

FINANCIAL STATEMENTS
FOR THE SECOND QUARTER OF
THE FISCAL YEAR ENDING 31 DECEMBER 2019

GEMADEPT CORPORATION



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GEMADEPT CORPORATION

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

FINANCIAL STATEMENTS

For the 2nd quarter of the fiscal year ending 31 December 2019

BALANCE SHEET**As at 30 June 2019**

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		730.808.006.097	822.529.612.576
I. Cash and cash equivalents	110	V.1	31.759.526.173	43.070.277.429
1. Cash	111		29.759.526.173	43.070.277.429
2. Cash equivalents	112		2.000.000.000	-
II. Short-term financial investments	120		71.775.344.105	79.164.578.609
1. Trading securities	121	V.2a	140.694.265.680	140.694.265.680
2. Provision for devaluation of trading securities	122	V.2a	(68.918.921.575)	(61.529.687.071)
3. Held-to-maturity investments	123		-	-
III. Short-term receivables	130		573.348.503.770	652.064.198.261
1. Short-term trade receivables	131	V.3	50.172.359.708	97.208.146.474
2. Short-term prepayments to suppliers	132	V.4	40.190.587.693	42.081.563.809
3. Short-term inter-company receivables	133		-	-
Receivable according to the progress of				
4. construction contract	134		-	-
5. Receivables for short-term loans	135	V.5	112.075.460.000	156.345.000.000
6. Other short-term receivables	136	V.6a	380.577.606.478	365.866.998.087
7. Allowance for short-term doubtful debts	137	V.7	(9.667.510.109)	(9.437.510.109)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		2.623.982.232	1.152.441.000
1. Inventories	141	V.8	2.623.982.232	1.152.441.000
2. Allowance for inventories	149		-	-
V. Other current assets	150		51.300.649.817	47.078.117.277
1. Short-term prepaid expenses	151	V.9a	1.375.527.223	1.554.297.575
2. Deductible VAT	152		43.273.240.707	43.892.547.350
3. Taxes and other receivables from the State	153	V.16	6.651.881.887	1.631.272.352
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

GEMADEPT CORPORATION

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

FINANCIAL STATEMENTS**Balance sheet (Cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
B- NON-CURRENT ASSETS	200		5.824.218.602.417	5.730.187.780.740
I. Long-term receivables	210		18.000.000.000	18.000.000.000
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216	V.6b	18.000.000.000	18.000.000.000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		714.574.866.001	701.626.964.986
1. Tangible fixed assets	221	V.10	524.778.516.716	489.660.783.947
- Historical cost	222		770.630.252.293	705.338.518.168
- Accumulated depreciation	223		(245.851.735.577)	(215.677.734.221)
2. Financial leased assets	224	V.11	181.898.349.026	203.471.422.418
- Historical cost	225		259.738.889.560	259.292.255.153
- Accumulated depreciation	226		(77.840.540.534)	(55.820.832.735)
3. Intangible fixed assets	227	V.12	7.898.000.259	8.494.758.621
- Initial cost	228		19.462.953.294	19.462.953.294
- Accumulated amortization	229		(11.564.953.035)	(10.968.194.673)
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		21.392.644.742	61.096.896.014
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.13	21.392.644.742	61.096.896.014
V. Long-term financial investments	250		5.007.303.034.641	4.884.304.774.934
1. Investments in subsidiaries	251	V.2b	3.533.831.388.483	3.394.681.888.483
2. Investments in joint ventures and associates	252	V.2b	1.807.852.948.941	1.807.852.948.941
3. Investments in other entities	253	V.2b	186.457.032.000	186.457.032.000
4. Provisions for devaluation of long-term financial	254	V.2b	(520.838.334.783)	(504.687.094.490)
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		62.948.057.033	65.159.144.806
1. Long-term prepaid expenses	261	V.9b	50.916.553.560	53.171.448.478
2. Deferred income tax assets	262	V.14	12.031.503.473	11.987.696.328
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		6.555.026.608.514	6.552.717.393.316

GEMADEPT CORPORATION

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

Balance Sheet (Cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		1.201.567.653.317	1.282.894.763.686
I. Current liabilities	310		725.893.019.095	813.353.689.702
1. Short-term trade payables	311	V.15	27.506.151.005	46.085.148.472
2. Short-term advances from customers	312		-	-
3. Taxes and other obligations to the State Budget	313	V.16	207.031.018	10.737.264.845
4. Payables to employees	314	V.17	4.568.489.071	12.974.485.019
5. Short-term accrued expenses	315	V.18	2.576.895.928	4.375.752.294
6. Short-term inter-company payables	316		-	-
7. Payable according to the progress of construction	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.19	66.749.926.306	65.620.112.498
10. Short-term borrowings and financial leases	320	V.20a	519.612.139.658	587.806.307.781
11. Provisions for short-term payables	321	V.21	60.157.517.360	59.938.481.636
12. Bonus and welfare funds	322	V.22	44.514.868.749	25.816.137.157
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		475.674.634.222	469.541.073.984
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338	V.20b	475.308.478.102	469.330.116.703
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341	V.23	366.156.120	210.957.281
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-


GEMADEPT CORPORATION

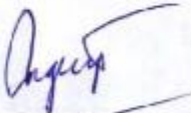
Address: No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam


FINANCIAL STATEMENTS**Balance Sheet (Cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		5.353.458.955.197	5.269.822.629.630
I. Owner's equity	410		5.353.458.955.197	5.269.822.629.630
1. Capital	411	V.24	2.969.249.570.000	2.969.249.570.000
- Ordinary shares carrying voting rights	411a		2.969.249.570.000	2.969.249.570.000
- Preferred shares	411b		-	-
2. Share premiums	412	V.24	1.941.832.197.040	1.941.832.197.040
3. Bond conversion options	413		-	-
4. Other sources of capital	414	V.24	69.388.382.902	69.388.382.902
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417	V.24	(146.268.248)	(432.264.540)
8. Investment and development fund	418	V.24	72.682.100.796	72.682.100.796
9. Business arrangement supporting fund	419		-	-
10. Other funds	420	V.24	69.568.035.889	69.568.035.889
11. Retained earnings	421	V.24	230.884.936.818	147.534.607.543
- Retained earnings accumulated to the end of the previous period	421a		108.940.610.751	147.534.607.543
- Retained earnings of the current period	421b		121.944.326.067	-
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		6.555.026.608.514	6.552.717.393.316

Ho Chi Minh City, 25 July 2019


Pham Quang Huy
 Preparer


Nguyen Minh Nguyet
 Chief Accountant


Do Van Minh
 General Director

GEMADEPT CORPORATION

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

FINANCIAL STATEMENTS

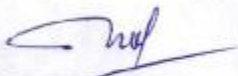
For the 2nd quarter of the fiscal year ending 31 December 2019

INCOME STATEMENT
For the 2nd quarter of the fiscal year ending 31 December 2019

Unit: VND

ITEMS	Code	Note	Quarter 2		Accumulated from the beginning of the year to the end of the current period	
			Current year	Previous year	Current period	Previous period
1. Sales	01	VI.1	55.802.653.498	57.032.617.700	114.816.695.048	91.981.012.001
2. Sales deductions	02		-	-	-	-
3. Net sales	10		55.802.653.498	57.032.617.700	114.816.695.048	91.981.012.001
4. Cost of sales	11	VI.2	42.011.551.294	35.719.943.466	82.460.594.782	58.838.598.237
5. Gross profit	20		13.791.102.204	21.312.674.234	32.356.100.266	33.142.413.764
6. Financial income	21	VI.3	164.615.273.107	157.013.741.829	214.458.254.557	1.850.810.273.223
7. Financial expenses	22	VI.4	62.786.888.947	38.681.805.506	69.092.845.781	34.840.728.187
In which: Loan interest expense	23		18.739.350.557	9.822.659.526	33.489.484.599	16.013.743.802
8. Selling expenses	25	VI.5	467.837.499	161.472.631	641.388.999	318.077.636
9. General and administration expenses	26	VI.6	26.378.430.045	27.891.071.722	53.699.723.122	52.666.287.318
10. Net operating profit	30		88.773.218.820	111.592.066.204	123.380.396.921	1.796.127.593.846
11. Other income	31	VI.7	217.636.843	1.323.051.251	217.636.843	4.103.808.663
12. Other expenses	32	VI.8	973.468.823	235.713.566	1.484.837.951	506.094.053
13. Other profit/(loss)	40		(755.831.980)	1.087.337.685	(1.267.201.108)	3.597.714.610
14. Total accounting profit before tax	50		88.017.386.840	112.679.403.889	122.113.195.813	1.799.725.308.456
15. Current income tax	51	V.16	(2.039.268.637)	(6.856.198.020)	57.478.052	211.022.704.601
16. Deferred income tax	52		(2.092.806)	18.487.426	111.391.694	(1.166.826.862)
17. Profit after tax	60		90.058.748.283	119.517.114.483	121.944.326.067	1.589.869.430.717
18. Basic earnings per share	70		-	-	-	-
19. Diluted earnings per share	71		-	-	-	-

Ho Chi Minh City, 25 July 2019


 Pham Quang Huy
 Preparer


 Nguyen Minh Nguyen
 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 2nd quarter of the fiscal year ending 31 December 2019

CASH FLOW STATEMENT

(Indirect method)

For the 2nd quarter of the fiscal year ending 31 December 2019

Unit: VND

ITEMS	Code	Accumulated from the beginning of the year to the end of the current period	
		Current period	Previous period
I. Cash flows from operating activities			
1. Profit before tax	01	122.113.195.813	1.799.725.308.456
2. Adjustments			
- Depreciation of fixed assets and investment properties	02	53.165.012.972	28.855.224.661
- Provisions and allowances	03	24.989.510.521	14.927.740.492
- Exchange gain/(loss) due to revaluation of monetary items in foreign currencies	04	429.991.702	2.464.703.912
- Gain/(loss) from investing activities	05	(204.916.002.657)	(1.837.220.640.141)
- Interest expenses	06	33.489.484.599	16.013.743.802
- Others	07	-	-
3. Operating profit/(loss) before changes of working capital	08	29.271.192.950	24.766.081.182
- Increase/(decrease) of receivables	09	21.023.445.950	(14.142.689.605)
- Increase/(decrease) of inventories	10	(1.471.541.232)	(5.039.573.431)
- Increase/(decrease) of payables	11	(54.424.762.832)	(31.736.767.970)
- Increase/(decrease) of prepaid expenses	12	2.433.665.270	(1.503.492.607)
- Increase/(decrease) of trading securities	13	-	-
- Interests paid	14	(34.023.042.388)	(15.476.663.831)
- Corporate income tax paid	15	(15.674.492.687)	(86.632.031.323)
- Other cash inflows	16	-	-
- Other cash outflows	17	(19.895.265.200)	(6.579.815.457)
Net cash flows from operating activities	20	(72.760.800.169)	(136.344.953.042)
II. Cash flows from investing activities			
1. Purchases and construction of fixed assets and other non-current assets	21	(108.271.126.190)	(211.809.631.886)
2. Proceeds from disposals of fixed assets and other non-current assets	22	218.181.818	17.326.589.573
3. Cash outflow for lending, buying debt instruments of other entities	23	(63.365.460.000)	(109.330.000.000)
4. Cash recovered from lending, selling debt instruments of other entities	24	84.635.000.000	46.765.000.000
5. Investments into other entities	25	(54.324.500.000)	(76.833.533.255)
6. Withdrawals of investments in other entities	26	17.036.195.437	2.021.190.288.788
7. Interest earned, dividends and profits received	27	248.775.052.579	399.394.992.918
Net cash flows from investing activities	30	124.703.343.644	2.086.703.706.138

GEMADEPT CORPORATION

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

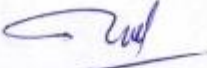
FINANCIAL STATEMENTS

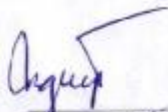
For the 2nd quarter of the fiscal year ending 31 December 2019

Cash Flow Statement (cont.)


ITEMS	Code	Accumulated from the beginning of the year to the end of the current period	
		Current period	Previous period
III. Cash flows from financing activities			
1. Proceeds from issuing stocks and capital contributions from owners	31	-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32	-	-
3. Proceeds from borrowings	33	352.294.033.598	253.998.301.958
4. Repayment for loan principal	34	(388.012.205.384)	(176.306.659.975)
5. Payments for financial leased assets	35	(27.428.291.615)	(10.356.196.331)
6. Dividends and profit paid to the owners	36	-	(2.306.202.021.600)
<i>Net cash flows from financing activities</i>	40	<u><i>(63.146.463.401)</i></u>	<u><i>(2.238.866.575.948)</i></u>
Net cash flows during the period	50	(11.203.919.926)	(288.507.822.852)
Beginning cash and cash equivalents	60	43.070.277.429	336.882.059.451
Effects of fluctuations in foreign exchange rates	61	(106.831.330)	269.659.328
Ending cash and cash equivalents	70	<u>31.759.526.173</u>	<u>48.643.895.927</u>

Ho Chi Minh City, 25 July 2019


Pham Quang Huy
 Preparer


Nguyen Minh Nguyen
 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 2nd quarter of the fiscal year ending 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS

For the 2nd quarter of the fiscal year ending 31 December 2019

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

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

2. Operating field

The Corporation operates in many different fields.

3. Principal business activities

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

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

4. Normal operating cycle

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

5. Effects of the Corporation’s operation during the period on the Financial Statements

On 30 January 2019, the Corporation decided to increase the charter capital of Phuoc Long Port Co., Ltd. to expand business operation and to guarantee for loan of Gemadept - Terminal Link Cai Mep Terminal J.S.C. On 20 February 2019 the Corporation resumed the construction of Gemalink port, the largest deep-sea port of Viet Nam, in Ba Ria - Vung Tau province.

During the period, the Corporation adjusted the principle business activities in accordance with the Resolution of Board of Director on 16 May 2019.

During the period, the Corporation kept additionally investing in Pacific Pride Joint-Stock Company Limited, Pacific Rubber Industry Co., Ltd., and Phuoc Long Port Co., Ltd. At the same time, the Corporation has terminated the operation of Gemadept Cambodia Branch and completed the dissolution procedure of Vi Tin Service Computing Co., Ltd.

6. Structure of the Corporation

At the end of the period, the Corporation includes 18 subsidiaries and 10 joint ventures, associates (at the beginning of the year: 19 subsidiaries and 10 joint ventures, associates).

GEMADEPT CORPORATION

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

FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)****6a. List of subsidiaries at the end of year**

Subsidiaries	Address	Capital contribution rate	Benefit rate	Voting rate
Nam Dinh Vu Port Joint Stock Company	Lot CA1, Nam Dinh Vu Industrial Park, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam	60,00%	60,00%	60,00%
Nam Hai Dinh Vu Port J.S.C.	Km No. 6, Dinh Vu Street, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam	84,66%	84,66%	84,66%
Nam Hai Port Corporation Joint Stock Company	No. 201, Ngo Quyen Street, May Chai Ward, Ngo Quyen District, Hai Phong City, Vietnam	99,98%	99,98%	99,98%
Nam Hai ICD Joint Stock Company	Lot CN3, MP Dinh Vu Industrial Park, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam	65,00%	65,00%	65,00%
Gemadept Dung Quat International Port J.S.C.	Port No. 1 – Dung Quat Port, Binh Thuan Commune, Binh Son District, Quang Ngai Province, Vietnam	80,40%	80,40%	80,40%
Phuoc Long Port Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%
Truong Tho Transportation Services Corporation ⁽ⁱ⁾	Quarter 7, Truong Tho Ward, Thu Duc District, Ho Chi Minh City, Vietnam	46,00%	46,00%	54,00%
Pacific Marine Equipment and Service Company Limited	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%
ISS - Gemadept Co., Ltd.	No. 45 Vo Thi Sau Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam	51,00%	51,00%	51,00%
Pacific Marine Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%
Pacific Rubber Industry Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%
Pacific Pearl Joint Stock Company Limited	61 Road No. 468, Toul Tumpoung 2 Ward, Chamkarmon District, Phnom Penh City, Cambodia	100%	100%	100%
Pacific Lotus Joint Stock Company Limited	18B Road No. 500, Phsar Deum Thkov Ward, Chamkarmon District, Phnom Penh City, Cambodia	100%	100%	100%
Pacific Pride Joint-Stock Company Limited	947 Por Prok Khang Thong Hamlet, Kar Karb Ward, Po Sen Chey District, Phnom Penh City, Cambodia	100%	100%	100%
V.N.M General Transportation Service Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%

GEMADEPT CORPORATION

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

FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

Subsidiaries	Address	Capital contribution rate	Benefit rate	Voting rate
Gemadept Construction Infrastructure Investment and Development Corporation	No. 147 Nguyen Thai Binh Street, Ward 3, Tan An City, Long An Province, Vietnam	50,00%	50,00%	50,00%
Gemadept – Vung Tau Corporation	No. 1/1A Pham Hong Thai Street, Ward 7, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam	70,00%	70,00%	70,00%
Gemadept Nhon Hoi International Port J.S.C.	No. 98 Pham Hung Street, Ly Thuong Kiet Ward, Quy Nhon City, Binh Dinh Province, Vietnam	53,20%	53,20%	53,20%

- (i) The Corporation has taken control over Truong Tho Transportation Services Corporation since it has been authorized by some shareholders to reach the voting right rate of 54% at the General Meetings of Shareholders.

6b. List of joint ventures and associates at the end of year

Company's name	Address	Capital contribution rate	Ownership rate	Voting rate
Gemadept - Terminal Link Cai Mep Terminal J.S.C.	Cai Mep Area, Phuoc Hoa Commune, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam	41,67%	41,67%	41,67%
Saigon Cargo Service Corporation (SCSC Corp.)	No. 30, Phan Thuc Duyen Street, Ward 4, Tan Binh District, Ho Chi Minh City, Vietnam	32,25%	32,25%	32,25%
CJ Gemadept Logistics Holdings Company Limited	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	49,10%	49,10%	49,10%
CJ Gemadept Shipping Holdings Company Limited	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	51,00%	51,00%	50,00%
“K” Line – Gemadept Logistics Co., Ltd.	No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	50,00%	50,00%	50,00%
Golden Globe Co., Ltd.	Sibunhuong Village, Chanthabouly District, Vientiane, Laos	40,00%	40,00%	40,00%
Golden Globe Trading Co., Ltd.	No. 117 Le Loi Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam	45,00%	45,00%	45,00%
Foodstuff Combina Torial Joint Stock Company	267 Quang Trung, Quang Trung Ward, Ha Dong District, Ha Noi City, Viet Nam.	26,56%	26,56%	26,56%
Minh Dam Tourism J.S.C.	Cau Tum, Hai Tan Quarter, Phuoc Hai Town, Dat Do District, Ba Ria-Vung Tau Province, Vietnam.	40,00%	40,00%	40,00%

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

Company's name	Address	Capital contribution rate	Ownership rate	Voting rate
Vung Tau Commercial Port J.S.C. (VCP)	No. 973, 30/4 Street, Ward 11, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam	26,78%	26,78%	26,78%

6c. Affiliates which are not legal entities and cannot do accounting works independently

Affiliates	Address
Pacific Shipping Enterprise	15 th Floor, No. 35 Nguyen Hue Street, District 1, Ho Chi Minh City, Vietnam
Da Nang Branch	No. 39 Quang Trung Street, Hai Chau District, Da Nang City, Vietnam
Can Tho Branch	No. 80-82-84 Le Hong Phong Street, Binh Thuy Ward, Binh Thuy District, Can Tho City, Vietnam
Vung Tau Branch	No. 1/1A Pham Hong Thai Street, Ward 7, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam
Cambodia Branch	18B Road 500, Quarter 1, Phsar Doeumthkov Ward, Chamkarmon District, Phnom Penh City, Cambodia

7. Statement on information comparability on the Financial Statements

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

8. Employees

As at the balance sheet date, there have been 184 employees working for the Corporation (at the beginning of the year: 169 employees).

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

The fiscal year of the Corporation is from 01 January to 31 December annually. The 2nd quarter of the year 2019 began on 01 April 2019 and ended on 30 June 2019.

2. Accounting currency unit

The accounting currency unit is Vietnamese Dong (VND).

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

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

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

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

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Notes to the Financial Statements (cont.)

IV. ACCOUNTING POLICIES

1. Accounting convention

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

2. Foreign currency transactions

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

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

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

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

The exchange rates used to re-evaluate the ending balances of monetary items in foreign currencies are determined according to the following principles:

- For foreign currency deposits: the buying rate of the bank where the Corporation opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of OCB where the Corporation frequently makes transactions.
- For monetary items in foreign currencies classified as liabilities: the selling rate of OCB where the Corporation frequently makes transactions.

3. Cash and cash equivalents

Cash includes cash on hand and demand deposits in banks. Cash equivalents are short-term investments of which the due dates cannot exceed 03 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as of the balance sheet date.

4. Financial investments

Trading securities

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For the 2nd quarter of the fiscal year ending 31 December 2019

Notes to the Financial Statements (cont.)

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

Trading securities are recognized at original costs which include fair value of the payments made at the time of the transaction plus other costs attributable to transaction costs.

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

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

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

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

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

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

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

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

Loans

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

Investments in subsidiaries, joint ventures and associates

Subsidiaries

Subsidiary is an entity that is controlled by the Corporation. Control is the Corporation's power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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Notes to the Financial Statements (cont.)

Joint ventures

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

Associates

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

Initial recognition

Investments in subsidiaries, joint ventures and associates are initially recognized at original costs, including the cost of purchase or capital contributions plus other directly attributable transaction cost. In case of investment in non-monetary assets, the costs of the investment are recognized at the fair value of non-monetary assets at the arising time.

Dividends and profits of the periods prior to the purchase of investments are recorded as a decrease in value of such investments. Dividends and profit of the periods after the purchase of investments are recorded into the Corporation's revenues. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity is followed up.

Provisions for impairment of investments in subsidiaries, joint ventures and associates

Provisions for impairment of investments in subsidiaries, joint ventures and associates are made when these entities suffers from losses at the rate equal to the difference between the actual capital invested by investors in subsidiaries, joint ventures and associates and the actual owner's equity multiplying (x) by the Corporation's rate of capital contribution over the total actual capital invested by investors in subsidiaries, joint ventures and associates. If the subsidiaries, joint ventures and associates are consolidated into Consolidated Financial Statements, the basis for impairment provisions is the Consolidated Financial Statements.

Increases/(decreases) in the provision for impairment of investments in subsidiaries, joint ventures and associates is recorded into financial expenses as of the balance sheet date.

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Corporation to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at costs, including cost of purchase or capital contributions plus other directly attributable transaction cost. Dividends and profits of the periods prior to the purchase of investments are recorded as a decrease in value of such investments. Dividends and profit of the periods after the purchase of investments are recorded into the Corporation's revenues. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity is followed up.

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

- For investments in listed shares or fair value of investments which is reliably measured, provisions are made on the basis of the market value of shares.

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Notes to the Financial Statements (cont.)

- For investments of which the fair value cannot be measured at the time of reporting, provisions are made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital invested by investors and the actual owner's equity multiplying (x) by the Corporation's rate of capital contribution over the total actual capital invested by investors in these investees.

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

5. Receivables

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

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

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

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

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

6. Inventories

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

Inventories include fuels and merchandises. Costs of inventories comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.

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

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

Allowance for inventories is recognized for each type of inventories when their costs are higher than their net realizable values. Increases/(decreases) in the obligatory allowance for inventories as of the balance sheet date are recorded into "Costs of sales".

7. Prepaid expenses

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods. Prepaid expenses of the Corporation mainly include insurance premiums and interest expenses for container financial lease. These prepaid expenses are allocated over the prepayment period or period of corresponding economic benefits generated from these expenses.

Insurance premiums

Insurance premiums are allocated into expenses in accordance with the straight-line method over the insurance policy's term.

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Notes to the Financial Statements (cont.)

Interest expenses for container financial lease

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

8. Operating leased assets

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

9. Tangible fixed assets

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

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

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 – 25
Machinery and equipment	05 – 07
Vehicles	06 – 15
Office equipment	03 – 08

10. Financial leased assets

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

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

11. Intangible fixed assets

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

Initial costs of intangible fixed assets include all the costs paid by the Corporation to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the year only if these costs

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Notes to the Financial Statements (cont.)

are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

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

The Corporation's intangible fixed assets include:

Land use right

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

Computer software

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

12. Construction-in-progress

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

13. Payables and accrued expenses

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

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

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

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

14. Provisions for payables

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

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

The Corporation's provisions for payables include compensations for loss during transportation.

15. Owner's equity

Capital

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

Share premiums

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

Other sources of capital

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

16. Profit distribution

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

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

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

17. Recognition of sales and income

Sales of service provision

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

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

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

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Income from leasing operating assets

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

Interest

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

Dividends and profit shared

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

18. Borrowing costs

Borrowing costs include loan interest and other costs incurred directly relevant to borrowings.

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

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

19. Expenses

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

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

20. 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

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Notes to the Financial Statements (cont.)

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

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

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

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

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

21. Related parties

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

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

22. Segment reporting

A business segment is a distinguishable component of the Corporation that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Corporation that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

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Segment information is prepared and presented in compliance with the accounting policy applied to the preparation and presentation of the Corporation's Financial Statements.

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	2.615.864.788	2.515.324.364
Deposits in banks	24.451.592.123	40.554.953.065
Cash in transit	2.692.069.262	-
Cash equivalents (Bank deposits of which the principal maturity is under 03 months)	2.000.000.000	-
Total	31.759.526.173	43.070.277.429

2. Financial investments

The Corporation's financial investments include trading securities and investments in other entities. The Corporation's financial investments are as follows:

2a. Trading securities

	<u>Ending balance</u>			<u>Beginning balance</u>		
	<u>Original cost</u>	<u>Fair value</u>	<u>Provision</u>	<u>Original cost</u>	<u>Fair value</u>	<u>Provision</u>
<i>Shares</i>						
National Citizen Bank (NCB)	94.971.030.000	56.818.947.455	(38.152.082.545)	94.971.030.000	62.645.063.159	(32.325.966.841)
Thu Duc Steel J.S.C.	31.488.264.362	14.956.109.200	(16.532.155.162)	31.488.264.362	16.519.218.000	(14.969.046.362)
Manganese Mineral Joint Stock Company	14.234.321.100	-	(14.234.321.100)	14.234.321.100	-	(14.234.321.100)
Other shares	650.218	339.800	(362.768)	650.218	365.900	(352.768)
Total	140.694.265.680	71.775.396.455	(68.918.921.575)	140.694.265.680	79.164.647.059	(61.529.687.071)

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

	<u>Current period</u>	<u>Previous period</u>
Beginning balance	(61.529.687.071)	(74.153.531.152)
Reversal	(7.389.234.504)	3.689.740.500
Ending balance	(68.918.921.575)	(70.463.790.652)

2b. Investments in other entities

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original cost</u>	<u>Provision</u>	<u>Original cost</u>	<u>Provision</u>
<i>Investments in subsidiaries</i>	<i>3.533.831.388.483</i>	<i>(394.654.681.200)</i>	<i>3.394.681.888.483</i>	<i>(373.669.542.700)</i>
Pacific Lotus Joint Stock Company Limited	821.547.894.800	(106.596.850.142)	821.547.894.800	(86.537.815.310)
Pacific Pearl Joint Stock Company Limited	586.721.892.380	(161.748.608.601)	586.721.892.380	(158.712.498.700)
Nam Hai Port Corporation Joint Stock Company	424.383.000.000	-	424.383.000.000	-
Nam Dinh Vu Port Joint Stock Company	360.000.000.000	-	360.000.000.000	(31.017.920.515)

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

	Ending balance		Beginning balance	
	Original cost	Provision	Original cost	Provision
Nam Hai Dinh Vu Port J.S.C.	338.625.450.000	-	338.625.450.000	-
Pacific Pride Joint-Stock Company Limited ⁽ⁱ⁾	298.042.195.550	(116.768.742.486)	258.592.695.550	(81.556.853.689)
Phuoc Long Port Co., Ltd. ⁽ⁱ⁾	300.000.000.000	-	200.000.000.000	-
Pacific Rubber Industry Co., Ltd. ⁽ⁱ⁾	86.500.000.000	(9.525.160.907)	85.800.000.000	(9.460.093.395)
Nam Hai ICD Joint Stock Company	78.000.000.000	(15.319.064)	78.000.000.000	(5.384.361.091)
Gemadept – Vung Tau Corporation	67.200.000.000	-	67.200.000.000	-
Gemadept Infrastructures Development and Investment Construction J.S.C.	60.000.000.000	-	60.000.000.000	-
Gemadept Dung Quat International Port J.S.C.	41.730.000.000	-	41.730.000.000	-
V.N.M General Transportation Service Co., Ltd.	35.000.000.000	-	35.000.000.000	-
Truong Tho Transportation Services Corporation	27.600.000.000	-	27.600.000.000	-
Pacific Marine Co., Ltd.	3.500.000.000	-	3.500.000.000	-
Gemadept Nhon Hoi International Port J.S.C.	2.343.651.753	-	2.343.651.753	-
Pacific Marine Equipment and Service Company Limited	1.000.000.000	-	1.000.000.000	-
Other subsidiaries ⁽ⁱⁱⁱ⁾	1.637.304.000	-	2.637.304.000	(1.000.000.000)
Investments in joint ventures, associates	1.807.852.948.941	(118.495.362.438)	1.807.852.948.941	(121.603.440.229)
Gemadept – Terminal Link Cai Mep Terminal J.S.C.	834.150.000.000	(86.624.300.583)	834.150.000.000	(80.767.976.488)
Saigon Cargo Service Corporation (SCSC Corp.)	393.773.440.000	-	393.773.440.000	-
CJ Gemadept Logistics Holdings Company Limited	131.555.876.205	-	131.555.876.205	-
“K” Line – Gemadept Logistics Co., Ltd.	108.001.500.000	-	108.001.500.000	-
CJ Gemadept Shipping Holdings Company Limited	104.620.023.000	(2.179.339.186)	104.620.023.000	(11.712.456.929)
Golden Globe Co., Ltd.	94.992.157.496	(707.180.976)	94.992.157.496	(626.134.604)
Golden Globe Trading Co., Ltd.	62.538.064.097	-	62.538.064.097	-
Foodstuff Combina Torial Joint Stock Company	49.825.280.000	(10.229.933.550)	49.825.280.000	(9.742.264.065)
Other associates	28.396.608.143	(18.754.608.143)	28.396.608.143	(18.754.608.143)
Investments in other entities	186.457.032.000	(7.688.291.145)	186.457.032.000	(9.414.111.561)
Maritime Bank	165.581.032.000	-	165.581.032.000	-
Vietnam Industry Securities Company ⁽ⁱⁱ⁾	15.876.000.000	(4.511.430.000)	15.876.000.000	(6.246.822.728)
Intellectual Vietnam Asset Management Joint-Stock Company	5.000.000.000	(3.176.861.145)	5.000.000.000	(3.167.288.833)

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	Ending balance		Beginning balance	
	Original cost	Provision	Original cost	Provision
Total	5.528.141.369.424	(520.838.334.783)	5.388.991.869.424	(504.687.094.490)

- (i) Increase due to additional capital contribution.
(ii) Vietnam Industry Securities Company is completing its dissolution procedures.
(iii) Decrease due to subsidiaries' dissolution.

Provisions for investments in other entities

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

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Beginning balance	(504.687.094.490)	(474.089.068.995)
Additional extraction	(17.151.240.293)	(18.246.539.197)
Writing off provisions due to subsidiaries' dissolution	1.000.000.000	15.207.300.000
Ending balance	(520.838.334.783)	(477.128.308.192)

2c. Transactions with other related parties

During the period, the Corporation has significant transactions with other related parties as follows:

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
<i>Nam Hai Port Corporation Joint Stock Company</i>		
Loan	38.500.000.000	-
Loan interest	2.455.120.548	-
Payment on other's behalf	32.859.268	-
Dividends shared	-	27.994.400.000
<i>Nam Dinh Vu Port Joint Stock Company</i>		
Sales from leasing assets	5.047.410.500	1.952.941.071
Loan	67.000.000.000	-
Loan interest	4.722.756.164	-
Payment on other's behalf	4.271.965	-
<i>Nam Hai Dinh Vu Port J.S.C.</i>		
Sales from leasing assets	6.412.903.225	1.752.862.258
Service charges	15.120.000	-
Other charges	907.202.435	-
Loan	75.000.000.000	17.000.000.000
Loan interest	810.082.191	547.730.973
Interest on loan given	33.657.534	-
Payment on other's behalf	71.763.975	-
Dividends shared	54.857.322.900	-
<i>Phuoc Long Port Co., Ltd.</i>		
Sales from leasing assets	11.102.727.270	13.750.029.325

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Loan given	37.500.000.000	94.000.000.000
Interest on loan given	401.621.919	1.181.253.575
Payment on other's behalf	194.166.664	85.806.006
Capital contribution	100.000.000.000	-
<i>Pacific Pride Joint-Stock Company Limited</i>		
Capital contribution	39.449.500.000	38.597.000.000
<i>Pacific Rubber Industry Co., Ltd.</i>		
Capital contribution	700.000.000	1.400.000.000
Payment on other's behalf	123.325.638	201.962.899
<i>Nam Hai ICD Joint Stock Company</i>		
Sales from leasing assets	2.929.090.909	840.000.000
Loan given	-	7.000.000.000
Interest on loan given	3.411.726.027	3.401.108.067
Payment on other's behalf	11.606.706	-
<i>Gemadept Infrastructures Development and Investment Construction J.S.C.</i>		
Payment on other's behalf	228.216.000	-
<i>Gemadept Dung Quat International Port J.S.C.</i>		
Sales from service provision	317.454.546	317.454.545
Service charges	31.040.070	15.111.407
Payment on the Corporation's behalf	-	635.803.143
<i>V.N.M General Transportation Service Co., Ltd.</i>		
Profit shared	76.016.849.314	7.000.000.000
Loan	19.000.000.000	1.000.000.000
Loan interest	13.888.889	8.493.150
<i>Truong Tho Transportation Services Corporation</i>		
Sales from leasing assets	2.160.000.000	2.160.000.000
Dividends shared	-	5.520.000.000
Loan	8.000.000.000	-
<i>Pacific Marine Co., Ltd.</i>		
Loan	1.600.000.000	5.000.000.000
Loan interest	170.520.548	246.575.342
<i>Pacific Marine Equipment and Service Company Limited</i>		
Sales from service provision	2.528.573.822	32.185.775
Sales from asset liquidation	-	305.000.000
Service charges	46.915.605	240.084.687

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Payment on the Corporation's behalf	12.871.954	-
<i>ISS - Gemadept Co., Ltd.</i>		
Sales from service provision	-	7.983.500
<i>Vi Tin Service Computing Co., Ltd.</i>		
Service charges	-	945.000.000
Payment on other's behalf	-	1.008.395.280
Withdrawing capital contributed	117.163.257	-
<i>Gemadept - Terminal Link Cai Mep Terminal J.S.C.</i>		
Sales from leasing office	132.701.962	132.000.000
Loan interest	328.142.924	639.917.450
<i>Saigon Cargo Services Corporation</i>		
Dividends shared	68.234.068.000	55.324.920.000
Loan	50.000.000.000	80.000.000.000
Loan interest	2.386.574.562	804.821.918
<i>"K" Line - Gemadept Logistics Co., Ltd.</i>		
Sales from service provision	190.900.982	154.820.000
Capital contribution	-	36.649.000.000
Loan	-	15.000.000.000
Loan interest	-	174.246.575
<i>Vung Tau Commercial Port J.S.C.</i>		
Dividends shared	674.940.000	1.157.040.000
<i>Minh Dam Tourism J.S.C.</i>		
Loan given	180.000.000	330.000.000
<i>Gemadept Logistics One Member Co., Ltd.</i>		
Sales from service provision	3.764.779.505	75.035.026
Sales from leasing assets	2.188.353.404	1.725.545.455
Service charges	1.582.892.025	-
Loan given	-	5.000.000.000
Interest on loan given	-	299.916.438
Payment on other's behalf	1.094.715.828	945.464.275
Collection on other's behalf	8.090.124.599	18.789.513.916
<i>Gemadept Hai Phong Co., Ltd.</i>		
Sales from leasing assets	3.073.090.909	3.253.090.909
Service charges	-	-
Payment on other's behalf	21.662.046	33.825.631

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
<i>Mekong Logistics Company</i>		
Loan given	-	3.000.000.000
Interest on loan given	282.849.316	70.767.123
<i>Gemadept Shipping Limited Company</i>		
Sales from service provision, leasing asset	40.996.359.050	29.844.047.594
Service charges	-	157.905.136
Collection on other's behalf	17.729.328.949	30.333.981.798
Payment on other's behalf	13.947.984.466	2.151.113.615
<i>CJ Gemadept Logistics Holdings Company Limited</i>		
Loan given	6.000.000.000	-
Interest on loan given	184.986.302	-
<i>CJ Gemadept Shipping Holdings Company Limited</i>		
Loan given	2.785.460.000	-
Interest on loan given	46.258.709	-
3. Short-term trade receivables		
	Ending balance	Beginning balance
<i>Receivables from related parties</i>	32.093.698.937	53.752.411.415
Gemadept Shipping Limited Company	14.254.938.470	20.662.956.601
Phuoc Long Port Co., Ltd.	-	11.419.893.476
Pacific Marine Equipment and Service Company Limited	6.401.139.914	6.403.258.406
Gemadept Hai Phong Co., Ltd.	2.209.600.000	4.130.800.000
Gemadept Logistics One Member Company Limited	3.367.058.909	3.691.392.506
Truong Tho Transportation Services Corporation	712.800.000	2.336.800.000
Nam Hai ICD Joint Stock Company	4.019.479.452	2.156.000.000
Nam Dinh Vu Port Joint Stock Company	-	1.538.407.200
Nam Hai Dinh Vu Port J.S.C.	954.082.192	1.412.903.226
Gemadept Dung Quat International Port J.S.C.	174.600.000	-
<i>Receivables from other customers</i>	18.078.660.771	43.455.735.059
Hyosung Vietnam Co., Ltd.	-	16.806.567.523
Other customers	18.078.660.771	26.649.167.536
Total	50.172.359.708	97.208.146.474
4. Short-term prepayments to suppliers		
	Ending balance	Beginning balance
Golden Lotus Corporation	26.080.800.000	26.080.800.000
Galaxy Maritime Corporation	10.783.853.004	10.783.853.004
Other suppliers	3.325.934.689	5.216.910.805
Total	40.190.587.693	42.081.563.809

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)****5. Receivables for short-term loans**

	Ending balance	Beginning balance
<i>Loans given to related parties</i>	101.075.460.000	145.345.000.000
Nam Hai ICD Joint Stock Company	86.000.000.000	86.000.000.000
Phuoc Long Port Co., Ltd.	-	30.000.000.000
Nam Hai Dinh Vu Port J.S.C.	-	15.000.000.000
Mekong Logistics Company	-	8.000.000.000
CJ Gemadept Logistics Holdings Company Limited	10.000.000.000	4.000.000.000
Minh Dam Tourism J.S.C.	2.290.000.000	2.110.000.000
Vi Tin Service Computing Co., Ltd.	-	235.000.000
CJ Gemadept Shipping Holdings Company Limited	2.785.460.000	-
<i>Loans given to other organizations</i>	11.000.000.000	11.000.000.000
Total	112.075.460.000	156.345.000.000

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

	Ending balance	Beginning balance
<i>Receivables from related parties</i>	292.195.961.905	290.666.367.914
Pacific Pearl Joint Stock Company Limited – Payment on other's behalf	86.169.890.925	85.632.602.850
Phuoc Long Port Co., Ltd. – Payment on other's behalf, profit shared, interests on loans given	49.945.898.223	82.396.026.076
Gemadept Dung Quat International Port J.S.C. – Dividends	37.000.000.000	38.800.000.000
Gemadept Shipping Limited Company – Profits shared, collection on the Corporation's behalf	18.918.962.062	31.478.017.357
Golden Globe Co., Ltd. – Payment on other's behalf	26.200.245.750	26.036.881.500
Gemadept Hai Phong Co., Ltd. – Payment on other's behalf, profit shared	3.092.203.856	9.132.443.155
Pacific Marine Equipment and Service Company Limited – Profit shared	8.012.871.954	8.000.000.000
Nam Hai ICD Joint Stock Company – Payment on other's behalf, interests on loans given	5.165.550.889	3.456.724.105
V.N.M General Transportation Service Co., Ltd. – Profit shared	-	1.983.150.686
Power Transportation and Service J.S.C. (Potraco) – Dividends	-	1.072.446.000
Pacific Rubber Industry Co., Ltd. – Payment on other's behalf	889.369.786	773.782.948
Gemadept Infrastructures Development and Investment Construction J.S.C. – Payment on other's behalf	556.981.000	556.981.000
Vi Tin Service Computing Co., Ltd. – Payment on other's behalf	-	424.500.451
Gemadept Logistics One Member Co., Ltd. – Payment on other's behalf, profit shared, interests on loans given		327.961.655

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

	<u>Ending balance</u>	<u>Beginning balance</u>
	579.715.409	
Mekong Logistics Company – Interest on loan given	139.835.617	82.328.766
Nam Dinh Vu Port Joint Stock Company – Payment on other's behalf	-	4.271.965
Nam Hai Dinh Vu Port J.S.C. – Dividends, payment on other's behalf	54.857.322.900	1.367.178
Other related parties	667.113.534	506.882.222
Receivables from other organizations and individuals	88.381.644.573	75.200.630.173
Hang River Co., Ltd. – Capital contribution to develop the project of Le Chan General Port Advances	19.000.000.000	19.000.000.000
	29.936.334.077	31.562.880.969
Payments on other's behalf to perform agent service	13.563.145.597	2.722.178.104
Short-term deposits	5.901.455.618	6.389.443.118
Other short-term receivables	19.980.709.281	15.526.127.982
Total	380.577.606.478	365.866.998.087

6b. Other long-term receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
Indochina Sun Infrastructure Development Construction Investment Corporation – Capital contribution to develop the project of Logistics Service Area	18.000.000.000	18.000.000.000
Total	18.000.000.000	18.000.000.000

7. Doubtful debts

			Ending balance		Beginning balance				
			Outstanding period	Original costs	Provisions already made	Outstanding period	Original costs	Provisions already made	
Related parties				2.496.882.222	(2.496.882.222)		2.266.882.222	(2.266.882.222)	
Minh Dam Tourism J.S.C – Loan given and loan interest				2.496.882.222	(2.496.882.222)		2.266.882.222	(2.266.882.222)	
Other organizations and individuals				7.170.627.887	(7.170.627.887)		7.170.627.887	(7.170.627.887)	
Ms. Nguyen Thi Hong Linh – Receivable for trading securities	Over years	03		3.000.000.000	(3.000.000.000)	Over years	03	3.000.000.000	(3.000.000.000)
Penex Container Lines Pte., Ltd. – Trade receivables	Over years	03		2.792.724.771	(2.792.724.771)	Over years	03	2.792.724.771	(2.792.724.771)
Receivables from other organizations and individuals	Over 03 years			1.377.903.116	(1.377.903.116)	From 01 year to over 03 years		1.377.903.116	(1.377.903.116)
Total				9.667.510.109	(9.667.510.109)			9.437.510.109	(9.437.510.109)

Fluctuations in allowances for short-term doubtful debts are as follows:

	<u>Current period</u>	<u>Previous period</u>
Beginning balance	(9.437.510.109)	(153.153.951.083)

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	Current period	Previous period
Additional extraction	(230.000.000)	(370.941.795)
Writing off	-	142.830.510.867
Ending balance	(9.667.510.109)	(10.694.382.011)

8. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Fuel in ships	865.491.026	-	1.152.441.000	-
Merchandises	1.045.951.894	-	-	-
Finished goods	712.539.312	-	-	-
Total	2.623.982.232	-	1.152.441.000	-

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

	Ending balance	Beginning balance
Insurance premiums	1.078.227.449	1.358.469.357
Other short-term prepaid expenses	297.299.774	195.828.218
Total	1.375.527.223	1.554.297.575

9b. Long-term prepaid expenses

	Ending balance	Beginning balance
Interest expenses for container financial lease	44.308.089.797	49.467.126.156
Other long-term prepaid expenses	6.608.463.763	3.704.322.322
Total	50.916.553.560	53.171.448.478

10. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	6.051.904.132	4.474.472.564	685.343.582.031	9.468.559.441	705.338.518.168
Increase	-	207.318.438	65.381.249.092	77.712.050	65.666.279.580
Decrease	-	-	(374.545.455)	-	(374.545.455)
Ending balance	6.051.904.132	4.681.791.002	750.350.285.668	9.546.271.491	770.630.252.293
Depreciation					
Beginning balance	6.051.904.132	4.405.792.263	199.352.046.858	5.867.990.968	215.677.734.221
Increase	-	25.002.178	30.107.864.868	415.679.765	30.548.546.811
Decrease	-	-	(374.545.455)	-	(374.545.455)
Ending balance	6.051.904.132	4.430.794.441	229.085.366.271	6.283.670.733	245.851.735.577
Net book values					
Beginning balance	-	68.680.301	485.991.535.173	3.600.568.473	489.660.783.947
Ending balance	-	250.996.561	521.264.919.397	3.262.600.758	524.778.516.716

Some tangible fixed assets, of which the net book values are VND **380.854.077.668**, have been mortgaged to secure the loans from OCB – Tan Binh Branch, Vietinbank – Branch 1 in Ho Chi Minh City and Vietcombank – Ho Chi Minh City Branch.

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)****11. Financial leased assets**

	Vehicles
Historical costs	
Beginning balance	259.292.255.153
Financial lease during the period	446.634.407
Ending balance	259.738.889.560
Depreciation	
Beginning balance	55.820.832.735
Depreciation during the period	22.019.707.799
Ending balance	77.840.540.534
Net book values	
Beginning balance	203.471.422.418
Ending balance	181.898.349.026

12. Intangible fixed assets

	Land use right	Computer software	Total
Initial costs			
Beginning balance	1.271.530.010	18.191.423.284	19.462.953.294
Ending balance	1.271.530.010	18.191.423.284	19.462.953.294
Amortization			
Beginning balance	-	10.968.194.673	10.968.194.673
Amortization during the period	-	596.758.362	596.758.362
Ending balance	-	11.564.953.035	11.564.953.035
Net book values			
Beginning balance	1.271.530.010	7.223.228.611	8.494.758.621
Ending balance	1.271.530.010	6.626.470.249	7.898.000.259

13. Construction-in-progress

This item reflects expenses for acquisition of fixed assets. Details are as follows:

	Beginning balance	Increase during the period	Other decreases	Ending balance
Expenses on purchases of crane truck, forklift truck, barge	56.679.122.572	24.594.406.458	(65.433.634.230)	15.839.894.800
ORC software	1.355.175.442	-	-	1.355.175.442
HR software	2.585.688.000	658.066.500	-	3.243.754.500
E – Office software	476.910.000	476.910.000	-	953.820.000
Total	61.096.896.014	25.729.382.958	(65.433.634.230)	21.392.644.742

14. Deferred income tax assets

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

Accumulated from the beginning of the year to the end of the current period
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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

	Current period	Previous period
Beginning balance	11.987.696.328	11.730.007.241
Inclusion into operation results during the period	43.807.145	123.690.761
Ending balance	12.031.503.473	11.853.698.002

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

15. Short-term trade payables

	Ending balance	Beginning balance
<i>Payables to related parties</i>	<i>1.747.073.620</i>	<i>14.414.837.185</i>
Gemadept Shipping Limited Company	55.047.392	12.981.527.205
Gemadept Logistics One Member Company Limited	1.689.701.228	1.423.841.601
Pacific Marine Equipment and Service Company Limited	2.325.000	9.468.379
<i>Payables to other suppliers</i>	<i>25.759.077.385</i>	<i>31.670.311.287</i>
Unico Vina Joint Stock Company	-	15.513.474.880
Intermodal Investment Fund IV LLC	1.773.441.709	2.368.900.982
Other suppliers	23.985.635.676	13.787.935.425
Total	27.506.151.005	46.085.148.472

The Corporation has no outstanding trade payable.

16. Taxes and other obligations to the State Budget**16a. Taxes and other obligations to the State Budget generated in Vietnam**

	Ending balance		Beginning balance	
	Payables	Receivable	Payable	Receivable
Corporate income tax	-	5.155.481.898	10.461.532.737	-
Personal income tax	-	1.182.731.585	-	1.317.603.949
Withholding tax	193.708.960	-	262.458.556	-
Other taxes	-	313.668.404	-	313.668.403
Total	193.708.960	6.651.881.887	10.723.991.293	1.631.272.352

Value added tax (VAT)

The Corporation has to pay VAT in accordance with the deduction method at the rate of 10%.

Corporate income tax

The Corporation has to pay corporate income tax on taxable income at the rate of 20%.

Other taxes

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

16b. Taxes and other obligations to the State Budget generated in Cambodia Branch

	Ending balance		Beginning balance	
	Payable	Receivable	Payable	Receivable
Corporate income tax	13.322.058	-	13.273.552	-
Total	13.322.058	-	13.273.552	-

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)****17. Payables to employees**

This item reflects the salary and others payables to employees.

18. Short-term accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	-	497.616.332
Gemadept - Terminal Link Cai Mep Terminal		
J.S.C. - Loan interest expenses	-	497.616.332
<i>Payables to other organizations and individuals</i>	2.576.895.928	3.878.135.962
Loan interest expenses	1.006.317.234	926.043.622
Other short-term accrued expenses	1.570.578.694	2.952.092.340
Total	2.576.895.928	4.375.752.294

19. Other short-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	9.942.698.523	12.903.453.387
Gemadept Logistics One Member Co., Ltd. -		
Collection on the other's behalf	4.418.387.484	5.117.063.590
Gemadept Shipping Limited Company -		
Collection on the other's behalf	2.201.428.025	2.295.405.974
Gemadept Infrastructures Development and		
Investment Construction J.S.C. - Collection on		
other's behalf and other payables	1.677.414.393	1.677.414.393
Nam Hai Dinh Vu Port J.S.C. -		
Collection on other's behalf and loan interest		
expenses	-	1.282.476.036
Gemadept Hai Phong Co., Ltd. - Collection on		
the other's behalf and other payables	321.868.893	1.066.094.645
Nam Dinh Vu Port Joint Stock Company - Loan		
interest expenses	297.945.205	566.654.795
Pacific Pride Joint-Stock Company Limited -		
Payment on the Corporation's behalf	566.531.235	566.531.235
Nam Hai Port Corporation Joint Stock Company -		
Loan interest expenses	459.123.288	259.508.219
"K" Line - Gemadept Logistics Co., Ltd. -		
Receipt of deposits for office lease	-	72.304.500
<i>Payables to other organizations and individuals</i>	56.807.227.783	52.716.659.111
Collections on other's behalf to perform agent		
service	4.741.685.514	262.047.160
Receipts of short-term deposits	675.241.227	603.148.840
Dividends payable	137.782.125	137.782.125
Other short-term payables	51.252.518.917	51.713.680.986
Total	66.749.926.306	65.620.112.498

The Corporation has no other outstanding payable.

20. Short-term/long-term borrowings and financial lease**20a. Short-term borrowings and financial lease**

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

FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term borrowings payable to related parties	357.100.000.000	448.775.223.876
Loan from Gemadept – Terminal Link Cai Mep Terminal J.S.C. ⁽ⁱ⁾	-	220.320.963.876
Loan from Nam Dinh Vu Port Joint Stock Company ⁽ⁱ⁾	185.000.000.000	118.000.000.000
Loan from Saigon Cargo Service Corporation ⁽ⁱ⁾	-	53.454.260.000
Loan from Nam Hai Port Corporation Joint Stock Company ⁽ⁱ⁾	87.000.000.000	48.500.000.000
Loan from Pacific Marine Company Limited ⁽ⁱ⁾	6.100.000.000	8.500.000.000
Loan from Nam Hai Dinh Vu Port J.S.C. ⁽ⁱ⁾	60.000.000.000	-
Loan from V.N.M General Transportation Service Co., Ltd.	19.000.000.000	-
Short-term borrowings and financial lease payable to other organizations	162.512.139.658	139.031.083.905
Loan from Vietinbank – Branch 1 in Ho Chi Minh City ⁽ⁱⁱ⁾	36.849.768.797	27.163.172.621
Current portions of long-term loans (see Note No. V.21b)	69.306.929.222	55.962.938.572
Current portions of financial lease (see Note No. V.21b)	56.355.441.639	55.904.972.712
Total	519.612.139.658	587.806.307.781

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

- (i) The loans from related parties are at fixed interest rate as stipulated in the contract.
- (ii) The loan from Vietinbank – Branch 1 in Ho Chi Minh City is to supplement the working capital. This loan is secured by mortgaging assets arising from contracts signed by the Corporation before and after the signing date of credit contracts.

20b. Long-term borrowings and financial lease

	<u>Ending balance</u>	<u>Beginning balance</u>
Long-term loans from banks	297.384.015.263	264.457.549.999
Loan from OCB – Tan Binh Branch	203.976.080.713	184.457.549.999
Loan from ACB – Saigon Branch	70.000.000.000	80.000.000.000
Loan from Vietcombank Ho Chi Minh City	23.407.934.550	-
Financial lease	177.924.462.839	204.872.566.704
Financial lease from Trac Container Ltd.	143.272.703.818	159.396.923.957
Financial lease from Intermodal Investment Fund IV LLC	34.651.759.021	45.475.642.747
Total	475.308.478.102	469.330.116.703

20c. Outstanding borrowings and financial lease

The Corporation has no outstanding loan and financial lease.

21. Provisions for short-term payables

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

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)****22. Bonus and welfare funds**

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

23. Deferred income tax liabilities

Deferred income tax liabilities are mainly the differences due to revaluation of ending balances of monetary items and receivables. The corporate income tax rate used for determining deferred income tax liabilities is 20%.

Details are as follows:

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Beginning balance	210.957.281	1.347.905.488
Inclusion into operation result and other decrease	155.198.839	(1.043.136.101)
Ending balance	366.156.120	304.769.387

24. Owner's equity**24a. Statement on fluctuations in owner's equity**

	Beginning balance	Increase/(Decrease)	Ending balance
Capital	2.969.249.570.000	-	2.969.249.570.000
Share premium	1.941.832.197.040	-	1.941.832.197.040
Other sources of capital	69.388.382.902	-	69.388.382.902
Differences on asset revaluation	(432.264.540)	285.996.292	(146.268.248)
Investment and development fund	72.682.100.796	-	72.682.100.796
Other funds	69.568.035.889	-	69.568.035.889
Retained earnings	147.534.607.543	83.350.329.275	230.884.936.818
Capital	5.269.822.629.630	83.636.325.567	5.353.458.955.197

24b. Shares

	Ending balance	Beginning balance
Number of shares already sold to the public	296.924.957	288.276.957
- Common shares	296.924.957	288.276.957
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	296.924.957	288.276.957
- Common shares	296.924.957	288.276.957
- Preferred shares	-	-

Face value of outstanding shares: VND 10.000.

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

GEMADEPT CORPORATION

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Sales from logistics services	114.088.550.649	89.860.611.613
Sales from leasing offices	728.144.399	2.120.400.388
Total	114.816.695.048	91.981.012.001

1b. Sales to related parties

Sales of goods and service provisions to related parties are presented at Note No. V.2c.

2. Costs of sales

This item reflects costs of logistics services.

3. Financial income

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Bank deposit interest	25.205.372	11.517.289.449
Interest on loans given	4.797.483.368	5.392.442.463
Proceeds from investments in securities	3.330.879.855	1.998.292.500
Proceeds from transfer of investments	-	1.731.957.209.714
Dividends and profit shared	199.900.337.471	97.166.477.283
Exchange gain arising	5.604.205.183	2.778.561.814
Other financial income	800.143.308	-
Total	214.458.254.557	1.850.810.273.223

4. Financial expenses

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Loan interest expenses	33.489.484.599	16.013.743.802
Exchange loss arising	11.034.196.885	4.244.575.505
Provision for devaluation of trading securities and investment loss	24.540.474.796	14.556.798.697
Other financial expenses	28.689.501	25.610.183
Total	69.092.845.781	34.840.728.187

5. Selling expenses

This item reflects commission, brokerage expenses and other expenses for sales of goods.

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)****6. General and administration expenses**

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Employees	28.860.717.082	20.959.046.153
Office supplies and stationery	571.504.424	279.514.247
Depreciation/(amortization) of fixed assets	2.409.922.687	2.854.259.773
Allowance for doubtful debts	230.000.000	370.941.795
Office rental	9.124.818.841	10.483.638.806
Other expenses	12.502.760.088	17.718.886.544
Total	53.699.723.122	52.666.287.318

7. Other income

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Proceeds from liquidation of fixed assets	217.636.843	706.218.181
Other income	-	3.397.590.482
Total	217.636.843	4.103.808.663

8. Other expenses

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Other expenses	1.484.837.951	506.094.053
Total	1.484.837.951	506.094.053

11. Operating costs

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Materials and supplies	9.251.228.559	6.236.704.545
Labor	35.803.816.148	23.880.229.191
Depreciation/(amortization) of fixed assets	53.165.012.972	28.855.224.661
External services rendered	26.777.345.340	30.207.753.274
Other expenses	11.804.303.884	22.643.051.520
Total	136.801.706.903	111.822.963.191

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

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

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

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

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

The Corporation has no sales of goods and service provisions as well as other transactions with the key managers and their related individuals. The Corporation has no receivables from and payables to the key managers and their related individuals.

Income of the key managers

	Accumulated from the beginning of the year to the end of the current period	
	Current period	Previous period
Salary	5.152.448.000	4.139.655.000
Other income	189.317.646	189.317.646
Total	5.341.765.646	4.328.972.646

1b. Transactions and balances with other related parties

Other related parties of the Corporation include:

Other related parties	Relationship
Pacific Lotus Joint Stock Company Limited	Subsidiary
Pacific Pearl Joint Stock Company Limited	Subsidiary
Nam Hai Port Corporation Joint Stock Company	Subsidiary
Nam Dinh Vu Port Joint Stock Company	Subsidiary
Nam Hai Dinh Vu Port J.S.C.	Subsidiary
Phuoc Long Port Co., Ltd.	Subsidiary
Pacific Pride Joint-Stock Company Limited	Subsidiary
Pacific Rubber Industry Co., Ltd.	Subsidiary
Nam Hai ICD Joint Stock Company	Subsidiary
Gemadept – Vung Tau Corporation	Subsidiary
Gemadept Infrastructures Development and Investment Construction J.S.C.	Subsidiary
Gemadept Dung Quat International Port J.S.C.	Subsidiary
V.N.M General Transportation Service Co., Ltd.	Subsidiary
Truong Tho Transportation Services Corporation	Subsidiary
Pacific Marine Co., Ltd.	Subsidiary
Gemadept Nhon Hoi International Port J.S.C.	Subsidiary
Pacific Marine Equipment and Service Company Limited	Subsidiary
ISS - Gemadept Co., Ltd.	Subsidiary
Gemadept - Terminal Link Cai Mep Terminal J.S.C.	Jointly-controlled entity
"K" Line – Gemadept Logistics Co., Ltd.	Jointly-controlled entity
CJ Gemadept Shipping Holdings Company Limited	Jointly-controlled entity
Saigon Cargo Service Corporation	Associate
CJ Gemadept Logistics Holdings Company Limited	Associate
Golden Globe Co., Ltd.	Associate
Vung Tau Commercial Port J.S.C (VCP)	Associate
Golden Globe Trading Co., Ltd.	Associate
Foodstuff Combina Torial Joint Stock Company	Associate
Minh Dam Tourism J.S.C.	Associate
Gemadept Hai Phong Co., Ltd.	Subsidiary of associate
Gemadept Logistics One Member Co., Ltd.	Subsidiary of associate
Mekong Logistics Company	Subsidiary of associate
Gemadept Shipping Singapore Pte. Ltd.	Subsidiary of jointly-controlled

GEMADEPT CORPORATION

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FINANCIAL STATEMENTSFor the 2nd quarter of the fiscal year ending 31 December 2019**Notes to the Financial Statements (cont.)**

Other related parties	Relationship
Gemadept (Malaysia) Sdn. Bhd.	entity Subsidiary of jointly-controlled entity
Gemadept Shipping Limited Company	Subsidiary of jointly-controlled entity
Power Transportation and Service J.S.C.	Secondary associate

Transactions with other related parties

Sales of goods and service provisions to related parties are presented at Note No. V.2c.

Receivables from and payables to other related parties

Receivables from and payables to other related parties are presented in Notes No. V.3, V.5, V.6, V.15, V.18, V.19 and V.20.

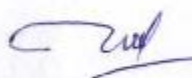
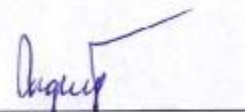
2. Notes to the differences of profit after tax

	Quarter 2/2019	Quarter 2/2018	Differences
Profit after tax	90.058.748.283	119.517.114.483	(29.458.366.200)

Profit after tax of 2nd quarter of 2019 is over 90 billion dong, decreases 29,4 billion dong compared with the same period last year. The main reasons are:

- Accounting profit before tax from normal business activities decreases 8,1 billion dong because the depreciation expenses increased due to the additional assets acquired for ports and logistics activities;
- Profit from financial activities decreases 16,5 billion dong mainly from the increase of loan interest expenses from acquiring assets for ports and logistics activities and from exchange loss arising;
- Income tax expenses increases nearly 4,8 billion dong in comparison with the same period last year.

Ho Chi Minh City, 25 July 2019


Pham Quang Huy
Preparer

Nguyen Minh-Nguyet
Chief Accountant

Do Van Minh
General Director