounts payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Receipt of the deposit for the lease of Gemadept Maritime Trading Center Building at No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	22.620.519.216	24.531.675.907
Total	22.620.519.216	24.531.675.907

32. Long-term debts and loans

	<u>Ending balance</u>	<u>Beginning balance</u>
Long-term loans from banks	84.997.045.000	201.342.045.000
- Navibank	72.000.000.000	84.000.000.000
- Indovina Bank	-	95.625.000.000
- VIB Bank – Saigon Branch	12.997.045.000	21.717.045.000
Leasing 80 containers of Seacastle Container		
Leasing in 5 years	-	5.330.256.747
Convertible bonds	396.787.000.000	
Total	481.784.045.000	206.672.301.747

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Notes to the interim financial statements (cont.)**33. Owner's equity*****Statement on fluctuations in owner's equity***

	Beginning Bal.	Increase	Decrease	Ending Bal.
Capital	475.000.000.000	525.000.000.000		1.000.000.000.000
Share premiums	1.366.907.462.400	802.253.124.000		2.169.160.586.400
Other sources of capital	69.388.382.902			69.388.382.902
Financial reserved fund	13.410.665.221	10.354.491.642		23.765.156.863
Other funds	10.296.600.315	10.354.491.641		20.651.091.956
Exchange rate difference	-	2.790.944.659		2.790.944.659
Retained earnings	151.364.805.484	127.446.775.914	37.276.169.910	241.535.411.488
Total	2.086.367.916.322	1.478.199.827.856	37.276.169.910	3.527.291.574.268

Share

	Ending balance	Beginning balance
Number of shares registered to be issued	100.000.000	47.500.000
Number of shares already sold to the public	100.000.000	47.500.000
- <i>Common shares</i>	100.000.000	47.500.000
- <i>Preferred shares</i>		-
- <i>Number of outstanding shares</i>	62.371.210	47.500.000

Face value per outstanding share: 10.000 VND

Purposes of appropriation for business promotion fund, financial reserved fund and other funds:

Business promotion fund is used to supplement the company's prescribed capital.

Financial reserved fund is used to:

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

34. Bonus and welfare funds

	Beginning balance	Increases due to extraction from profit	Disbursement	Ending balance
Bonus fund	4.835.098.169	-	433.500.000	4.401.598.169
Welfare fund	(1.833.339.751)	10.354.491.642	9.446.045.399	(924.893.508)
Training fund	(17.621.218)	-	186.500.000	(204.121.218)
Bonus fund for production emulation	505.584.000			505.584.000
Assistance fund	(86.588.307)			(86.588.307)
Board of Management fund	-	6.212.694.985	3.228.460.786	2.984.234.199
Total	3.403.132.893	16.567.186.627	13.294.506.185	6.675.813.335

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Notes to the interim financial statements (cont.)**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM INCOME STATEMENT****1. Sales**

	<u>Current year</u>
- Sales from transportation	1.225.635.559.487
- Sale from offices leasing	108.687.613.243
- Sale from agency and logistics services	117.447.304.031
Gross sales	<u>1.451.770.476.761</u>

2. Costs of goods sold

	<u>Current year</u>
- Costs of transportation service	1.200.444.854.322
- Costs of offices leasing	35.906.155.030
- Costs of agency and logistics services	86.468.382.419
Total	<u>1.322.819.391.771</u>

3. Financial income

	<u>Current year</u>
Interest on time deposits	21.584.294.178
Gains from investments in securities	56.482.176.937
Gains from capital contribution in business concerns and joint	
Dividends and profit shared	103.764.528.089
Unrealized exchange gains	42.858.060.586
Total	<u>224.689.059.790</u>

4. Financial expenses

	<u>Current year</u>
Loan interest expenses	72.475.436.125
Unrealized exchange loss	49.092.372.220
Loss from investments in securities	15.124.370.876
Reversal of provision for investments in securities	59.337.344.088
Total	<u>196.029.523.309</u>

5. Administrative overheads

	<u>Current year</u>
Expenses for office staff	27.884.412.892
Depreciation of assets	9.286.863.171
External service rendered	17.752.821.976
Others	10.322.848.674
Total	<u>65.246.946.713</u>

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Notes to the interim financial statements (cont.)**6. Other income**

	<u>Current year</u>
Gains from disposal and liquidation of fixed assets	46.214.883.204
Others	7.767.009.553
Total	<u>53.981.892.757</u>

7. Other expenses

	<u>Current year</u>
Net book values of liquidated fixed assets	6.052.925.209
Others	948.456.871
Total	<u>7.001.382.080</u>

8. Operating expenses

	<u>Current year</u>
Materials and supplies	406.653.379.384
Labor	82.558.896.030
Depreciation of fixed assets	94.888.962.901
External service rendered	777.553.278.148
Other expenses	27.280.210.456
Total	<u>1.388.934.726.919</u>

VII. OTHER INFORMATION**1. 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/HĐCN 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.

2. Subsequent events**3. Change in accounting policy**

In 2010, the company, in some related aspects, has applied the regulations of the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance giving guidance on the amendments and supplementation of the Vietnamese accounting system.

Ho Chi Minh City, 20 January 2011

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Accountant-in-charge

Do Van Minh
General Director