

GEMADEPT CORPORATION

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

THE INTERIM FINANCIAL STATEMENT

For the quarter II ending 30 June 2011

BALANCE SHEET**As of 30 June 2011**

Đơn vị tính: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		1.789.428.949.306	1.855.442.610.254
I. Cash and cash equivalents	110	V.1	169.307.804.592	261.855.538.610
1. Cash	111		158.007.804.592	93.268.741.558
2. Cash equivalents	112		11.300.000.000	168.586.797.052
II. Short-term investments	120		726.611.385.555	782.752.507.716
1. Short-term investments	121	V.2	850.930.877.746	857.998.023.712
2. Provisions for devaluation of short-term investments	129	V.3	(124.319.492.191)	(75.245.515.996)
III. Accounts receivable	130		771.984.548.757	658.722.296.318
1. Receivable from customers	131	V.4	336.489.062.089	279.714.658.775
2. Prepayments to suppliers	132	V.5	83.317.265.796	87.232.620.572
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction	134		-	-
5. Other receivable	135	V.6	353.007.280.194	292.604.076.293
6. Provisions for bad debts	139	V.7	(829.059.322)	(829.059.322)
IV. Inventories	140		45.544.543.646	31.494.976.403
1. Inventories	141	V.8	45.544.543.646	31.494.976.403
2. Provisions for devaluation of inventories	149		-	-
V. Other current assets	150		75.980.666.755	120.617.291.208
1. Short-term prepaid expenses	151	V.9	10.517.618.653	7.559.556.079
2. VAT to be deducted	152		0	171.485.354
3. Taxes and other accounts receivable from the State	154	V.10	10.314.603.780	9.851.020.124
4. Trading Government bonds	157		-	-
5. Other current assets	158	V.11	55.148.444.322	103.035.229.651

For the quarter II ending 30 June 2011

Balance sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		3,067,975,424.574	2,911,294,385.724
I. Long-term accounts receivable	210		37,000,000.000	37,000,000.000
1. Long-term accounts receivable from customers	211		-	-
2. Working capital in affiliates	212		-	-
3. Long-term inter-company receivable	213		-	-
4. Other long-term receivable	218	V.12	37,000,000.000	37,000,000.000
5. Provisions for bad debts	219			-
II. Fixed assets	220		764,299,380.061	716,719,399.884
1. Tangible assets	221	V.13	688,361,535.526	656,854,093.556
<i>Historical costs</i>	222		1,174,978,300.141	1,107,465,742.961
<i>Accumulated depreciation</i>	223		(486,616,764.615)	(450,611,649.405)
2. Financial leasehold assets	224	V.14	5,284,479.960	7,266,838.830
<i>Historical costs</i>	225		23,890,768.666	23,890,768.666
<i>Accumulated depreciation</i>	226		(18,606,288.706)	(16,623,929.836)
3. Intangible assets	227	V.15	14,318,127.567	14,935,179.723
<i>Initial costs</i>	228		17,104,321.171	17,104,321.171
<i>Accumulated amortization</i>	229		(2,786,193.604)	(2,169,141.448)
4. Construction-in-progress	230	V.16	56,335,237.008	37,663,287.775
III. Investment property	240	V.17	245,148,210.081	251,094,268.173
Historical costs	241		279,448,439.795	279,448,439.795
Accumulated depreciation	242		(34,300,229.714)	(28,354,171.622)
IV. Long-term investments	250		1,976,328,574.124	1,858,666,120.194
1. Investments in affiliates	251	V.18	942,484,944.122	936,984,944.122
2. Investments in business concerns and joint ventures	252	V.19	309,669,472.143	309,669,472.143
3. Other long-term investments	258	V.20	798,964,298.815	686,801,844.885
4. Provisions for devaluation of long-term investments	259	V.21	(74,790,140.956)	(74,790,140.956)
V. Other long-term assets	260		45,199,260.308	47,814,597.473
1. Long-term prepaid expenses	261	V.22	6,307,413.188	8,922,750.353
2. Deferred income tax assets	262		-	-
3. Other long-term assets	268	V.23	38,891,847.120	38,891,847.120
TOTAL ASSETS	270		4,857,404,373.880	4,766,736,995.978

For the quarter II ending 30 June 2011

Balance sheet (cont.)

LIABILITIES AND OWNER'S EQUITY		Code	Note	Ending balance	Beginning balance
A - LIABILITIES		300		1.362.305.932.808	1.256.398.181.305
I. Current liabilities		310		858.945.471.801	750.668.286.436
1. Short-term debts and loans		311	V.24	469.299.086.303	320.247.600.198
2. Payable to suppliers		312	V.25	103.523.812.961	111.740.232.090
3. Advances from customers		313	V.26	6.992.577.298	4.540.635.640
4. Taxes and other obligations to the State Budget		314	V.27	6.364.401.316	4.657.817.782
5. Payable to employees		315	V.28	4.125.547.487	14.914.367.746
6. Accrued expenses		316	V.29	7.457.480.397	14.081.299.436
7. Inter-company payable		317		0	-
8. Payable according to the progress of construction □		318		-	-
9. Other short-term accounts payable		319	V.30	250.144.410.808	273.810.520.210
10. Provisions for short-term accounts payable		320		-	-
11. Bonus and welfare funds		323	V.31	11.038.155.231	6.675.813.335
12. Trading Government bonds		327			-
II. Long-term liabilities		330		503.360.461.007	505.729.894.869
1. Long-term accounts payable to suppliers		331		-	-
2. Long-term inter-company payable		332		-	-
3. Other long-term payable		333	V.32	20.741.807.959	22.966.486.155
4. Long-term debts and loans		334	V.33	481.784.045.000	481.784.045.000
5. Deferred income tax payable		335	V.34	547.283.314	547.283.314
6. Provisions for unemployment allowances		336	V.35	287.324.734	432.080.400
7. Provisions for long-term accounts payable		337		-	-
8. Unearned revenues		338		-	-
9. Science and technology development fund		339			-
B - OWNER'S EQUITY		400		3.495.098.441.072	3.510.338.814.672
I. Owner's equity		410		3.495.098.441.072	3.510.338.814.672
1. Capital		411	V.36	1.000.000.000.000	1.000.000.000.000
2. Share premiums		412	V.36	2.169.160.586.400	2.169.160.586.400
3. Other sources of capital		413	V.36	69.388.382.902	69.388.382.902
4. Treasury stocks		414		-	-
5. Differences on asset revaluation		415		-	-
6. Foreign exchange differences		416		6.340.503.425	-
7. Business promotion fund		417		-	-

8.	Financial reserved fund	418	V.36	29.429.404.912	23.765.156.863
9.	Other funds	419	V.36	26.315.340.005	20.651.091.956
10.	Retained earnings	420	V.36	194.464.223.428	227.373.596.551
11.	Construction investment fund	421		-	-
12.	Business arrangement supporting fund	422		-	-
II.	Other sources and funds	430			-
1.	Sources of expenditure	432			-
2.	Fund to form fixed assets	433			-
TOTAL LIABILITIES AND OWNER'S EQUITY		440		4.857.404.373.880	4.766.736.995.978

Ho Chi Minh City , 25 July 2011

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Chief Accountant

Do Van Minh
General Director

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THE INTERIM FINANCIAL STATEMENT

For the quarter II ending 30 June 2011

**INCOME STATEMENT
QUARTER II / 2011**

	ITEMS	Quarter II		Accumulated Amount	
		Current year	Previous year	Current year	Previous year
1	Sales	359.811.343.611	401.536.756.307	675.954.565.219	716.601.914.152
2	Deductions				
3	Net sales	359.811.343.611	401.536.756.307	675.954.565.219	716.601.914.152
4	Costs of goods sold	365.687.735.651	382.296.861.417	648.721.336.492	657.334.142.170
5	Gross profit	(5.876.392.040)	19.239.894.890	27.233.228.727	59.267.771.982
6	Financial income	39.614.434.466	58.309.325.099	82.562.865.456	73.954.335.787
7	Financial expenses	68.863.725.073	43.052.674.248	107.253.785.672	61.508.455.933
	In which :			-	-
	- <i>Loan interest expenses</i>	17.602.300.287	15.567.545.576	33.029.514.245	25.326.463.795
8	Selling expenses	1.030.471.440	221.100.299	2.244.595.998	341.368.219
9	Administrative overheads	16.580.207.031	18.073.594.034	28.016.825.665	31.005.771.176
10	Net operating profit	(52.736.361.118)	16.201.851.407	(27.719.113.152)	40.366.512.440
11	Other income	25.089.577.726	43.310.204.246	27.986.320.620	44.009.566.392
12	Other expenses	12.017.080.612	6.057.183.106	12.018.898.794	6.111.887.541
13	Other profit	13.072.497.114	37.253.021.140	15.967.421.826	37.897.678.851
14	Total accounting profit before tax	(39.663.864.004)	53.454.872.547	(11.751.691.326)	78.264.191.291
15	Current corporate income tax		8.880.192.549	766.388.821	10.459.929.849
	Deferred corporate income tax		(1.954.158.206)	-	(1.954.158.206)
16	Profit after tax	(39.663.864.004)	46.528.838.204	(12.518.080.147)	69.758.419.648

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THE INTERIM FINANCIAL STATEMENT

For the quarter II ending 30 June 2011

CASH FLOW STATEMENT**(Indirect method)****For the quarter II ended 2011**

Unit: VND

ITEMS	Code	Accumulated amount at 30 June 2011	Accumulated amount at 30 June 2010
I. Cash flows from operating activities			
1. Profit before tax	01	(11.751.691.326)	78.264.191.291
2. Adjustments			
- Depreciation of fixed assets	02	48.756.442.754	47.054.563.300
- Provisions	03	49.073.976.195	(7.207.614.440)
- Gain/ (loss) from foreign exchange differences	04	6.340.503.425	10.569.755.190
- Gain/ (loss) from investing activities	05	(51.072.066.799)	(77.726.249.214)
- Loan interest expenses	06	33.029.514.245	25.326.463.795
3. Operating profit before changes of working capital	08	74.376.678.494	76.281.109.922
- Increase/ (decrease) of accounts receivable	09	(128.401.886.446)	(55.169.980.337)
- Increase/ (decrease) of inventories	10	(14.049.567.244)	(1.888.958.012)
- Increase/ (decrease) of accounts payable	11	(37.829.418.871)	3.028.355.393
- Increase/ (decrease) of prepaid expenses	12	(342.725.409)	175.565.317
- Loan interests already paid	13	(37.940.912.653)	(24.580.567.706)
- Corporate income tax already paid	14	(3.382.953.652)	(11.000.000.000)
- Other gains	15	84.735.742.512	9.226.576.691
- Other disbursements	16	(31.752.378.197)	(8.808.336.500)
Net cash flows from operating activities	20	(94.587.421.463)	(12.736.235.231)
II. Cash flows from investing activities			
1. Purchases and construction of fixed assets and other long-term assets	21	(101.474.453.863)	(9.046.540.786)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22	18.983.647.272	132.769.347
3. Loans given and purchases of debt instruments of other entities	23		
4. Recovery of loans given and disposals of debt instruments of other entities	24		199.399.832
5. Investments into other entities	25	(135.827.498.096)	(155.501.023.373)
6. Withdrawals of investments in other entities	26	25.232.190.132	133.859.344.293
7. Receipts of loan interests, dividends and profit shared	27	48.772.066.799	30.906.765.182
Net cash flows from investing activities	30	(144.314.047.759)	550.714.495

For the quarter II ending 30 June 2011

Cash flow statement (cont.)

ITEMS	Code	Accumalated amount at 30 June 2011	Accumalated amount at 30 June 2010
III. Cash flows from financing activities			
1. Gains from stock issuance and capital contributions from shareholders	31		30.637.500.000
2. Repayment for capital contributions and re-purchases of stocks already issued	32		
3. Short-term and long-term loans received	33	405.764.629.134	205.346.940.113
4. Loan principal amounts repaid	34	(256.713.143.029)	(206.619.595.997)
5. Payments for financial leasehold assets	35	(2.697.750.900)	(3.063.055.415)
6. Dividends and profit already paid to the owners	36	-	(1.000.000.000)
<i>Net cash flows from financing activities</i>	40	<u>146.353.735.205</u>	<u>25.301.788.701</u>
Net cash flows during the year	50	(92.547.734.017)	13.116.267.963
Beginning cash and cash equivalents	60	261.855.538.610	92.732.327.324
Effects of fluctuations in foreign exchange rates	61		(897.443.631)
Ending cash and cash equivalents	70	<u>169.307.804.593</u>	<u>104.951.151.656</u>

Ho Chi Minh City , 25 July 2011

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Do Van Minh
General Director

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THE INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2011

NOTES TO THE FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2011

I. OPERATION FEATURES

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

II. FISCAL YEAR AND STANDARD CURRENCY USED IN ACCOUNTING

- 1. Fiscal year**
The fiscal year of the company is from 01 January to 31 December annually.
- 2. Standard currency unit**
The standard currency unit used is Vietnam Dong (VND).

III. ACCOUNTING SYSTEM AND STANDARDS

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

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THE INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2011

Notes to the financial statements (cont.)

as well as the circulars giving guidance on the amendments and supplementations of the Vietnamese accounting system.

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

The Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and standards, which have been issued together with the Decision No. 15/2006/QĐ–BTC dated 20 March 2006 of the Minister of Finance as well as the circulars of the Ministry of Finance giving guidance on the implementation of the accounting system and standards, in the preparation of these financial statements.

3. Accounting form

General journal recording.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the financial statements are prepared in accordance with the accrual basis (except for the information related to cash flows).

The affiliates have had their own accounting sections but they cannot do the accounting works independently. The company's financial statements are prepared on the basis of the combination of the financial statements of the affiliates. The inter-company sales and balances are excluded when the combined financial statements are prepared.

2. Cash and cash equivalents

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

3. Inventories

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

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

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

4. Trade receivable and other receivable

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

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

5. Tangible fixed assets

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THE INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2011

Notes to the financial statements (cont.)

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

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

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
Other tangible fixed assets	05 - 25

6. Financial leasehold assets

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

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

7. Operating leasehold assets

The company is the lessor

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

The company is the lessee

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

8. Investment property

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For the first 6 months of the fiscal year ending 31 December 2011

Notes to the financial statements (cont.)

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

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

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

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

9. Intangible fixed assets

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

Land use right

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

Computer software

Computer software includes all the expenses paid by the company until the date the software is put into use. Computer software is amortized in 03 years.

10. Borrowing costs

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

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

11. Financial investments

Investments into securities, subsidiaries, associates and jointly-controlled entities are recorded at their original costs.

Provision for devaluation of investment in security is made for each particular type of securities in the market and for which the market value decreases in comparison with the book value. Provisions for loss of investments in other economic organizations are made when these organizations suffer from loss (except for the loss as expected in the company's business budgets before making the

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Notes to the financial statements (cont.)

investments) at the rate equivalent to the rate of capital contribution of the company in these organizations.

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

12. Long-term prepaid expenses

Designing expenses

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

Ship repairing expenses

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

Financial lease interests

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

13. Accrued expenses

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

14. Appropriation for unemployment fund and unemployment insurance

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

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

15. Convertible bonds

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

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

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

16. Capital - Funds

The company's sources of capital include:

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

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

17. Dividends

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

18. Corporate income tax

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

Current income tax

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

Deferred income tax

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

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

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

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19. Foreign currency translation

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

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

The exchange rates used as of:	31 Dec 2010 :	VND 18.932/USD
	30 Jun 2011 :	VND 20.618/USD

20. Transactions providing against risks on foreign currency translation

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

21. Recognition of sales and income

Sales of service provision

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

Income from leasing operating assets

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

Interests

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

Dividends and profit shared

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

22. Segment reporting

A business segment is a distinguishable component of the company that is engaged in providing an individual product or service or a group of related 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 company that is engaged in 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.

23. Related parties

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

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company. A party is also considered a related party of the company in case both that party and the company are under the same control or have to be subject to the same material effects.

In the consideration of the relationship between the company and the related parties, the nature of the relationship is focused more than the legal form of that relationship.

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

	Ending balance	Beginning balance
Cash on hand	4.777.555.229	4.582.889.224
Cash in bank	153.200.942.187	88.631.079.443
Cash in transit	29.307.176	54.772.891
Cash equivalents ^(*)	11.300.000.000	168.586.797.052
Total	169.307.804.592	261.855.538.610

(*) Under-3-month deposit.

2. Short-term investments

	Ending balance	Beginning balance
Short-term investments in shares	745.534.485.891	759.682.317.096
Other investments	105.396.391.855	98.315.706.616
- <i>Deposits of which the periods are under 01 year ^(**)</i>	47.311.308.466	23.315.706.616
- <i>Loan given to Galaxy Maritime Corporation at the interest rate applied to 1-month deposit of HSBC + 0,5%/year</i>	58.085.083.389	75.000.000.000
Cộng	850.930.877.746	857.998.023.712

3. Provisions for devaluation of short-term investments

Details of increase/(decrease) of short-term investments are as follows:

Beginning balance	75.245.515.996
Additional extractions	49.073.976.195
Ending balance	124.319.492.191

4. Receivable from customers

	Ending balance	Beginning balance
Receivable for acting as shipping agent	4.490.783.540	3.314.876.327
Receivable for transportation activities	249.025.859.437	198.750.549.547
Receivable for services of asset leasing	3.326.000.000	18.003.934.480
Receivable for services of exploiting port, container yards and other related services	79.646.419.112	59.645.298.421
Total	336.489.062.089	279.714.658.775

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	<u>Ending balance</u>	<u>Beginning balance</u>
Galaxy Maritime Corporation	38.000.000.000	38.000.000.000
Phuoc Long Port Co., Ltd.	2.273.145.193	34.179.996.948
Saigon Xanh Trading and Service JSC	10.130.000.000	6.848.000.000
Portcoast Consultant Corporation	-	1.273.160.900
Port and Waterway Engineering Consultants JSC (TEDI-port)	1.250.000.000	1.250.000.000
Others	31.664.120.603	5.681.462.724
Total	<u>83.317.265.796</u>	<u>87.232.620.572</u>

6. Other receivable

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable for payments on others' behalf to providing agency services	20.115.853.154	13.825.077.091
Receivable from securities trading	3.500.000.000	3.500.000.000
Receivable from subsidiaries, associates and business co-operations	308.876.462.140	236.160.669.987
<i>Industry Securities Corporation (ISC)- Business co-operation according to contract</i>	<i>65.000.000.000</i>	<i>83.000.000.000</i>
<i>Dung Quat International Port Joint Stock Company</i>	<i>52.500.000.000</i>	<i>49.000.000.000</i>
<i>Phuoc Long Port Co., Ltd.</i>	<i>143.201.005.176</i>	<i>38.509.465.984</i>
<i>V.N.M General Transportation Service Co., Ltd.</i>	<i>18.946.000.000</i>	<i>18.946.000.000</i>
<i>Gemadept Hai Phong Co., Ltd.</i>	<i>6.110.016.741</i>	<i>7.765.231.397</i>
<i>Nam Hai Port Corporation</i>	<i>-</i>	<i>57.300.000</i>
<i>Gemadept (Singapore) Ltd.</i>	<i>14.653.560.402</i>	<i>11.855.467.796</i>
<i>Truong Tho Tourism and Transportation J.S.C</i>	<i>-</i>	<i>13.806.272.000</i>
<i>Other subsidiaries, associates and business co-operations</i>	<i>8.465.879.821</i>	<i>13.220.932.810</i>
Dividends and profit shared	-	9.260.618.700
Estimated receivable from interest on government bonds	8.255.253.963	6.234.829.842
Others	12.259.710.937	23.622.880.673
<i>Grand Atlantic Shipping</i>		<i>8.192.514.219</i>
<i>Golden Lotus corp.</i>	<i>2.960.000.000</i>	<i>2.960.000.000</i>
<i>Others</i>	<i>9.299.710.937</i>	<i>12.470.366.454</i>
Total	<u>353.007.280.194</u>	<u>292.604.076.293</u>

7. Provision for bad debts

	<u>Ending balance</u>	<u>Beginning balance</u>
South Asia Maritime Joint Stock Company	333.125.000	333.125.000
Nguyen Tran International Forwarding Co., Ltd.	190.500.000	190.500.000
H.T.N Transportation and Construction Co., Ltd.	14.091.000	14.091.000
Ha Hai Transportation Services Joint Stock Company	84.500.000	84.500.000

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	<u>Ending balance</u>	<u>Beginning balance</u>
Binh An Edible Oil Company	33.663.006	33.663.006
Nghia Hung Transportation Co., Ltd.	20.412.000	20.412.000
Vinatrans Regional Container Lines	12.655.566	12.655.566
Nguyen Duc Hung (Ha Noi branch)	140.112.750	140.112.750
Total	829.059.322	829.059.322

8. Inventories

Fuel stored on ships.

9. Short-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses on ship repairing	5.292.284.983	4.246.532.992
Insurance premiums	2.637.679.843	2.082.876.829
Others	2.587.653.827	1.230.146.258
Total	10.517.618.653	7.559.556.079

10. Taxes and other accounts receivable from State

Corporate income tax excessively paid in Vietnam and at the branch in Cambodia.

11. Other current assets

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	27.823.319.932	16.205.159.446
Short-term deposits and mortgages	27.325.124.390	86.830.070.205
Total	55.148.444.322	103.035.229.651

12. Other long-term accounts payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Hang River Co., Ltd. – Capital contribution to develop the project of Le Chan General Port	19.000.000.000	19.000.000.000
Dong Duong Infrastructure Development and Construction Investment J.S.C – capital contribution to develop the project of Logistics Service Area	18.000.000.000	18.000.000.000
Total	37.000.000.000	37.000.000.000

13. Increases/ (decreases) of tangible fixed assets

	<u>Buildings and Structure</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Historical Cost					
Beginning	76.358.214.834	106.792.649.915	912.185.574.234	12.129.303.978	1.107.465.742.961
Increase	4.060.726.132	67.440.000	78.002.712.479	671.626.019	82.802.504.630
Additional	4.060.726.132	67.440.000	77.929.726.031	658.410.759	82.716.302.922
Other increase			72.986.448	13.215.260	86.201.708

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Decrease	(14.227.430.816)	-	-	(1.062.516.634)	(15.289.947.450)
<i>Disposal and liquidation</i>	<i>(14.227.430.816)</i>			<i>(1.062.516.634)</i>	<i>(15.289.947.450)</i>
Ending Balance	66.191.510.150	106.860.089.915	990.188.286.713	11.738.413.363	1.174.978.300.141
Depreciation					
Beginning Balance	31.992.806.047	78.067.415.571	330.951.051.099	9.600.376.688	450.611.649.405
Increases	3.458.885.483	4.055.786.472	31.615.880.856	1.080.420.825	40.210.973.636
<i>Depreciation</i>	<i>3.458.885.483</i>	<i>4.055.786.472</i>	<i>31.597.363.989</i>	<i>1.067.205.565</i>	<i>40.179.241.509</i>
<i>Other increases</i>			<i>18.516.867</i>	<i>13.215.260</i>	<i>31.732.127</i>
Decreases	(3.143.341.792)	-	-	(1.062.516.634)	(4.205.858.426)
<i>Disposal and liquidation</i>	<i>(3.143.341.792)</i>			<i>(1.062.516.634)</i>	<i>(4.205.858.426)</i>
Ending Balance	32.308.349.738	82.123.202.043	362.566.931.955	9.618.280.879	486.616.764.615
Net book values					
Beginning Balance	44.365.408.787	28.725.234.344	581.234.523.135	2.528.927.290	656.854.093.556
Ending Balance	33.883.160.412	24.736.887.872	627.621.354.758	2.120.132.484	688.361.535.526

14. Increases/ (decreases) of financial leasehold assets

	<u>Historical costs</u>	<u>Depreciation</u>	<u>Net book values</u>
Beginning balance	23.890.768.666	16.623.929.836	7.266.838.830
Increases	-	1.982.358.870	
Ending balance	23.890.768.666	18.606.288.706	5.284.479.960

15. Increases/ (decreases) of intangible fixed assets

	<u>Land use right</u>	<u>Computer software</u>	<u>Total</u>
Initial Costs			
Beginning Balance	7.352.483.410	9.751.837.761	17.104.321.171
Increase			
Disposal and liquidation			
Ending Balance	7.352.483.410	9.751.837.761	17.104.321.171
Amortization			
Beginning Balance	-	2.169.141.448	2.169.141.448
Amortization		617.052.156	617.052.156
Ending Balance		2.786.193.604	2.786.193.604

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Beginning Balance	<u>7.352.483.410</u>	<u>7.582.696.313</u>	<u>14.935.179.723</u>
Ending Balance	<u>7.352.483.410</u>	<u>6.965.644.157</u>	<u>14.318.127.567</u>

16. Construction-in-progress

	<u>Beginning balance</u>	<u>Increases</u>	<u>Inclusion in fixed assets</u>	<u>Ending balance</u>
Acquisition of fixed assets	9.395.025.911	105.939.118.360	102.017.397.677	13.316.746.594
Construction-in-progress	28.268.261.864	14.750.228.910	-	43.018.490.414
<i>Northern Rach Chiec Area, District 9, Ho Chi Minh City</i>	20.746.655.945	-	-	20.746.655.945
- <i>Expenses on consultancy and investment in Le Loi Building</i>	2.694.479.091	-	-	2.694.479.091
- <i>Gemadept Hi-tech park</i>	3.658.444.173	-	-	3.658.444.173
- <i>Other projects</i>	1.168.682.655	14.750.228.550		15.918.911.205
Total	<u>37.663.287.775</u>	<u>120.689.346.910</u>	<u>102.017.397.677</u>	<u>56.335.237.008</u>

17. Increases/ (decreases) of investment property

	<u>Historical costs</u>	<u>Depreciation</u>	<u>Net book values</u>
Beginning balance	279.448.439.795	28.354.171.622	251.094.268.173
Increases	-	5.946.058.092	(5.946.058.092)
Ending balance	<u>279.448.439.795</u>	<u>34.300.229.714</u>	<u>245.148.210.081</u>

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

	<u>For the first 6 month of 2011</u>
Gain from the lease	46.812.873.147
Direct expenses related to the gain from the lease	<u>14.401.183.194</u>

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Notes to the financial statements (cont.)**18. Investments in subsidiaries**

Subsidiaries	Ending balance		Beginning balance	
	Ownership rate	Amount	Ownership rate	Amount
Dung Quat International Port Joint Stock Company	73.80%	36,900,000,000	73.80%	36,900,000,000
V.N.M General Transportation Service Co., Ltd.	100.00%	5,000,000,000	100.00%	5,000,000,000
Gemadept (Malaysia) Ltd.	100.00%	15,206,200,000	100.00%	15,206,200,000
Gemadept (Singapore) Ltd.	100.00%	15,207,300,000	100.00%	15,207,300,000
Gemadept Nhon Hoi International Port Joint Stock Company	53.20%	6,600,000,000	53.20%	6,600,000,000
Phuoc Long Port Co., Ltd.	100.00%	100,000,000,000	100.00%	100,000,000,000
ISS - Gemadept Co., Ltd.	51.00%	1,637,304,000	51.00%	1,637,304,000
Gemadept Logistics Co., Ltd.	100.00%	80,000,000,000	100.00%	80,000,000,000
Gemadept – Vung Tau Corporation	70.00%	67,200,000,000	70.00%	67,200,000,000
Hoa Sen - Gemadept Logistics and International Port	51.00%	72,126,807,812	51.00%	72,126,807,812
Gemadept Infrastructures Development and Investment Construction J.S.C.	100.00%	60,000,000,000	100.00%	60,000,000,000
Gemadept Hai Phong Co., Ltd	100.00%	23,924,332,310	100.00%	23,924,332,310
Lion Lord Corporation	5.00%	700,000,000	5.00%	700,000,000
Truong Tho Tourism and Transportation J.S.C	46.00%	27,600,000,000	46.00%	27,600,000,000
Nam Hai Port Corporation	99.98%	424,383,000,000	99.98%	424,383,000,000
Pacific Marine Co., Ltd.	100.00%	3,500,000,000	100.00%	500,000,000
Bright Ocean Logistics Co., Ltd.	100.00%	2,500,000,000	-	-
Total		942,484,944,122		936,984,944,122

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Business concerns and joint ventures	Ending balance		Beginning balance	
	Ownership rate	Amount	Ownership rate	Amount
Golden Globe Trading Co., Ltd.	45.00%	42,761,600,000	45.00%	42,761,600,000
Vung Tau Commercial Port J.S.C (VCP)	26.78%	9,642,000,000	26.78%	9,642,000,000
MBN-GMD VIETNAM	34.00%	1,534,080,000	34.00%	1,534,080,000
Vinh Hao Mineral Water J.S.C	29.00%	32,206,940,000	29.00%	32,206,940,000
Minh Dam Tourism J.S.C	47.89%	18,264,608,143	47.89%	18,264,608,143
Potraco	38.03%	23,236,200,000	38.03%	23,236,200,000
Schenker Gemadept Logistics Vietnam Co., Ltd.	49.00%	11,882,010,000	49.00%	11,882,010,000
Huynhai Merchant Marine Vietnam Co., Ltd.	49.00%	2,371,845,000	49.00%	2,371,845,000
Saigon Cargo Service Corporation	22.70%	86,250,000,000	22.70%	86,250,000,000
Falcon Ha Dong Investment and Trading JSC	25.00%	29,375,000,000	25.00%	29,375,000,000
Sinokor Vietnam Co., Ltd.	49.00%	2,319,909,000	49.00%	2,319,909,000
Food Association Joint Stock Company	26.56%	49,825,280,000	26.56%	49,825,280,000
Total		309,669,472,143		309,669,472,143

20. Other long-term investments

	Ending balance	Beginning balance
Investments in shares	203.374.669.600	203.374.669.600
Investments in bonds (irrigation bonds)		-
Other long-term investments	454.689.629.215	321.827.175.285
<i>- Transvina Co., Ltd.</i>	<i>12.635.901.494</i>	<i>12.635.901.494</i>
<i>- Industry Securities Corporation (ISC)</i>	<i>15.876.000.000</i>	<i>15.876.000.000</i>

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- Gemadept Terminal Link Cai Mep Terminal J.S.C	190.950.000.000	190.950.000.000
- Project of Falcon Ha Dong Office Building	32.500.000.000	32.500.000.000
- Office building project in Laos	38.786.840.636	17.267.090.636
- Project of growing rubber trees in Cambodia	156.540.887.085	45.198.183.155
- Other companies	7.400.000.000	7.400.000.000
Term deposits	140.900.000.000	161.600.000.000
- Sacombank - Hoa Viet Branch, 13-month deposit ^(*)	140.900.000.000	23.100.000.000
- VIB – 13-month deposit	-	138.500.000.000
Total	798.964.298.815	686.801.844.885

21. Long-term prepaid expenses

	Beginning balance	Increases	Allocation	Ending balance
Designing expenses	-	97.223.000	24.305.748	72.917.252
Ship repairing expenses	8.832.114.060	-	2.597.618.124	6.234.495.936
Interests on financial leases	90.636.293	-	90.636.293	-
Total	8.922.750.353	97.223.000	2.712.560.165	6.307.413.188

22. Other long-term assets

	Ending balance	Beginning balance
Deposits at airlines to guarantee the payment of freights	757.280.000	757.280.000
Deposits for ship chartering	37.864.000.000	37.864.000.000
Other long-term deposits	270.567.120	270.567.120
Total	38.891.847.120	38.891.847.120

23. Short-term loans and debts

	Ending balance	Beginning balance
Short-term loans from banks	313.230.788.727	63.902.918.144
- VIB – Saigon Branch	-	18.803.981.842
- Maritime Bank – Ho Chi Minh City branch	-	5.171.348.302
- Vietin Bank – Branch No. 7	123.254.778.579	-
- Sacombank	149.851.072.000	39.927.588.000
- Standard Chartered Bank.	40.124.938.148	-
Short-term loans from other organizations and individuals	143.075.791.729	230.000.000.000
- Gemadept Nhon Hoi International Port Joint Stock Company	7.000.000.000	-

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	<u>Ending balance</u>	<u>Beginning balance</u>
- <i>Gemadept - Terminal Link Cai Mep Terminal Joint Stock Company</i>	136.075.791.729	230.000.000.000
Current portion of long-term loans	10.360.000.000	20.720.000.000
- <i>Navibank</i>	6.000.000.000	12.000.000.000
- <i>Indovina Bank</i>		-
- <i>VIB – Saigon Branch</i>	4.360.000.000	8.720.000.000
Current portion of financial leases	2.632.505.847	5.624.682.054
Total	<u>469.299.086.303</u>	<u>320.247.600.198</u>

Details of increases/(decrease) of loans and financial leases are as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Amount already repaid</u>	<u>Ending balance</u>
Short-term loans from banks	63.902.918.144	398.764.629.134	149.436.758.551	313.230.788.727
Short-term loans from other organizations and individuals	230.000.000.000	7.000.000.000	93.924.208.271	143.075.791.729
Current portion of long-term loans	20.720.000.000		10.360.000.000	10.360.000.000
Current portion of financial leases	5.624.682.054		2.992.176.207	2.632.505.847
Total	<u>320.247.600.198</u>	<u>405.764.629.134</u>	<u>256.713.143.029</u>	<u>469.299.086.303</u>

24. Payable to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Payable to subsidiaries, associates and business co-operations	3.517.543.818	2.406.101.682
<i>Phuoc Long Port Co., Ltd.</i>	1.928.114.265	-
<i>Gemadept Infrastructures Development and Investment Construction J.S.C</i>	305.346.703	305.346.703
<i>Gemadept Hai Phong Co., Ltd.</i>	1.284.082.850	1.962.065.359
<i>Gemadept Logistics Co., Ltd.</i>		33.396.048
<i>Nam Hai Port Corporation</i>	-	105.293.572
Others	100.006.269.143	109.334.130.407
Total	<u>103.523.812.961</u>	<u>111.740.232.089</u>

25. Advances from customers

<u>Ending balance</u>	<u>Beginning balance</u>
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Notes to the financial statements (cont.)

	Ending balance	Beginning balance
Advances for activities of shipping agents	2.290.247.857	1.333.062.587
Advances for transportation services	324.296.364	3.207.573.053
Others	4.378.033.077	-
Total	6.992.577.298	4.540.635.640

26. Payable to employees

This item includes the salary to be paid to employees.

27. Accrued expenses

	Ending balance	Beginning balance
Loan interest expenses	2.364.088.644	7.120.776.825
Loading, unloading and storage expenses	3.170.275.459	5.012.734.633
Others	1.923.116.294	1.947.787.978
Total	7.457.480.397	14.081.299.436

28. Other short-term accounts payable

	Ending balance	Beginning balance
Excessive assets waiting for treatment	1.052.711.948	1.387.935.076
Trade Union's expenditure	1.022.343.241	1.452.001.676
Social insurance, health insurance and unemployment insurance	1.150.529.245	-
Dividends payable	65.246.600	65.246.600
Short-term deposits and mortgages received	15.607.828.025	1.665.081.440
Unearned revenue	31.120.519.934	2.785.397.978
Receipts on others' behalf to provide agency services	26.810.602.593	30.744.708.032
Payable to subsidiaries, associates and business co-operations	157.399.008.854	215.336.499.341
<i>Hoa Sen - Gemadept Logistics and International Port Corporation – borrowing</i>	<i>10.293.585.975</i>	<i>10.293.585.975</i>
<i>Truong Tho Tourism and Transportation J.S.C</i>	<i>32.393.728.000</i>	<i>-</i>
<i>Gemadept Hai Phong Co., Ltd. – borrowings and amounts received on other's behalf</i>	<i>6.892.844.016</i>	<i>33.006.800.644</i>
<i>Gemadept Logistics Co., Ltd.</i>	<i>23.562.093.651</i>	<i>820.662.632</i>
<i>Gemadept (Malaysia) Ltd.</i>	<i>443.037.766</i>	<i>443.037.766</i>
<i>Gemadept - Terminal Link Cai Mep Terminal J.S.C – borrowing</i>	<i>43.688.509.077</i>	<i>160.000.000.000</i>
<i>Other subsidiaries, associates and business co-operations</i>	<i>40.125.210.369</i>	<i>10.772.412.324</i>
Other payable	15.915.620.368	20.373.650.067

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Notes to the financial statements (cont.)

<i>Mr. Nguyen Quoc Cuong – transfer of share capital in Hoa Sen - Gemadept Logistics and International Port Corporation</i>		
	9.264.678.577	9.264.678.577
<i>Others</i>	6.650.941.791	11.108.971.490
Total	250.144.410.808	273.810.520.210
29. Bonus and welfare funds		
Beginning balance	6.675.813.335	
Increase due to extraction from profit	5.664.248.049	
Disbursement	1.301.906.153	
Ending balance	11.038.155.231	
30. Other long-term payable		
	Ending balance	Beginning balance
Receipt of the deposit for the lease of Gemadept Maritime Trading Center Building at No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	20.741.807.959	22.941.117.275
Receipt of the deposit for lease of other long-term assets		25.368.880
Total	20.741.807.959	22.966.486.155
31. Long-term debts and loans		
	Ending balance	Beginning balance
Long-term loans from banks	84.997.045.000	84.997.045.000
- Navibank	72.000.000.000	72.000.000.000
- VIB Bank – Saigon Branch	12.997.045.000	12.997.045.000
Convertible bonds	396.787.000.000	396.787.000.000
Total	481.784.045.000	481.784.045.000
32. Owner's equity		
<i>Statement of fluctuations in owner's equity</i>		
Dividends		
Gemadept Corp. has not paid dividend to shareholders by cash during the first 6 months of 2011.		
Shares		
	Ending balance	Beginning balance
Number of shares registered to be issued	100.000.000	100.000.000
Number of shares already issued	100.000.000	100.000.000
- Common shares	100.000.000	100.000.000
- Preferred shares	-	-
Number of shares re-purchased	-	-
- Common shares	-	-
- Preferred shares	-	-

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Notes to the financial statements (cont.)

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of outstanding shares	100.000.000	100.000.000
- <i>Common shares</i>	100.000.000	100.000.000
- <i>Preferred shares</i>	-	-

Face value of outstanding share: VND 10.000.

Purposes of appropriation for funds

Financial reserved fund is used to:

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

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

	<u>For the first 6 months of 2011</u>	<u>For the first 6 months of 2010</u>
- <i>Sales from transportation services, lease of assets, exploitation of ports, repairs and others</i>	608.252.116.647	606.909.096.386
- <i>Sales from agency activities and forwarding services</i>	20.889.575.425	50.218.182.158
- <i>Sales from leasing offices</i>	46.812.873.147	59.474.635.608
Total	675.954.565.219	716.601.914.152

2. Costs of goods

	<u>For the first 6 months of 2011</u>	<u>For the first 6 months of 2010</u>
Costs of transportation service, lease of assets, exploitation of ports, others	621.487.141.064	606.154.614.836
Cost of agency activities and forwarding services	12.833.012.234	34.926.591.214
Cost of from leasing offices	14.401.183.194	16.252.936.120
Total	648.721.336.492	657.334.142.170

3. Financial income

	<u>For the first 6 months of 2011</u>	<u>For the first 6 months of 2010</u>
Interests on bank deposits	16.543.969.867	647.752.924
Gains from capital contribution in business concerns and joint ventures	31.852.414.275	20.273.888.704
Dividends and profit shared	7.198.947.711	36.760.531.610
Realized exchange gains	26.967.533.603	15.500.071.563
Others		772.090.986
Total	82.562.865.456	73.954.335.787

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Notes to the financial statements (cont.)**4. Financial expenses**

	For the first 6 months of 2011	For the first 6 months of 2010
Loan interest expenses	33.029.514.245	25.326.463.795
Realized exchange loss	17.324.578.616	25.894.859.677
Loss from investment in securities	7.825.716.616	15.648.823.740
Provision for securities	49.073.976.195	-5.559.297.723
Others		197.606.444
Total	107.253.785.672	61.508.455.933

5. Administrative overheads

	For the first 6 months of 2011	For the first 6 months of 2010
Salary of office staff	14.647.727.317	14.651.122.915
Office materials and supplies	220.392.407	161.636.569
Depreciation of fixed assets	4.467.405.358	4.564.087.173
External service rendered	3.948.463.017	9.751.422.848
Other expenses	4.732.837.566	1.877.501.671
Total	28.016.825.665	31.005.771.176

6. Other income

	For the first 6 months of 2011	For the first 6 months of 2010
Liquidation and disposals of fixed assets	27.624.110.908	40.748.660.256
Others	362.209.712	3.260.906.136
Total	27.986.320.620	44.009.566.392

7. Other expenses

	For the first 6 months of 2011	For the first 6 months of 2010
Net book values of liquidated fixed assets	10.502.057.114	5.706.169.165
Others	1.516.841.680	405.718.376
Total	12.018.898.794	6.111.887.541

8. Operating expenses

	For the first 6 months of 2011	For the first 6 months of 2010
Materials and supplies	227.812.727.232	204.888.176.142
Labor	42.296.779.263	43.928.350.011
Depreciation of fixed assets	48.756.442.754	47.054.563.300
External service rendered	347.247.200.863	388.634.597.346

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Notes to the financial statements (cont.)

	For the first 6 months of 2011	For the first 6 months of 2010
Other expenses	12.869.608.043	4.175.594.766
Total	678.982.758.155	688.681.281.565

VII. OTHER INFORMATION**1. Transactions with related parties**

During the first 6 months of 2011, the company has had the following transactions with other related parties:

	For the first 6 months of 2011
<i>Dung Quat International Port Joint Stock Company</i>	
Lending money	3.500.000.000
Service – supply revenue	863.447.298
Service – supply expense	1.620.374.415
<i>V.N.M General Transportation Service Co., Ltd.</i>	
Interest on capital contributed in joint ventures	13.000.000.000
Short-term loans given	
<i>Gemadept (Malaysia) Ltd.</i>	
Payment made on other's behalf	
Borrowings	
Expenses on agent service	1.879.400.892
Transportation expenses	
Amount collected on other's behalf payable	
<i>Gemadept (Singapore) Ltd.</i>	
Amount paid on others' behalf receivable	9.870.192.785
Service charges	54.770.691.747
Amount paid on other's behalf to purchase materials and spare parts payable	7.724.265.710
Amounts received on others' behalf	
Payable for loans at Cambodia Branch	
<i>Gemadept Nhon Hoi International Port Joint Stock Company</i>	
Borrowing	7.000.000.000
<i>Phuoc Long Port Co., Ltd.</i>	
Transfer of borrowing	116.312.180.594
Leasing assets and liquidation of fixed assets	24.300.000.000
Sales of services	14.569.659
Service charges	48.784.652.273
Borrowing	11.500.000.000
Amounts received on other's behalf payable	30.665.120
Amounts paid on other's behalf	90.103.915
<i>ISS - Gemadept Co., Ltd.</i>	
Sales of services	

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Notes to the financial statements (cont.)

	<u>For the first 6 months of 2011</u>
Costs of services	
<i>Gemadept Logistics Co., Ltd.</i>	
Gain from capital contribution for investment	
Capital contribution for investment	
Amounts paid on other's behalf	
Income from transportation activities	4.763.093.216
Service charges	
Management fee	274.481.432
Amounts received on other's behalf payable	262.093.651
Borrowing	23.300.000.000
<i>Hoa Sen - Gemadept Logistics and International Port Corporation</i>	
Borrowing	
Capital contribution for investment	
<i>Gemadept Infrastructures Development and Investment Construction J.S.C</i>	
Capital contribution for investment	
Construction	
Loan given	500.000.000
<i>Gemadept Hai Phong Co., Ltd.</i>	
Capital contributed by means of assets	
Amounts paid on other's behalf	8.287.421.432
Transportation expenses	
Borrowings	18.700.000.000
Amounts received on other's behalf payable	2.244.317.217
<i>Truong Tho Tourism and Transportation J.S.C</i>	
Capital contribution	
Dividends receivable	
Giving loan	6.800.000.000
Borrowing	53.000.000.000
<i>Lion Lord Corporation</i>	
Capital contribution for investment	
Income from leasing offices and power charges	
Other expenses	
<i>Pacific Marine Co., Ltd.</i>	
Capital contribution	3.000.000.000
Establishment cost	
Amounts received on other's behalf payable	7.464.586.101
Amounts paid on other's behalf receivable	777.100.881
<i>OOCL (Vietnam) Co., Ltd.</i>	
Realized revenue	
Service charges	
Amounts received on other's behalf	
<i>MBN-GMD Vietnam</i>	
Payable for capital contributed into LCL Cold Storage Co., Ltd.	
Receipt of service charges	
Expenses on forwarding and stevedoring payable	361.399.789

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Notes to the financial statements (cont.)**For the first 6 months of 2011**

Other expenses	
<i>Vinh Hao Mineral Water Joint Stock Company</i>	
Capital contribution for investment	
Other expenses	
<i>Nam Hai Port Corporation</i>	
Capital contribution for investment	
Borrowing	
Transportation expenses	
Compensation for loss	
Service charges	429.978.981
<i>Minh Dam Tourism Joint Stock Company</i>	
Capital contribution for investment	
<i>Schenker Gemadept Logistics Vietnam Co., Ltd.</i>	
Capital contribution for business co-operation	
Sales of services	
<i>Huynhai Merchant Marine Vietnam Co., Ltd.</i>	
Realized revenues	695.118.994
Service charges	149.573.258
Amounts received on other's behalf	
Amounts paid on other's behalf	5.784.654.963
Freight tax refunded payable	
<i>Sai Gon Cargo Service Corp.</i>	
Capital contribution for investment	576.410.476
Service charges	
<i>Falcon Ha Dong Investment and Trading J.S.C</i>	
Capital contribution for investment	
<i>Sinokor Vietnam Co., Ltd.</i>	
Sales of services	2.564.486.886
Payable for fees on service provision	355.870.902
Amounts paid on other's behalf	

As at 30 June 2011, the accounts payable to and accounts receivable from other related parties are as follows:

	<u>Ending Balance</u>	<u>Beginning Balance</u>
<i>Dung Quat International Port Joint Stock Company</i>		
Receivable from customers		
Other receivable	52.500.000.000	49.000.000.000
<i>V.N.M General Transportation Service Co., Ltd.</i>		
Giving short-term loans	18.946.000.000	18.946.000.000
<i>Gemadept (Malaysia) Ltd.</i>		
Receivable from customers	20.905.878.895	23.468.398.265
Amounts paid on other's behalf		

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Notes to the financial statements (cont.)

	<u>Ending Balance</u>	<u>Beginning Balance</u>
<i>Gemadept (Singapore) Ltd.</i>		
Receivable from customers	121.376.473.592	92.148.677.000
Other receivable	14.653.560.402	11.855.467.796
<i>Phuoc Long Port Co., Ltd.</i>		
Receivable from customers	3.326.000.000	142.991.550
Advances for services	2.273.145.193	47.507.364.653
Loans given and amounts paid on other's behalf	147.655.317	38.509.465.984
<i>ISS – Gemadept Co., Ltd.</i>		
Receivable from customers		
<i>Gemadept Logistics Co., Ltd.</i>		
Receivable from customers	1.997.960.061	531.386.150
Amount paid on other's behalf		1.126.454.000
Amount received on other's behalf		
Borrowing		
Other receivable	492.341.800	
<i>Gemadept Hai Phong Co., Ltd.</i>		
Receivable from customers	11.500.803.763	16.217.919.208
Other receivable	6.110.016.741	7.765.231.397
<i>Gemadept Infrastructures Development and Investment Construction J.S.C</i>		
Receivable from customers		
Other receivable	4.307.241.273	3.807.241.273
<i>Truong Tho Tourism and Transportation J.S.C</i>		
Other receivable		13.806.272.000
<i>Lion Lord Corporation</i>		
Receivable from customers	2.615.478.789	2.615.478.789
<i>Pacific Marine Co., Ltd.</i>		
Other receivable	777.100.881	
<i>OOCL (Vietnam) Co., Ltd.</i>		
Receivable from customers		392.583.750
<i>Golden Globe Trading Co., Ltd.</i>		
Other receivable	300.000.000	
<i>Nam Hai Port Corporation</i>		
Receivable from customers		57.300.000
Other receivable		
<i>Schenker Gemadept Logistics Vietnam Co., Ltd.</i>		
Other receivable	600.000.000	1.300.000.000
<i>Huyndai Merchant Marine Vietnam Co., Ltd.</i>		
Receivable from customers	3.931.284.472	4.457.122.664
<i>Sinokor Vietnam Co., Ltd.</i>		
Receivable from customers	486.896.673	349.243.905
Other receivable		
Total accounts receivable	<u>267.247.837.852</u>	<u>334.004.598.384</u>

Sinokor Vietnam Co., Ltd.

Payable to suppliers

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	<u>Ending Balance</u>	<u>Beginning Balance</u>
<i>Dung Quat International Port Joint Stock Company</i>		
Payable for service provision	1.034.466.807	820.062.165
<i>Gemadept (Malaysia) Ltd.</i>		
Other payable	440.515.419	
<i>Gemadept (Singapore) Ltd.</i>		
Other payable	14.653.560.402	1.492.952.962
<i>Phuoc Long Port Co., Ltd.</i>		
Service charges payable	1.928.114.265	13.327.367.705
Other payable		
<i>Gemadept Logistics Co., Ltd.</i>		
Payable to suppliers	711.751.262	34.398.000
Other payable	23.562.093.651	845.284.245
<i>Gemadept Nhon Hoi International Port Joint Stock Company</i>		
Other payable	7.000.000.000	1.000.000.000
<i>Hoa Sen - Gemadept Logistics and International Port Corporation</i>		
Other payable	10.293.585.975	10.293.585.975
<i>Gemadept Hai Phong Co., Ltd.</i>		
Payable to customers		
Borrowing		
Service charges payable		1.600.887.668
Amounts receivable on other's behalf payable	6.292.801.472	33.032.827.827
<i>Pacific Marine Co., Ltd</i>		
Other payable	763.825.813	
<i>Gemadept Infrastructures Development and Investment Construction J.S.C</i>		
Payable to suppliers for execution		305.346.703
<i>Truong Tho Tourism and Transportation J.S.C</i>		
Other payable	32.393.728.000	
<i>OOCL (Vietnam) Co., Ltd.</i>		
Service charges payable		
<i>Nam Hai Port Corporation</i>		
Service charges payable	134.551.978	105.293.572
<i>Schenker Gemadept Logistics Vietnam Co., Ltd.</i>		
Other payable		
<i>Huyndai Merchant Marine Vietnam Co., Ltd.</i>		
Other payable		
<i>MBN-GMD Vietnam</i>		
Other payable		1.703.880.000
Total accounts payable	<u>99.208.995.044</u>	<u>64.561.886.822</u>

2. Segment information***Business fields***

The company has the following main business fields:

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Notes to the financial statements (cont.)

- Transportation: including providing transportation services and leasing transportation facilities.
- Property trading: leasing the offices in building at Le Thanh Ton Street. The company also has been investing in construction of a complex building in Laos.
- Agency activities: including providing agency services and logistics service
- Other activities: other business activities.

The company's segment information is presented according to business fields and geographical regions. The primary segment report is for the business fields since the organization and management of business operations of the company are mainly based on their types of services and is shown in Note VI – page 19.

Ho Chi Minh City, 25 July 2011

Truong Nhu Nguyen
Preparer

Nguyen Minh Nguyet
Chief Accountant

Do Van Minh
General Director