

**GEMADEPT CORPORATION**

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

**FINANCIAL STATEMENTS**

For the first 9 months of the fiscal year ending 31 December 2011

**INCOME STATEMENT****For the first 9 months of the fiscal year ending 31 December 2011**

	Item	Quarter III		Accumulated from the beginning of the year	
		Current year	Previous year	Current year	Previous year
1	<b>Sales</b>	<b>394.978.882.405</b>	<b>367.692.215.566</b>	<b>1.071.712.885.714</b>	<b>1.084.294.129.718</b>
2	Deductions				
3	<b>Net sales</b>	<b>394.978.882.405</b>	<b>367.692.215.566</b>	<b>1.071.712.885.714</b>	<b>1.084.294.129.718</b>
4	Costs of good sold	382.951.049.095	329.747.410.506	1.031.547.561.214	987.081.552.676
5	<b>Gross profit</b>	<b>12.027.833.310</b>	<b>37.944.805.060</b>	<b>40.165.324.500</b>	<b>97.212.577.042</b>
6	<b>Financial income</b>	<b>47.468.490.675</b>	<b>45.450.073.890</b>	<b>193.615.718.104</b>	<b>119.404.409.677</b>
7	<b>Financial expenses</b>	<b>31.409.681.816</b>	<b>47.964.739.226</b>	<b>196.184.072.293</b>	<b>109.473.195.159</b>
	In which :	-			
	- <i>Loan interest expenses</i>	18.732.451.878	27.526.471.759	51.687.809.518	52.852.935.554
8	Selling expenses	1.516.362.587	276.352.056	3.760.958.585	617.720.275
9	<b>Administrative overheads</b>	<b>19.136.338.773</b>	<b>12.392.024.394</b>	<b>48.796.721.459</b>	<b>43.397.795.570</b>
10	<b>Net operating profit</b>	<b>7.433.940.810</b>	<b>22.761.763.274</b>	<b>(14.960.709.733)</b>	<b>63.128.275.715</b>
11	Other income	4.075.347.201	474.771.173	32.061.669.058	44.484.337.565
12	Other expense	925.105.642	370.038.479	11.763.951.827	6.481.926.020
13	<b>Other profit</b>	<b>3.150.241.559</b>	<b>104.732.694</b>	<b>20.297.717.231</b>	<b>38.002.411.545</b>
14	<b>Profit before tax</b>	<b>10.584.182.368</b>	<b>22.866.495.968</b>	<b>5.337.007.498</b>	<b>101.130.687.260</b>
15	Current corporate income tax		981.609.497	3.958.232.868	11.441.539.346
	Deffered corporate income tax				(1.954.158.206)
16	<b>Profit after tax</b>	<b>10.584.182.368</b>	<b>21.884.886.471</b>	<b>1.378.774.630</b>	<b>91.643.306.120</b>

Ho Chi Minh City, 20 October 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

**FINANCIAL STATEMENTS**

For the first 9 months of the fiscal year ending 31 December 2011

**BALANCE SHEET****(Full form)****As of 30 Sep 2011**

Unit : VND

ASSETS		Code	Note	Ending balance	Beginning balance
<b>A -</b>	<b>CURRENT ASSETS</b>	<b>100</b>		<b>2.154.078.496.515</b>	<b>1.855.442.610.254</b>
<b>I.</b>	<b>Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>464.983.273.786</b>	<b>261.855.538.610</b>
1.	Cash	111		256.964.273.786	93.268.741.558
2.	Cash equivalents	112		208.019.000.000	168.586.797.052
<b>II.</b>	<b>Short-term investments</b>	<b>120</b>		<b>705.909.959.555</b>	<b>782.752.507.716</b>
1.	Short-term investments	121	V.2	829.930.877.746	857.998.023.712
2.	Provisions for devaluation of short-term investments	129	V.3	(124.020.918.191)	(75.245.515.996)
<b>III.</b>	<b>Accounts Receivable</b>	<b>130</b>		<b>832.149.779.981</b>	<b>658.722.296.318</b>
1.	Receivable from customers	131	V.4	362.661.226.467	279.714.658.775
2.	Prepayments to suppliers	132	V.5	97.957.653.648	87.232.620.572
3.	Inter-company receivable	133		-	-
4.	contracts	134		-	-
5.	Other receivable	135	V.6	372.359.959.188	292.604.076.293
6.	Provisions for bad debts	139	V.7	(829.059.322)	(829.059.322)
<b>IV.</b>	<b>Inventories</b>	<b>140</b>		<b>43.597.017.048</b>	<b>31.494.976.403</b>
1.	Inventories	141	V.8	43.597.017.048	31.494.976.403
2.	Provision for devaluation of inventories	149			-
<b>V.</b>	<b>Other current assets</b>	<b>150</b>		<b>107.438.466.145</b>	<b>120.617.291.208</b>
1.	Short-term prepaid expenses	151	V.9	36.513.138.868	7.559.556.079
2.	VAT to be deducted	152		997.950.193	171.485.354
3.	Taxes and other accounts receivable from the State	154	V.10	12.913.973.772	9.851.020.124
4.	Trading Government bonds	157			-
5.	Other current assets	158	V.11	57.013.403.313	103.035.229.651

For the first 9 months of the fiscal year ending 31 December 2011

**Balance Sheet ( cont.)**

ASSETS		Code	Note	Ending balance	Beginning balance
<b>B -</b>	<b>LONG-TERM ASSETS</b>	<b>200</b>		<b>3.184.557.564.448</b>	<b>2.911.294.385.724</b>
<b>I.</b>	<b>Long-term accounts receivable</b>	<b>210</b>		<b>37.000.000.000</b>	<b>37.000.000.000</b>
1.	Long-term accounts receivable from customers	211		-	-
2.	Working capital at affiliates	212		-	-
3.	Long-term inter-company receivable	213		-	-
4.	Other long-term receivable	218	V.12	37.000.000.000	37.000.000.000
5.	Provisions for bad debts	219		-	-
<b>II.</b>	<b>Fixed assets</b>	<b>220</b>		<b>751.367.177.104</b>	<b>716.719.399.884</b>
1.	Tangible assets	221	V.13	686.484.570.262	656.854.093.556
	<i>Historical costs</i>	222		1.192.944.987.948	1.107.465.742.961
	<i>Accumulated depreciation</i>	223		(506.460.417.686)	(450.611.649.405)
2.	Financial leasehold assets	224	V.14	4.293.300.525	7.266.838.830
	<i>Historical costs</i>	225		23.890.768.666	23.890.768.666
	<i>Accumulated depreciation</i>	226		(19.597.468.141)	(16.623.929.836)
3.	Intangible assets	227	V.15	14.009.601.489	14.935.179.723
	<i>Initial costs</i>	228		17.104.321.171	17.104.321.171
	<i>Accumulated amortization</i>	229		(3.094.719.682)	(2.169.141.448)
4.	Construction-in-progress	230	V.16	46.579.704.828	37.663.287.775
<b>III.</b>	<b>Investment property</b>	<b>240</b>	<b>V.17</b>	<b>242.175.181.035</b>	<b>251.094.268.173</b>
	Historical costs	241		279.448.439.795	279.448.439.795
	Accumulated depreciation	242		(37.273.258.760)	(28.354.171.622)
<b>IV.</b>	<b>Long-term investments</b>	<b>250</b>		<b>2.106.574.124.555</b>	<b>1.858.666.120.194</b>
1.	Investments in affiliates	251	V.18	942.136.944.122	936.984.944.122
2.	Investments in business concerns and joint ventures	252	V.19	309.669.472.143	309.669.472.143
3.	Other long-term investments	258	V.20	981.835.919.746	686.801.844.885
4.	Provisions for devaluation of long-term investments	259	V.21	(127.068.211.456)	(74.790.140.956)
<b>V.</b>	<b>Other long-term assets</b>	<b>260</b>		<b>47.441.081.754</b>	<b>47.814.597.473</b>
1.	Long-term prepaid expenses	261	V.22	5.109.334.634	8.922.750.353
2.	Deferred income tax assets	262		-	-
3.	Other long-term assets	268	V.23	42.331.747.120	38.891.847.120
	<b>TOTAL ASSETS</b>	<b>270</b>		<b>5.338.636.060.963</b>	<b>4.766.736.995.978</b>

For the first 9 months of the fiscal year ending 31 December 2011

**Balance Sheet ( cont.)**

LIABILITIES AND OWNER'S EQUITY		Code	Note	Ending balance	Beginning balance
<b>A -</b>	<b>LIABILITIES</b>	<b>300</b>		<b>1.895.981.268.540</b>	<b>1.256.398.181.305</b>
<b>I.</b>	<b>Current liabilities</b>	<b>310</b>		<b>1.183.669.249.629</b>	<b>750.668.286.436</b>
1.	Short-term debts and loans	311	V.24	473.421.886.415	320.247.600.198
2.	Payable to suppliers	312	V.25	133.331.305.524	111.740.232.090
3.	Advances from customers	313	V.26	25.581.092.345	4.540.635.640
4.	Taxes and other obligations to the State Budget	314	V.27	10.157.112.108	4.657.817.782
5.	Payable to employees	315	V.28	5.243.811.455	14.914.367.746
6.	Accrued expenses	316	V.29	18.716.799.162	14.081.299.436
7.	Inter-company payable	317		-	-
8.	Payable according to the progress of construction	318		-	-
9.	Other short-term accounts payable	319	V.30	507.339.405.358	273.810.520.210
10.	Provisions for short-term accounts payable	320		-	-
11.	Bonus and welfare funds	323	V.31	9.877.837.261	6.675.813.335
12.	Trading Government bonds	327			-
<b>II.</b>	<b>Long-term liabilities</b>	<b>330</b>		<b>712.312.018.911</b>	<b>505.729.894.869</b>
1.	Long-term accounts payable to suppliers	331			-
2.	Long-term inter-company payable	332			-
3.	Other long-term payable	333	V.32	22.980.690.597	22.966.486.155
4.	Long-term debts and loans	334	V.33	688.784.045.000	481.784.045.000
5.	Deferred income tax payable	335		547.283.314	547.283.314
6.	Provision for unemployment allowances	336	IV.14	-	432.080.400
7.	Provision for long-term accounts payable	337			-
8.	Unearned revenues	338			-
9.	Science and technology development fund	339			-
<b>B -</b>	<b>OWNER'S EQUITY</b>	<b>400</b>		<b>3.442.654.792.424</b>	<b>3.510.338.814.672</b>
<b>I.</b>	<b>Owner's equity</b>	<b>410</b>		<b>3.442.654.792.424</b>	<b>3.510.338.814.672</b>
1.	Capital	411	V.34	1.000.000.000.000	1.000.000.000.000
2.	Share premiums	412	V.34	2.169.160.586.400	2.169.160.586.400
3.	Other sources of capital	413	V.34	69.388.382.902	69.388.382.902
4.	Treasury stocks	414		-	-
5.	Differences on asset revaluation	415		-	-
6.	Foreign exchange differences	416		-	-
7.	Business promotion fund	417		-	-
8.	Financial reserved fund	418	V.34	29.429.404.912	23.765.156.863

9.	Other funds	419	V.34	26.315.340.005	20.651.091.956
10.	Retained earnings	420	V.34	148.361.078.205	227.373.596.551
11.	Construction investment fund	421		-	-
12.	Business arrangement supporting fund	422		-	-
<b>II.</b>	<b>Other sources and funds</b>	<b>430</b>			<b>-</b>
1.	Sources of expenditure	432			-
2.	Fund to form fixed assets	433			-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>440</b>		<b>5.338.636.060.963</b>	<b>4.766.736.995.978</b>

Ho Chi Minh City, 20 October 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

**FINANCIAL STATEMENTS**

For the first 9 months of the fiscal year ending 31 December 2011

**CASH FLOW STATEMENT****( Full form)****( Indirect method)****For the first 9 months of the fiscal year ending 31 December 2011**

Unit : VND

ITEMS	Code	Accumulated from the beginning of the year	
		Current year	Previous year
<b>I. Cash flows from operating activities</b>			
1. <i>Profit before tax</i>	01	5.337.007.498	101.130.687.260
2. <i>Adjustments</i>		-	
- Depreciation of fixed assets	02	68.666.971.958	70.573.657.403
- Provisions	03	101.053.472.695	13.969.678.540
- Gain/ (loss) from foreign exchange differences	04	(15.920.701.209)	10.569.755.190
- Gain/ (loss) from investing activities	05	(137.175.180.473)	(39.204.148.158)
- Loan interest expenses	06	51.687.809.518	52.852.935.554
3. <i>Operating profit before changes of working capital</i>	08	73.649.379.986	209.892.565.789
- Increase/ (decrease) of accounts receivable	09	(114.910.489.328)	(116.477.462.896)
- Increase/ (decrease) of inventories	10	(12.102.040.646)	2.263.807.389
- Increase/ (decrease) of accounts payable	11	131.270.725.552	(3.079.103.004)
- Increase/ (decrease) of prepaid expenses	12	(25.140.167.070)	(3.197.304.967)
- Loan interests already paid	13	(51.718.428.637)	(46.013.104.067)
- Corporate income tax already paid	14	(3.474.812.140)	(11.000.000.000)
- Other gains	15	87.992.776.728	62.321.749.588
- Other disbursements	16	(20.391.292.976)	(52.146.280.000)
<i>Net cash flows from operating activities</i>	20	65.175.651.470	42.564.867.832
<b>II. Cash flows from investing activities</b>			
1. Purchases and construction of fixed assets and other long-term assets	21	(94.395.662.040)	(70.654.063.230)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22	36.125.001.817	4.751.636.363
3. Loans given and purchases of debt instruments of other entities	23	-	-
4. Recovery of loans given and disposals of debt instruments of other entities	24	-	-
5. Investments into other entities	25	(274.251.119.027)	(396.119.240.634)
6. Withdrawals of investments in other entities	26	2.132.190.132	133.859.344.293
7. Receipts of loan interests, dividends and profit shared	27	109.551.069.565	39.733.933.135
<i>Net cash flows from investing activities</i>	30	(220.838.519.553)	(288.428.390.073)

For the first 9 months of the fiscal year ending 31 December 2011

**Cash flow statement** (cont.)

ITEMS	Code	Accumulated from the beginning of the year	
		Current year	Previous year
<b>III. Cash flows from financing activities</b>			
1. Gains from stock issuance and capital contributions from shareholders	31	-	1.160.384.528.000
2. Repayment for capital contributions and re-purchases of stocks already issued	32	-	-
3. Short-term and long-term loans received	33	760.449.028.148	601.900.235.235
4. Loan principal amounts repaid	34	(400.260.537.489)	(248.331.663.075)
5. Payments for financial leasehold assets	35	(5.171.816.007)	(4.620.657.717)
6. Dividends and profit already paid to the owners	36	-	(1.000.000.000)
<i>Net cash flows from financing activities</i>	<b>40</b>	<b>355.016.674.652</b>	<b>1.508.332.442.443</b>
<b>Net cash flows during the period</b>	<b>50</b>	<b>199.353.806.569</b>	<b>1.262.468.920.202</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>261.855.538.610</b>	<b>92.732.327.324</b>
Effects of fluctuations in foreign exchange rates	61	3.773.928.606	
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>464.983.273.785</b>	<b>1.355.201.247.526</b>

Ho Chi Minh City, 20 October 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

**FINANCIAL STATEMENTS**

For the first 9 months of the fiscal year ending 31 December 2011

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the first 9 months of the fiscal year ending 31 December 2011**

**I. OPERATION FEATURES**

- 1. Investment form** : A joint stock company
- 2. Operating field** : Providing 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, container transportation, forwarding services by sea, by road and by air, 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;
  - To plant rubber trees; to manufacture other products from rubber.

**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. The third quarter is from 01 July 2011 to 30 September 2011.
- 2. Standard currency unit**

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

**III. ACCOUNTING SYSTEM AND STANDARDS**

- 1. Accounting system**

The company has been applying the Vietnamese accounting system, which has been issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of



## **GEMADEPT CORPORATION**

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

### **FINANCIAL STATEMENTS**

For the first 9 months of the fiscal year ending 31 December 2011

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

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Finance as well as the circulars of Minister of Finance giving guidance on the implementation of the accounting system and standards.

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

The Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and standards, which have been issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance as well as the circulars of the Ministry of Finance giving guidance on the implementation of the accounting system and standards, in the preparation of these interim 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 affiliates have had their own accounting sections but they cannot do the accounting works independently. The company's financial statements are prepared on the basis of the combination of the financial statements of the 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 are 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 the debt age or the estimated loss.

#### **5. Tangible fixed assets**

## GEMADEPT CORPORATION

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

### FINANCIAL STATEMENTS

For the first 9 months of the fiscal year ending 31 December 2011

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

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Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the 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.

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	05 - 25
Machinery and equipment	05 - 07
Vehicles	06 - 15
Office equipment	03 - 08

#### 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

##### *The company as the lessor*

The income from operating lease is recorded in line with the straight line method during the leasing period. The initial direct expenses to earn income from operating lease are recorded into expenses as generated or are gradually allocated into expenses during the leasing period in conformity with the recording of income from operating lease.

##### *The company as the lessee*

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

#### 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

## **GEMADEPT CORPORATION**

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

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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.

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

#### **9. Intangible fixed assets**

Intangible fixed assets are determined by their initial costs less accumulated amortization. Intangible fixed assets of the company include:

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

Land use right includes all the actual expenses related to the land being used such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground leveling, registration fees, etc. Since the land use right is permanent, it is not amortized.

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

The buying price of the computer software which is not a part connected to related hardware will be capitalized. Initial cost of computer software includes all the expenses paid until the date the software is put into use. Computer software is amortized in accordance with straight-line method in 03 years.

#### **10. Borrowing costs**

Borrowing costs are included into expenses as actually generated. 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, subsidiaries, 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

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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.

#### **12. Long-term prepaid expenses**

##### ***Repairing expenses***

Ship repairing expenses are allocated in accordance with the straight-line method for the period of 02 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.

##### ***Other expenses***

Other expenses are allocated in accordance with the straight-line method for the period of 02 years.

#### **13. Accrued expenses**

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

#### **14. Appropriation for unemployment fund and unemployment insurance**

Unemployment fund is used to pay for severance and unemployment allowances to the employees who have worked for the company for 12 months or more until 31 December 2008. The rates of extraction for this fund are from 1% of the salary fund, which is used as the basis for social insurance payment and is included into the company's expenses in accordance with the stipulations in the Circular No. 82/2003/TT-BTC dated 14 August 2003 of the Ministry of Finance. In case that the unemployment fund is not enough for subsidizing resigned employees, the insufficient difference is recorded into expenses.

Pursuant to the Law on Social Insurance, from 01 January 2009, the employers have to pay to unemployment insurance fund managed by Vietnam Social Insurance Agency at the rate of 1% of the lower amount between the basic monthly salary of the employee and the amount equal to 20 times of the general minimum monthly salary as regulated by the Government in each particular period. With the application of the unemployment insurance system, the employers do not have to make any provision for unemployment allowances for the employees' working periods from 01 January 2009. However, the unemployment insurance amount paid to the employees who have enough conditions to receive and have worked for the company before 01 January 2009 is the average salary in 6 consecutive months before the resigning date.

#### **15. Convertible bonds**

Convertible bonds are those which can be converted into common shares of the company under the specified conditions.

Convertible bonds are recorded into liabilities and owner's equity. The liabilities are estimated at the market interest rate of the similar convertible bonds as at the issuing date. The liabilities are adjusted according to the actual interest rate during the bond term by recording into expenses.

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

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The part recorded into owner's equity is the difference between the fair value of convertible bonds and the liabilities. The expenses related to the issuance of convertible bonds are allocated at the certain rates into liabilities and owner's equity.

#### **16. Capital - 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.

Funds are extracted and used in line with the Charter of the company.

#### **17. Dividends**

Dividends are recorded as an amount payable when they are disclosed.

#### **18. Corporate income tax**

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

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

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

##### ***Deferred income tax***

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered at the balance sheet date and are recorded when there is certainly enough taxable income to use these deferred corporate income tax assets.

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

#### **19. Foreign currency translation**

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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: 30 September 2011 : VND 20,628/USD

**20. Transactions providing against risks on foreign currency translation**

Transactions providing against risks on foreign currency translation are considered a kind of insurance against the risks on foreign currency translation in order to secure the other transactions. The gains or losses from the transactions providing against risks on foreign currency translation are included in income or expenses at the same time when these transactions are performed.

**21. Recognition of sales and income*****Sales of service provision***

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

***Income from leasing operating assets***

Recognition of income from leasing operating assets is presented in Note IV.7.

***Interests***

Interests are recorded based on the term and the actual interest rates applied in each particular period.

***Dividends and profit shared***

Dividends and profit shared are recognized when the company has the right to receive dividends or profit from the capital contribution. Particularly, as for the dividends received in form of shares, the company only follow up the increase in the number of shares instead of recording into income.

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	11,714,221,523	4,582,889,224
Cash in bank	245,214,419,821	88,631,079,443
Cash in transit	35,632,442	54,772,891
Cash equivalents (*)	208,019,000,000	168,586,797,052
<b>Total</b>	<b><u>464,983,273,786</u></b>	<b><u>261,855,538,610</u></b>

(\*)Under-3-month deposits.

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**Notes to the financial statements (cont.)****2. Short-term investments**

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term investments in shares	258,034,485,891	759,682,317,096
Other short-term investments (*)	571,896,391,855	98,315,706,616
<b>Total</b>	<b>829,930,877,746</b>	<b>857,998,023,712</b>

(\*) In which, the term deposit at Sacombank – Hoa Viet branch of totally VND 45,050,604,000 has been mortgaged to secure the loan from Sacombank – Phnom Penh branch (see the Note V.24).

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

This item reflects the provision for devaluation of short-term investments in securities.

Situation of fluctuations in provision for devaluation of short-term investments is as follows:

Beginning balance	75,245,515,996
Additional provision	48,775,402,195
<b>Ending balance</b>	<b>124,020,918,191</b>

**4. Receivable from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable for acting as shipping agent	9,354,722,505	3,314,876,327
Receivable for transportation activities	281,793,576,315	198,750,549,547
Receivable for services of asset leasing	11,048,803,985	18,003,934,480
Receivable for services of operating port, container yards and other related services	60,464,123,662	59,645,298,421
<b>Total</b>	<b>362,661,226,467</b>	<b>279,714,658,775</b>

**5. Prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Ngan Ha Maritime J.S.C	40,465,592,210	38,000,000,000
Phuoc Long Port Co., Ltd.	26,596,728,992	34,179,996,948
Saigon Xanh Trading and Service J.S.C	750,000,000	6,848,000,000
Port and Waterway Engineering Consultants J.S.C (TEDI-port)	-	1,250,000,000
Ba Son Co., Ltd.	1,281,978,807	-
Others	28,863,353,639	6,954,623,624
<b>Total</b>	<b>97,957,653,648</b>	<b>87,232,620,572</b>

**6. Other receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable for payments on others' behalf to provide agency services	2,243,990,238	13,825,077,091
Receivable from securities trading	3,500,000,000	3,500,000,000
Receivable from subsidiaries, associates and business co-operations	249,040,530,781	236,160,669,987
<i>Industry Securities Corporation (ISC)- Business co-operation</i>	<i>35,000,000,000</i>	<i>83,000,000,000</i>
<i>Dung Quat International Port Joint Stock</i>	<i>52,500,000,000</i>	<i>49,000,000,000</i>

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

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Company</i>		
<i>Phuoc Long Port Co., Ltd.</i>	125,527,885,366	38,509,465,984
<i>V.N.M General Transportation Service Co., Ltd</i>	18,946,000,000	18,946,000,000
 <i>Gemadept Hai Phong Co., Ltd.</i>	-	7,765,231,397
<i>Gemadept (Singapore) Ltd.</i>	16,997,482,937	11,855,467,796
 <i>Truong Tho Tourism and Transportation J.S.C</i>	-	13,806,272,000
<i>Other subsidiaries, associates and business co-operations</i>	69,162,478	13,278,232,810
Dividends and profit shared	54,357,505,823	9,260,618,700
Estimated receivable from interests on deposits and loans	20,401,121,723	6,234,829,842
Other receivable	42,816,810,623	23,622,880,673
<i>Grand Atlantic Shipping</i>	-	8,192,514,219
<i>Loan interest receivable from employees</i>	4,921,351,535	4,921,351,535
<i>Others</i>	37,895,459,088	10,509,014,919
<b>Total</b>	<b>372,359,959,188</b>	<b>292,604,076,293</b>
 <b>7. Provision for short-term bad debts</b>		
	<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 J.S.C	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
Mr. Nguyen Duc Hung (Ha Noi branch)	140,112,750	140,112,750
<b>Total</b>	<b>829,059,322</b>	<b>829,059,322</b>
 <b>8. Inventories</b>		
Fuel stored on ships.		
 <b>9. Short-term prepaid expenses</b>		
	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses on ship repairing	9,668,011,494	4,246,532,992
Insurance premiums	5,161,063,712	2,082,876,829
Expenses on ship chartering	13,417,096,000	-
Others	8,266,967,662	1,230,146,258
<b>Total</b>	<b>36,513,138,868</b>	<b>7,559,556,079</b>
 <b>10. Taxes and other accounts receivable from State</b>		
	<u>Ending balance</u>	<u>Beginning balance</u>
Corporate income tax excessively paid and others	12,913,973,772	9,851,020,124



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	<u>Ending balance</u>	<u>Beginning balance</u>
<b>Total</b>	<b><u>12,913,973,772</u></b>	<b><u>9,851,020,124</u></b>

**11. Other current assets**

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	28,821,483,335	16,205,159,446
Short-term deposits and mortgages	28,191,919,978	86,830,070,205
<b>Total</b>	<b><u>57,013,403,313</u></b>	<b><u>103,035,229,651</u></b>

**12. Other long-term receivable**

This item reflects the capital contributions according to business co-operation contracts, including:

	<u>Ending balance</u>	<u>Beginning balance</u>
Hang River Co., Ltd. – Capital contribution to develop the project of Le Chan General Port	19,000,000,000	19,000,000,000
Dong Duong Infrastructure Development and Construction Investment J.S.C – capital contribution to develop the project of Logistics Service Area	18,000,000,000	18,000,000,000
<b>Total</b>	<b><u>37,000,000,000</u></b>	<b><u>37,000,000,000</u></b>

**13. Increases/ (decreases) of tangible fixed assets**

	<u>Buildings and Structures</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
<b>Historical costs</b>					
Beginning Balance	76,358,214,834	106,792,649,915	912,177,760,199	12,137,118,013	1,107,465,742,961
Increases	4,060,726,132	67,440,000	96,439,908,960	874,003,607	101,442,078,699
<i>New purchases</i>	4,060,726,132	67,440,000	96,372,986,496	853,756,759	101,354,909,387
<i>Other increases</i>	-	-	66,922,464	20,246,848	87,169,312
Decreases	(14,227,430,816)	-	(493,713,638)	(1,241,689,258)	(15,962,833,712)
<i>Liquidation and Disposal</i>	(14,227,430,816)	-	(388,713,638)	(1,241,689,258)	(15,857,833,712)
<i>Other decreases</i>	-	-	(105,000,000)	-	(105,000,000)
<b>Ending Balance</b>	<b><u>66,191,510,150</u></b>	<b><u>106,860,089,915</u></b>	<b><u>1,008,123,955,521</u></b>	<b><u>11,769,432,362</u></b>	<b><u>1,192,944,987,948</u></b>

**Depreciation**

Beginning Balance	31,992,806,047	78,067,415,571	330,951,051,099	9,600,376,688	450,611,649,405
Increases	1,676,796,104	6,087,193,061	51,978,994,492	1,509,162,230	61,252,145,887
<i>Depreciation</i>	1,676,796,104	6,087,193,061	51,967,530,787	1,488,915,382	61,220,435,334
<i>Other increases</i>	-	-	11,463,705	20,246,848	31,710,553
Decreases	(3,660,018,599)	-	(501,669,749)	(1,241,689,258)	(5,403,377,606)
<i>Liquidation and</i>					

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<i>disposal</i>	(3,660,018,599)	-	(388,713,638)	(1,241,689,258)	(5,290,421,495)
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<i>Other decreases</i>	-	-	(112,956,111)	-	(112,956,111)
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<b>Ending Balance</b>	<b>30,009,583,552</b>	<b>84,154,608,632</b>	<b>382,428,375,842</b>	<b>9,867,849,660</b>	<b>506,460,417,686</b>
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**Net book values**

Beginning Balance	44,365,408,787	28,725,234,344	581,226,709,100	2,536,741,325	656,854,093,556
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<b>Ending Balance</b>	<b>36,181,926,598</b>	<b>22,705,481,283</b>	<b>625,695,579,679</b>	<b>1,901,582,702</b>	<b>686,484,570,262</b>
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**14. Increases/ (decreases) of financial leasehold assets**

Leasing 80 containers of Seacastle Container Leasing in 5 years.

	<b>Historical cost</b>	<b>Depreciation</b>	<b>Net book value</b>
Beginning balance	23,890,768,666	16,623,929,836	7,266,838,830
Increase during the period	-	2,973,538,305	
<b>Ending balance</b>	<b>23,890,768,666</b>	<b>19,597,468,141</b>	<b>4,293,300,525</b>

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

	<b>Land use right</b>	<b>Computer Software</b>	<b>Total</b>
<b>Initial costs</b>			
Beginning Balance	7,352,483,410	9,751,837,761	17,104,321,171
<b>Ending Balance</b>	<b>7,352,483,410</b>	<b>9,751,837,761</b>	<b>17,104,321,171</b>

*In which:*

Assets fully depreciated but still being in use

-	-	-
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**Depreciation**

Beginning Balance	-	2,169,141,448	2,169,141,448
Depreciation		925,578,234	925,578,234
<b>Ending Balance</b>	<b>-</b>	<b>3,094,719,682</b>	<b>3,094,719,682</b>

**Net book values**

Beginning Balance	7,352,483,410	7,582,696,313	14,935,179,723
<b>Ending Balance</b>	<b>7,352,483,410</b>	<b>6,657,118,079</b>	<b>14,009,601,489</b>

*In which:*

Assets temporarily not in use

-	-	-
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Assets waiting for liquidation

-	-	-
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**16. Construction-in-progress**

	<b>Beginning Balance</b>	<b>Increase</b>	<b>Inclusion into fixed assets</b>	<b>Ending Balance</b>
Acquisition of fixed assets	9,395,025,911	161,093,359,170	(152,176,942,117)	18,311,442,964
Construction in progress	28,268,261,864	-	-	28,268,261,864
- Investing and	20,746,655,945	-	-	20,746,655,945

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	<b>Beginning Balance</b>	<b>Increase</b>	<b>Inclusion into fixed assets</b>	<b>Ending Balance</b>
<i>planning Northern Rach Chiec Area, District 9, Ho Chi Minh City</i>				
- <i>Expenses on consulting, investing and constructing Le Loi Building</i>	2,694,479,091	-	-	2,694,479,091
- <i>Project of Gemadept Hi-tech park</i>	3,658,444,173	-	-	3,658,444,173
- <i>Other projects</i>	1,168,682,655	-	-	1,168,682,655
<b>Total</b>	<b>37,663,287,775</b>	<b>161,093,359,170</b>	<b>(152,176,942,117)</b>	<b>46,579,704,828</b>

**17. Increases/ (decreases) of investment properties**

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:

	<b>Historical cost</b>	<b>Depreciation</b>	<b>Net book value</b>
Beginning balance	279,448,439,795	28,354,171,622	251,094,268,173
Increase	-	8,919,087,138	
<b>Ending balance</b>	<b>279,448,439,795</b>	<b>37,273,258,760</b>	<b>242,175,181,035</b>

At the end of the period, the company has not had the conditions to determine the market value of the said investment property.

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	68.534.263.621
Direct expenses related to the gain from the lease	21.648.223.559

**18. Investments in subsidiaries**

<b>Subsidiaries</b>	<b>Rate of capital ownership (%)</b>		<b>Investment capital (VND)</b>
	<b>As in the license</b>	<b>Actually contributed</b>	
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

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

<b>Subsidiaries</b>	<b>Rate of capital ownership (%)</b>		<b>Investment capital (VND)</b>
	<b>As in the license</b>	<b>Actually contributed</b>	
Gemadept Logistics One Member 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	72,126,807,812
Gemadept Infrastructures Development and Investment Construction J.S.C	50,00	50,00	60,000,000,000
Gemadept Hai Phong Co., Ltd.	100,00	23,92	23,924,332,310
Lion Lord Corporation	5,00	5,00	700,000,000
Truong Tho Tourism and Transportation J.S.C	46,00	46,00	27,600,000,000
Nam Hai Port Corporation	99,98	99,98	424,383,000,000
Bright Ocean Logistics One Member Co., Ltd	100	100	2,152,000,000
Pacific Marine Co., Ltd.	100,00	35,00	3,500,000,000
<b>Total</b>			<b>942,136,944,122</b>

**19. Investments in associates and joint ventures**

<b>Associates and joint ventures</b>	<b>Rate of capital ownership (%)</b>		<b>Investment capital (VND)</b>
	<b>As in the license</b>	<b>Actually contributed</b>	
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 J.S.C	38,00	38,00	23,236,200,000
Schenker Gemadept Logistics Vietnam Co., Ltd.	49,00	49,00	11,882,010,000
Huyndai Merchant Marine Vietnam Co., Ltd.	49,00	49,00	2,371,845,000
Saigon Cargo Service Corporation	23,00	23,00	86,250,000,000
Falcon Ha Dong Investment and Trading J.S.C	25,00	25,00	29,375,000,000
Sinokor Vietnam Co., Ltd.	49,00	49,00	2,319,909,000
Food Association Joint Stock Company	26,56	26,56	49,825,280,000
<b>Total</b>			<b>309,669,472,143</b>

**20. Other long-term investments**

	<b>Ending balance</b>	<b>Beginning balance</b>
Investments in shares	203,374,669,600	203,374,669,600
Other long-term investments	637,561,250,146	321,827,175,285
Term deposits <sup>(*)</sup>	140,900,000,000	161,600,000,000
<b>Total</b>	<b>981,835,919,746</b>	<b>686,801,844,885</b>

(\*) In which, the term deposit at Sacombank – Hoa Viet branch is mortgaged to secure the loan from Sacombank – Phnom Penh branch.

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**Notes to the financial statements (cont.)****21. Provisions for devaluation of long-term investments**

	<u>Ending balance</u>	<u>Beginning balance</u>
Provisions for long-term investments in securities	36,792,330,200	36,792,330,200
Provisions for losses of subsidiaries	68,677,403,707	21,303,348,530
Provisions for losses of associates and joint ventures	13,426,425,483	11,225,057,453
Provisions for losses from other investments	8,172,052,066	5,469,404,773
<b>Total</b>	<b>127,068,211,456</b>	<b>74,790,140,956</b>

Situation of fluctuations in provisions for devaluation of long-term investments is as follows:

Beginning balance	74,790,140,956
Additional provision	52,278,070,500
<b>Ending balance</b>	<b>127,068,211,456</b>

**22. Long-term prepaid expenses**

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Allocation</u>	<u>Ending Balance</u>
Repairing expenses	8,832,114,060	-	(3,785,191,740)	5,046,922,320
Interests on financial lease	90,636,293	-	(88,988,357)	1,647,936
Others	-	97,223,000	(36,458,622)	60,764,378
<b>Total</b>	<b>8,922,750,353</b>	<b>97,223,000</b>	<b>(3,910,638,719)</b>	<b>5,109,334,634</b>

**23. Other long-term assets**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits at airlines to guarantee the payment of freights	824,400,000	757,280,000
Deposits for ship chartering	41,220,000,000	37,864,000,000
Other long-term deposits	287,347,120	270,567,120
<b>Total</b>	<b>42,331,747,120</b>	<b>38,891,847,120</b>

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term loans from banks	459,039,020,368	63,902,918,144
- VIB – Saigon Branch	39,600,000,000	18,803,981,842
- Maritime Bank – Ho Chi Minh City branch	-	5,171,348,302
- Standard Chartered Bank (Vietnam)	157,273,068,250	-
- Vietinbank – Branch 7	51,463,731,014	-
- Sacombank – Phnom Penh branch	149,996,502,000	39,927,588,000
- ANZ	38,655,719,104	-
- BIDV	22,050,000,000	-
Short-term loans from other organizations and individuals	5,750,000,000	230,000,000,000
- Gemadept Nhon Hoi International Port Joint Stock Company	5,750,000,000	-

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

	<u>Ending balance</u>	<u>Beginning balance</u>
- <i>Gemadept - Terminal Link Cai Mep</i>		
<i>Terminal Joint Stock Company</i>	-	230,000,000,000
Current portion of long-term loans (see Note V.34)	8,180,000,000	20,720,000,000
- <i>Navibank</i>	6,000,000,000	12,000,000,000
- <i>VIB – Saigon Branch</i>	2,180,000,000	8,720,000,000
Current portion of financial leases (see Note V.33)	452,866,047	5,624,682,054
<b>Total</b>	<b><u>473,421,886,415</u></b>	<b><u>320,247,600,198</u></b>

**25. Payable to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Payable to subsidiaries, associates and business co-operations	2,154,764,112	2,406,101,682
<i>Gemadept Infrastructures Development and Investment Construction J.S.C</i>	-	305,346,703
<i>Gemadept Hai Phong Co., Ltd</i>	1,498,699,294	1,962,065,359
<i>Gemadept Logistics One Member Co., Ltd.</i>	32,251,032	33,396,048
<i>Nam Hai Port Corporation</i>	623,813,786	105,293,572
Payable to other suppliers	131,176,541,412	109,334,130,408
<b>Total</b>	<b><u>133,331,305,524</u></b>	<b><u>111,740,232,090</u></b>

**26. Advances from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances for activities of shipping agents	2,124,126,301	1,333,062,587
Advances for transportation services	23,456,966,044	3,207,573,053
<b>Total</b>	<b><u>25,581,092,345</u></b>	<b><u>4,540,635,640</u></b>

**27. Taxes and other obligations to the State Budget*****Value added tax (VAT)***

The company has paid VAT in line with the deduction method at the rate of 10%.

***Import - export duties***

The company has declared and paid these duties in line with the Customs' notices.

***Corporate income tax***

The company has to pay corporate income tax at the rate of 25% on taxable income.

During the period, the main business operations as well as other activities of the company have been resulted at a loss, so there is no corporate income tax payable. Particularly, the estimated corporate income tax payable for activity of real estate transferring is VND 3,958,232,868 and this amount is not allowed to offset against the operating loss.

The amount of corporate income tax payable during the period has not included the additional corporate income tax payable for the investing activities in Singapore, Malaysia and Cambodia.

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**Notes to the financial statements (cont.)*****Property tax***

The land rental is paid according to the notices of the tax department.

***Other taxes***

The company has declared and paid these taxes in line with the prevailing regulations.

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

The company has paid VAT in line with the deduction method at the rate of 10%.

***Corporate income tax***

Cambodia branch is responsible to pay corporate income tax at the rate of 20% on taxable income. If the amount of corporate income tax payable during the year is less than 01% of income, it is paid to the local tax authority at the rate of 01% on income.

**28. Payable to employees**

Salary to be paid to employees.

**29. Accrued expenses**

	<b><u>Ending balance</u></b>	<b><u>Beginning balance</u></b>
Loan interest expenses	10,566,484,679	7,120,776,825
Loading, discharging and storage expenses	5,767,573,360	5,012,734,633
Others	2,382,741,123	1,947,787,978
<b>Total</b>	<b><u>18,716,799,162</u></b>	<b><u>14,081,299,436</u></b>

**30. Other short-term accounts payable**

	<b><u>Ending balance</u></b>	<b><u>Beginning balance</u></b>
Excessive assets waiting for treatment	469,089,625	1,387,935,076
Trade Union's expenditure	886,593,241	1,452,001,676
Social insurance, health insurance and unemployment insurance	738,658,347	-
Dividends payable	60,065,246,600	65,246,600
Short-term deposits and mortgages received	3,104,530,782	1,665,081,440
Unearned revenues	16,586,077,930	2,785,397,978
Payable to the State Budget for selling inventories at ports	1,716,241,909	1,716,241,909
Receipts on others' behalf to provide agency services	2,876,881,267	30,744,708,032
Payable to subsidiaries, associates and business co-operations	344,918,702,495	215,336,499,341
- Hoa Sen - Gemadept Logistics and International Port Corporation	10,293,585,975	10,293,585,975
- Gemadept Hai Phong Co., Ltd	26,756,469,121	33,006,800,644
- Gemadept Logistics One Member Co., Ltd	32,216,002,964	820,662,632
- Gemadept - Terminal Link Cai Mep Terminal J.S.C	246,000,000,000	160,000,000,000
- Truong Tho Transportation Co., Ltd. – borrowing	23,893,728,000	-
- Other subsidiaries, associates and business	5,758,916,435	11,215,450,090

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

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>co-operations</i>		
Others	75,977,383,162	18,657,408,158
- <i>Petrovietnam Finance Investment J.S.C - Ho Chi Minh City branch – deposit for business co-operation contract</i>	27,200,000,000	-
- <i>Mr. Nguyen Quoc Cuong – transfer of share capital in Hoa Sen - Gemadept Logistics and International Port Corporation</i>	9,264,678,577	9,264,678,577
- <i>Others</i>	39,512,704,585	9,392,729,581
<b>Total</b>	<b><u>507,339,405,358</u></b>	<b><u>273,810,520,210</u></b>
<b>31. Bonus and welfare funds</b>		
Beginning balance	6,675,813,335	
Increase due to extraction from profit	9,062,796,878	
Disbursement during the period	(5,860,772,952)	
<b>Ending balance</b>	<b><u>9,877,837,261</u></b>	
<b>32. Other long-term payable</b>		
	<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	22,980,690,597	22,941,117,275
Receipt of the deposit for lease of other long-term assets	-	25,368,880
<b>Total</b>	<b><u>22,980,690,597</u></b>	<b><u>22,966,486,155</u></b>
<b>33. Long-term debts and loans</b>		
	<u>Ending balance</u>	<u>Beginning balance</u>
Long-term loans from banks	291,997,045,000	84,997,045,000
- <i>Navibank<sup>(a)</sup></i>	72,000,000,000	72,000,000,000
- <i>VIB Bank – Saigon Branch<sup>(b)</sup></i>	12,997,045,000	12,997,045,000
- <i>Standard Chartered Bank</i>	207,000,000,000	-
Convertible bonds <sup>(c)</sup>	396,787,000,000	396,787,000,000
<b>Total</b>	<b><u>688,784,045,000</u></b>	<b><u>481,784,045,000</u></b>

(a) This is the loan from Navibank to buy Bunga Mas Tujuh ship for the period of 10 years. This loan is secured by mortgaging the assets formed from the loan.

(b) This is the loan from VIB Bank - Saigon Branch to buy Great Pride ship for the period of 4 years. This loan is secured by mortgaging the assets formed from the loan.



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

- (c) The company has issued 396,787 non-interest gaining convertible bonds (equivalent to VND 396,787,000,000 according to face value) in order to increase the capital ownership rate in Nam Hai Port Corporation. The conversion period is 12 months from the issuing date and the price to convert into Gemadept share is VND 42,000/share. Details are as follows:
- Issuing 226,687 bonds to Greenpeace Service Corporation in order to interchange VND 39,980,000,000 (calculating according to face value per share) in Nam Hai Port Corporation.
  - Issuing 170,100 bonds to Song Hang Co., Ltd. to interchange VND 30,000,000,000 (calculating according to face value per share) in Nam Hai Port Corporation.

**34. Owner's equity*****Shares***

	<b>Ending balance</b>	<b>Beginning balance</b>
Number of shares registered to be issued	100,000,000	47,500,000
Number of shares already issued	100,000,000	47,500,000
- <i>Common shares</i>	100,000,000	47,500,000
- <i>Preferred shares</i>	-	-
Number of shares re-purchased	-	-
- <i>Common shares</i>	-	-
- <i>Preferred shares</i>	-	-
Number of outstanding shares	100,000,000	47,500,000
- <i>Common shares</i>	100,000,000	47,500,000
- <i>Preferred shares</i>	-	-

Face value of outstanding share: VND 10,000.

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

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

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

	<b>From 01/01/2011 to 30/09/2011</b>	<b>From 01/01/2010 to 30/09/2010</b>
- <i>Sales from transportation services</i>	964,634,506,481	924,697,475,536
- <i>Sales from leasing offices</i>	69,254,475,538	82,695,958,701

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**FINANCIAL STATEMENTS**

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

- Sales from agency activities	37,823,903,695	76,900,695,481
<b>Total</b>	<b>1,071,712,885,714</b>	<b>1,084,294,129,718</b>
<b>2. Costs of goods</b>		
	<b>From 01/01/2011 to 30/09/2011</b>	<b>From 01/01/2010 to 30/09/2010</b>
- Costs of transportation services	983,590,420,523	904,854,580,331
- Costs of leasing offices	21,648,223,559	26,929,616,275
- Costs of agency activities	26,308,917,132	55,297,356,070
<b>Total</b>	<b>1,031,547,561,214</b>	<b>987,081,552,676</b>
<b>3. Financial income</b>		
	<b>From 01/01/2011 to 30/09/2011</b>	<b>From 01/01/2010 to 30/09/2010</b>
Interests on time deposit	25,694,760,657	3,400,255,073
Gain from investment in securities	9,094,191,280	40,567,182,547
Gain from capital contribution in business concerns, joint ventures , dividends and profit shared	104,835,273,523	56,383,565,257
Gain from foreign exchange differences	47,518,317,586	19,053,406,800
Others	6,473,175,058	-
<b>Total</b>	<b>193,615,718,104</b>	<b>119,404,409,677</b>
<b>4. Financial expenses</b>		
	<b>From 01/01/2011 to 30/09/2011</b>	<b>From 01/01/2010 to 30/09/2010</b>
Loan interests expenses	51,687,809,518	52,852,935,554
Loss from foreign exchange differences	32,987,039,160	26,395,919,696
Loss from investment in securities	10,455,750,920	14,606,344,652
Provision for devaluation of securities	48,775,402,195	-
Provision for devaluation of short – term and long – term investment	52,278,070,500	15,617,995,257
<b>Total</b>	<b>196,184,072,293</b>	<b>109,473,195,159</b>
<b>5. Administrative overheads</b>		
	<b>From 01/01/2011 to 30/09/2011</b>	<b>From 01/01/2010 to 30/09/2010</b>
Salary for office staff	11,565,611,032	20,852,442,102
Depreciation of fixed assets	6,257,615,852	7,155,690,577
External service rendered	11,822,687,488	5,470,965,057
Other expenses	19,150,807,087	9,918,697,834
<b>Total</b>	<b>48,796,721,459</b>	<b>43,397,795,570</b>

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

	<b>From 01/01/2011 to 30/09/2011</b>	<b>From 01/01/2010 to 30/09/2010</b>
Liquidations and disposals of fixed assets	27,647,283,635	41,188,932,983
Others	4,414,385,423	3,295,404,582
<b>Total</b>	<b>32,061,669,058</b>	<b>44,484,337,565</b>

**7. Other expenses**

	<b>From 01/01/2011 to 30/09/2011</b>	<b>From 01/01/2010 to 30/09/2010</b>
Net book values of liquidated fixed assets	11,226,556,481	6,052,925,209
Others	537,395,346	429,000,811
<b>Total</b>	<b>11,763,951,827</b>	<b>6,481,926,020</b>

**8. Operating expenses**

	<b>From 01/01/2011 to 30/09/2011</b>	<b>From 01/01/2010 to 30/09/2010</b>
Materials and supplies	370,659,613,833	304,534,395,947
Labor	56,208,080,371	63,655,074,679
Depreciation of fixed assets	73,732,081,782	70,573,657,403
External service rendered	552,964,835,640	575,700,794,037
Other expenses	30,540,629,632	16,633,146,455
<b>Total</b>	<b>1,084,105,241,258</b>	<b>1,031,097,068,521</b>

Ho Chi Minh City, 20 October 2011

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

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

\_\_\_\_\_  
**Do Van Minh**  
**General Director**