

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2018

GEMADEPT CORPORATION

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Gemadept Corporation (hereinafter referred to as “the Corporation”) presents this statement together with the Financial Statements for the fiscal year ended 31 December 2018.

Business highlights

Gemadept Corporation has been operating under the Business Registration Certificate No. 0301116791, registered for the 1st time on 01 November 1993 and amended for the 23rd time on 03 December 2018 granted by Ho Chi Minh City Department of Planning and Investment.

Head office

- Address : No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.
- Tel. : (84-28) 38 236 236
- Fax : (84-28) 38 235 236

The Corporation has been consistent with its strategy to develop core businesses and to selectively diversify business sectors. The business scopes of the Corporation 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.

Board of Management and Executive Officers

The Board of Management and the Executive Officers of the Corporation during the year and as of the date of this statement include:

The Board of Management

| Full name | Position |
|------------------------|-------------------|
| Mr. Do Van Nhan | Chairman |
| Mr. Chu Duc Khang | Vice Chairman |
| Mr. Phan Thanh Loc | Vice Chairman |
| Mr. Do Van Minh | Member |
| Mr. Vu Ninh | Member |
| Ms. Nguyen Minh Nguyet | Member |
| Ms. Bui Thi Thu Huong | Member |
| Mr. Bolat Duisenov | Member |
| Mr. David Do | Member |
| Ms. Le Thuy Huong | Member |
| Ms. Ha Thu Hien | Member |
| Mr. Pham Hong Hai | Member (resigned) |
| Mr. Pham Tien Tinh | Member (resigned) |

The Control Board

| Full name | Position |
|--------------------------|--------------------|
| Mr. Luu Tuong Giai | Chief of the Board |
| Ms. Vu Thi Hoang Bac | Member |
| Mr. Tran Duc Thuan | Member |
| Ms. Phan Cam Ly | Member |
| Ms. Tran Hoang Ngoc Uyen | Member |

GEMADEPT CORPORATION

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

The Board of Directors

| Full name | Position |
|-----------------------|------------------------------------|
| Mr. Do Van Minh | General Director |
| Mr. Chu Duc Khang | Deputy General Director |
| Mr. Pham Quoc Long | Deputy General Director |
| Mr. Nguyen Thanh Binh | Deputy General Director |
| Mr. Tran Quang Tien | Deputy General Director (resigned) |

Legal Representative

The Corporation's legal representative during the year and as of the date of this statement is Mr. Do Van Minh – General Director (reappointed on 08 June 2018).

Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Corporation's Financial Statements for the fiscal year ended 31 December 2018.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation of the Financial Statements to give a true and fair view on the financial position, the financial performance and the cash flows of the Corporation during the year. In order to prepare these Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the Accounting Standards applied to the Corporation are followed or not, and all the material differences from these standards are disclosed and explained in the Financial Statements;
- prepare the Financial Statements of the Corporation on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Financial Statements are free from material misstatements due to frauds or errors.

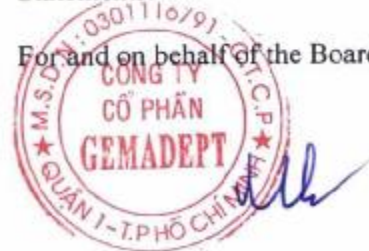
The Board of Directors hereby ensures that all the accounting books of the Corporation have been fully recorded and can fairly reflect the financial position of the Corporation at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Corporation's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Financial Statements.

Approval on the Financial Statements

The Board of Directors hereby approves the accompanying Financial Statements which give a true and fair view of the financial position of the Corporation as of 31 December 2018, its financial performance and its cash flows for the fiscal year then ended, in accordance with the Vietnamese Accounting Standards and System as well as other legal regulations related to the preparation and presentation of the Financial Statements.

For and on behalf of the Board of Directors,



Do Van Minh
General Director

Date: 10 April 2019

Head Office

02 Truong Son St., Ward 2, Tan Binh Dist., Ho Chi Minh City, Vietnam
Tel: 028. 3. 5472 972 Fax: 028. 3 5472 970 kttv@ac-c.com.vn

Branch in Hanoi

40 Giang Vo St., Dong Da Dist., Ha Noi
Tel: 024. 3 736 7879 Fax: 024. 3 736 7869 kttv.hn@ac-c.com.vn

Branch in Nha Trang

Lot STH 06A.01, Le Hong Phong II Urban Area, Phuoc Hai Ward, Nha Trang City
Tel: 0258. 2 465 151 Fax: 0258. 2 465 806 kttv.nt@ac-c.com.vn

Branch in Can Tho

15-13 Vo Nguyen Giap St., Cai Rang Dist., Can Tho City
Tel: 0292. 3 764 995 Fax: 0292. 3 764 996 kttv.ct@ac-c.com.vn

No. 1.0902/19/TC-AC

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS GEMADEPT CORPORATION

We have audited the accompanying Financial Statements of Gemadept Corporation (hereinafter referred to as "the Corporation"), which were prepared on 20 March 2019 (from page 05 to page 48) including the Balance Sheet as of 31 December 2018, the Income Statement, the Cash Flow Statement for the fiscal year then ended and the Notes to the Financial Statements.

Responsibility of the Board of Directors

The Corporation's Board of Directors is responsible for the preparation, true and fair presentation of the Financial Statements in accordance with the Vietnamese Accounting Standards and System as well as the legal regulations related to the preparation and presentation of the Financial Statements; and responsible for the internal control as the Corporation's Board of Directors determines necessary to enable the preparation and presentation of the Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and true and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Corporation's Board of Directors, as well as evaluating the overall presentation of the Financial Statements.


We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion of Auditors

In our opinion, the Financial Statements referred to above, give a true and fair view, in all material respects, of the financial position as of 31 December 2018 of Gemadept Corporation, its financial performance and its cash flows for the fiscal year then ended in conformity with the Vietnamese Accounting Standards and System as well as the other legal regulations relevant to preparation and presentation of Financial Statements.

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


Nguyen Minh Tri Deputy General Director
Audit Practice Registration Certificate
No. 0089-2018-008-1


Hoang Thai Vuong - Auditor
Audit Practice Registration Certificate
No. 2129-2018-008-1

Ho Chi Minh City, 10 April 2019

GEMADEPT CORPORATION

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

BALANCE SHEET

As of 31 December 2018

Unit: VND

| ITEMS | Code | Note | Ending balance | Beginning balance |
|--|------------|------------|------------------------|--------------------------|
| A - CURRENT ASSETS | 100 | | 822.529.612.576 | 1.275.567.789.700 |
| I. Cash and cash equivalents | 110 | V.1 | 43.070.277.429 | 336.882.059.451 |
| 1. Cash | 111 | | 43.070.277.429 | 142.382.059.451 |
| 2. Cash equivalents | 112 | | - | 194.500.000.000 |
| II. Short-term financial investments | 120 | | 79.164.578.609 | 66.540.734.528 |
| 1. Trading securities | 121 | V.2a | 140.694.265.680 | 140.694.265.680 |
| 2. Provisions for devaluation of trading securities | 122 | V.2a | (61.529.687.071) | (74.153.531.152) |
| 3. Held-to-maturity investments | 123 | | - | - |
| III. Short-term receivables | 130 | | 652.064.198.261 | 845.245.523.518 |
| 1. Short-term trade receivables | 131 | V.3 | 97.208.146.474 | 133.085.476.562 |
| 2. Short-term prepayments to suppliers | 132 | V.4 | 42.081.563.809 | 47.086.464.628 |
| 3. Short-term inter-company receivables | 133 | | - | - |
| 4. Receivable according to the progress of construction contract | 134 | | - | - |
| 5. Receivables for short-term loans | 135 | V.5 | 156.345.000.000 | 133.545.000.000 |
| 6. Other short-term receivables | 136 | V.6a | 365.866.998.087 | 684.682.533.411 |
| 7. Allowance for short-term doubtful debts | 137 | V.7 | (9.437.510.109) | (153.153.951.083) |
| 8. Deficit assets for treatment | 139 | | - | - |
| IV. Inventories | 140 | | 1.152.441.000 | 32.185.773 |
| 1. Inventories | 141 | V.8 | 1.152.441.000 | 32.185.773 |
| 2. Allowance for inventories | 149 | | - | - |
| V. Other current assets | 150 | | 47.078.117.277 | 26.867.286.430 |
| 1. Short-term prepaid expenses | 151 | V.9a | 1.554.297.575 | 694.584.680 |
| 2. Deductible VAT | 152 | | 43.892.547.350 | 24.367.464.665 |
| 3. Taxes and other receivables from the State | 153 | V.17 | 1.631.272.352 | 1.805.237.085 |
| 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

For the fiscal year ended 31 December 2018

Balance Sheet (cont.)

| ITEMS | Code | Note | Ending balance | Beginning balance |
|--|------------|------|--------------------------|--------------------------|
| B- NON-CURRENT ASSETS | 200 | | 5.730.187.780.740 | 5.560.236.939.168 |
| I. Long-term receivables | 210 | | 18.000.000.000 | 37.005.000.000 |
| 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 | 37.005.000.000 |
| 7. Allowance for long-term doubtful debts | 219 | | - | - |
| II. Fixed assets | 220 | | 701.626.964.986 | 376.074.711.779 |
| 1. Tangible fixed assets | 221 | V.10 | 489.660.783.947 | 299.954.770.899 |
| - Historical cost | 222 | | 705.338.518.168 | 473.009.010.811 |
| - Accumulated depreciation | 223 | | (215.677.734.221) | (173.054.239.912) |
| 2. Financial leased assets | 224 | V.11 | 203.471.422.418 | 64.828.449.857 |
| - Historical cost | 225 | | 259.292.255.153 | 92.987.286.021 |
| - Accumulated depreciation | 226 | | (55.820.832.735) | (28.158.836.164) |
| 3. Intangible fixed assets | 227 | V.12 | 8.494.758.621 | 11.291.491.023 |
| - Initial cost | 228 | | 19.462.953.294 | 21.027.746.542 |
| - Accumulated amortization | 229 | | (10.968.194.673) | (9.736.255.519) |
| III. Investment property | 230 | | - | - |
| - Historical costs | 231 | | - | - |
| - Accumulated depreciation | 232 | | - | - |
| IV. Long-term assets in process | 240 | | 61.096.896.014 | 17.885.070.242 |
| 1. Long-term work in process | 241 | | - | - |
| 2. Construction-in-progress | 242 | V.13 | 61.096.896.014 | 17.885.070.242 |
| V. Long-term financial investments | 250 | | 4.884.304.774.934 | 5.099.008.826.299 |
| 1. Investments in subsidiaries | 251 | V.2b | 3.394.681.888.483 | 3.857.249.567.918 |
| 2. Investments in joint ventures and associates | 252 | V.2b | 1.807.852.948.941 | 1.529.391.295.376 |
| 3. Investments in other entities | 253 | V.2b | 186.457.032.000 | 186.457.032.000 |
| 4. Provisions for devaluation of long-term financial investments | 254 | V.2b | (504.687.094.490) | (474.089.068.995) |
| 5. Held-to-maturity investments | 255 | | - | - |
| VI. Other non-current assets | 260 | | 65.159.144.806 | 30.263.330.848 |
| 1. Long-term prepaid expenses | 261 | V.9b | 53.171.448.478 | 18.533.323.607 |
| 2. Deferred income tax assets | 262 | V.14 | 11.987.696.328 | 11.730.007.241 |
| 3. Long-term components and spare parts | 263 | | - | - |
| 4. Other non-current assets | 268 | | - | - |
| TOTAL ASSETS | 270 | | 6.552.717.393.316 | 6.835.804.728.868 |

GEMADEPT CORPORATION

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Balance Sheet (cont.)

| ITEMS | Code | Note | Ending balance | Beginning balance |
|--|------------|-------|--------------------------|--------------------------|
| C - LIABILITIES | 300 | | 1.282.894.763.686 | 1.283.017.800.871 |
| I. Current liabilities | 310 | | 813.353.689.702 | 1.011.451.956.496 |
| 1. Short-term trade payables | 311 | V.15 | 46.085.148.472 | 41.957.482.431 |
| 2. Short-term advances from customers | 312 | V.16 | - | 23.172.673.918 |
| 3. Taxes and other obligations to the State Budget | 313 | V.17 | 10.737.264.845 | 5.154.073.091 |
| 4. Payables to employees | 314 | V.18 | 12.974.485.019 | 16.158.873.636 |
| 5. Short-term accrued expenses | 315 | V.19 | 4.375.752.294 | 8.669.298.382 |
| 6. Short-term inter-company payables | 316 | | - | - |
| 7. Payable according to the progress of construction contracts | 317 | | - | - |
| 8. Short-term unearned revenue | 318 | | - | - |
| 9. Other short-term payables | 319 | V.20 | 65.620.112.498 | 481.995.092.708 |
| 10. Short-term borrowings and financial leases | 320 | V.21a | 587.806.307.781 | 357.482.529.032 |
| 11. Provisions for short-term payables | 321 | V.22 | 59.938.481.636 | 60.402.312.740 |
| 12. Bonus and welfare funds | 322 | V.23 | 25.816.137.157 | 16.459.620.558 |
| 13. Price stabilization fund | 323 | | - | - |
| 14. Trading Government bonds | 324 | | - | - |
| II. Non-current liabilities | 330 | | 469.541.073.984 | 271.565.844.375 |
| 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.21b | 469.330.116.703 | 270.217.938.887 |
| 9. Convertible bonds | 339 | | - | - |
| 10. Preferred shares | 340 | | - | - |
| 11. Deferred income tax liability | 341 | V.24 | 210.957.281 | 1.347.905.488 |
| 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

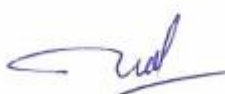
FINANCIAL STATEMENTS

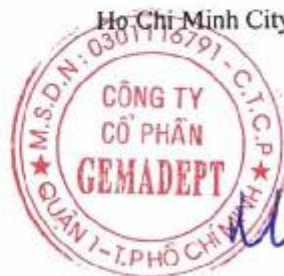
For the fiscal year ended 31 December 2018

Balance Sheet (cont.)

| ITEMS | Code | Note | Ending balance | Beginning balance |
|---|------------|------|--------------------------|--------------------------|
| D - OWNER'S EQUITY | 400 | | 5.269.822.629.630 | 5.552.786.927.997 |
| I. Owner's equity | 410 | | 5.269.822.629.630 | 5.552.786.927.997 |
| 1. Capital | 411 | V.25 | 2.969.249.570.000 | 2.882.769.570.000 |
| - Ordinary shares carrying voting rights | 411a | | 2.969.249.570.000 | 2.882.769.570.000 |
| - Preferred shares | 411b | | - | - |
| 2. Share premiums | 412 | V.25 | 1.941.832.197.040 | 1.941.832.197.040 |
| 3. Bond conversion options | 413 | | - | - |
| 4. Other sources of capital | 414 | V.25 | 69.388.382.902 | 69.388.382.902 |
| 5. Treasury stocks | 415 | | - | - |
| 6. Differences on asset revaluation | 416 | | - | - |
| 7. Foreign exchange differences | 417 | V.25 | (432.264.540) | (482.399.072) |
| 8. Investment and development fund | 418 | V.25 | 72.682.100.796 | 72.682.100.796 |
| 9. Business arrangement supporting fund | 419 | | - | - |
| 10. Other funds | 420 | V.25 | 69.568.035.889 | 69.568.035.889 |
| 11. Retained earnings | 421 | V.25 | 147.534.607.543 | 517.029.040.442 |
| - Retained earnings accumulated to the end of the previous period | 421a | | - | 517.029.040.442 |
| - Retained earnings of the current period | 421b | | 147.534.607.543 | - |
| 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 | | 6.552.717.393.316 | 6.835.804.728.868 |

Ho Chi Minh City, 20 March 2019


Pham Quang Huy
Preparer

Nguyen Minh Nguyen
Chief AccountantDo 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 fiscal year ended 31 December 2018

INCOME STATEMENT

For the fiscal year ended 31 December 2018

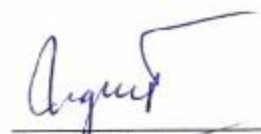
Unit: VND

| ITEMS | Code | Note | Current year | Previous year |
|--|------|-------|-------------------|------------------|
| 1. Sales | 01 | VI.1 | 224.113.187.554 | 608.055.489.379 |
| 2. Sales deductions | 02 | | - | - |
| 3. Net sales | 10 | | 224.113.187.554 | 608.055.489.379 |
| 4. Cost of sales | 11 | VI.2 | 151.405.527.550 | 563.720.366.282 |
| 5. Gross profit | 20 | | 72.707.660.004 | 44.335.123.097 |
| 6. Financial income | 21 | VI.3 | 2.338.508.896.047 | 892.170.631.092 |
| 7. Financial expenses | 22 | VI.4 | 83.773.272.713 | 173.505.858.768 |
| In which: Loan interest expenses | 23 | | 43.981.940.846 | 73.497.581.496 |
| 8. Selling expenses | 25 | VI.5 | 1.696.292.435 | 7.521.867.791 |
| 9. General and administration expenses | 26 | VI.6 | 125.052.923.469 | 256.344.656.097 |
| 10. Net operating profit | 30 | | 2.200.694.067.434 | 499.133.371.533 |
| 11. Other income | 31 | VI.7 | 4.932.253.360 | 38.085.649.660 |
| 12. Other expenses | 32 | VI.8 | 2.991.550.415 | 85.201.264.223 |
| 13. Other profit/(loss) | 40 | | 1.940.702.945 | (47.115.614.563) |
| 14. Total accounting profit before tax | 50 | | 2.202.634.770.379 | 452.017.756.970 |
| 15. Current income tax | 51 | V.17 | 213.705.438.542 | 11.086.665.202 |
| 16. Deferred income tax | 52 | VI.9 | (1.394.637.294) | (8.466.659.993) |
| 17. Profit after tax | 60 | | 1.990.323.969.131 | 449.397.751.761 |
| 18. Basic earnings per share | 70 | VI.10 | - | - |
| 19. Diluted earnings per share | 71 | VI.10 | - | - |

Ho Chi Minh City, 20 March 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 fiscal year ended 31 December 2018

CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2018

Unit: VND

| ITEMS | Code | Note | Current year | Previous year |
|---|-----------|------------------|--------------------------|------------------------|
| I. Cash flows from operating activities | | | | |
| 1. Profit before tax | 01 | | 2.202.634.770.379 | 452.017.756.970 |
| 2. Adjustments | | V.10, | | |
| - Depreciation of fixed assets and investment properties | 02 | V.11, V.12 | 74.702.530.481 | 62.246.161.668 |
| - Provisions and allowances | 03 | V.2, V.7 | 33.552.423.209 | 241.195.209.867 |
| - Exchange gain/(loss) due to revaluation of monetary items in foreign currencies | 04 | VI.3, VI.4 | 6.565.390.390 | (7.373.916.814) |
| - Gain/(loss) from investing activities | 05 | VI.3, VI.7 | (2.317.657.103.533) | (882.629.457.227) |
| - Interest expenses | 06 | VI.4 | 43.981.940.846 | 73.497.581.496 |
| - Others | 07 | | - | - |
| 3. Operating profit/(loss) before changes of working capital | 08 | | 43.779.951.772 | (61.046.664.040) |
| - Increase/(decrease) of receivables | 09 | | 87.662.745.949 | 210.971.578.143 |
| - Increase/(decrease) of inventories | 10 | | (1.120.255.227) | 13.777.961.104 |
| - Increase/(decrease) of payables | 11 | | (30.257.699.624) | (92.919.246.740) |
| - Increase/(decrease) of prepaid expenses | 12 | | (3.732.352.884) | 1.848.029.811 |
| - Increase/(decrease) of trading securities | 13 | | - | 2.064.388.947 |
| - Interests paid | 14 | | (49.024.350.205) | (37.187.567.331) |
| - Corporate income tax paid | 15 | V.17 | (207.846.793.952) | (1.826.103.720) |
| - Other cash inflows | 16 | | - | - |
| - Other cash outflows | 17 | | (16.274.229.431) | (20.476.366.359) |
| Net cash flows from operating activities | 20 | | (176.812.983.602) | 15.206.009.815 |
| II. Cash flows from investing activities | | | | |
| 1. Purchases and construction of fixed assets and other non-current assets | 21 | V.10, V.13, VII. | (262.185.922.998) | (215.866.233.241) |
| 2. Proceeds from disposals of fixed assets and other non-current assets | 22 | V.10, VII. | 26.712.189.573 | 172.688.300.963 |
| 3. Cash outflow for lending, buying debt instruments of other entities | 23 | V.5 | (387.892.840.992) | (326.350.000.000) |
| 4. Cash recovered from lending, selling debt instruments of other entities | 24 | V.5 | 365.092.840.992 | 261.535.000.000 |
| 5. Investments into other entities | 25 | | (142.402.878.055) | (325.518.347.740) |
| 6. Withdrawals of investments in other entities | 26 | | 2.074.274.670.940 | 154.654.500.000 |
| 7. Interest earned, dividends and profits received | 27 | | 655.565.965.755 | 530.496.630.004 |
| Net cash flows from investing activities | 30 | | 2.329.164.025.215 | 251.639.849.986 |

GEMADEPT CORPORATION

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Cash Flow Statement (cont.)

| ITEMS | Code | Note | Current year | Previous year |
|--|-----------|------------|-----------------------------------|-------------------------------|
| III. Cash flows from financing activities | | | | |
| 1. Proceeds from issuing stocks and capital contributions from owners | 31 | V.25 | 86.480.000.000 | - |
| 2. Repayment for capital contributions and re-purchases of stocks already issued | 32 | | - | - |
| 3. Proceeds from borrowings | 33 | | 714.569.901.072 | 536.727.210.353 |
| 4. Repayment for loan principal | 34 | | (463.012.898.928) | (521.093.998.671) |
| 5. Payments for financial leased assets | 35 | | (31.919.524.446) | (19.821.961.924) |
| 6. Dividends and profit paid to the owners | 36 | V.20, V.25 | (2.751.660.001.725) | - |
| <i>Net cash flows from financing activities</i> | <i>40</i> | | <u><i>(2.445.542.524.027)</i></u> | <u><i>(4.188.750.242)</i></u> |
| Net cash flows during the year | 50 | | (293.191.482.414) | 262.657.109.559 |
| Beginning cash and cash equivalents | 60 | V.1 | 336.882.059.451 | 74.289.026.051 |
| Effects of fluctuations in foreign exchange rates | 61 | | (620.299.608) | (64.076.159) |
| Ending cash and cash equivalents | 70 | V.1 | <u>43.070.277.429</u> | <u>336.882.059.451</u> |

Ho Chi Minh City, 20 March 2019


Pham Quang Huy
Preparer

Nguyen Minh Nguyet
Chief AccountantDo Van Minh
General Director

GEMADEPT CORPORATION

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

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 year on the Financial Statements

The Corporation paid dividends of 2016 and special dividends of 2017 in cash at the rate of 80%, equivalent to VND 8.000/share and dividends of 2017 in cash at the rate of 15%, equivalent to VND 1.500/share.

The container liner services were separated to be business activities of another company. Accordingly, revenues of the current year only include sales of asset leasing and agency services.

During the year, the Corporation increased its charter capital from VND 2.882.769.570.000 to VND 2.969.249.570.000 by issuing shares under the welfare share program to employees of the Corporation in accordance with the Resolution No. 039/NQ-HĐQT-2018 on 14 May 2018.

During the year, the Corporation kept additionally investing in Pacific Lotus Joint Stock Company Limited, Pacific Pride J.S.C., Pacific Rubber Industry Co., Ltd., Golden Globe Co., Ltd. and "K" Line – Gemadept Logistics Company Limited.

The Corporation received the 23rd amended Business Registration Certificate dated 03 December 2018, granted by Ho Chi Minh City Department of Planning and Investment regarding the supplementation and adjustment of business functions in accordance with the Resolution No. 26/NQ-ĐHĐCĐ dated 30 May 2018 of the Annual General Meeting of Shareholders.

During the year, the Corporation has carried out procedures to release foreign investors' ownership rate down to 49%.

GEMADEPT CORPORATION

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the Financial Statements (cont.)

6. Structure of the Corporation

At the end of year, the Corporation includes 19 subsidiaries and 10 joint ventures, associates (at the beginning of the year: 28 subsidiaries and 9 joint ventures, associates).

6a. Investment withdrawal

On 13 February 2018, the Corporation finished transfer of 50,90% of capital contributed at Gemadept Logistics Holding Company Limited. The remaining investments are presented at the item "Investments in joint ventures, associates" in the Financial Statements. Gemadept Logistics Holding Company Limited was renamed into CJ Gemadept Logistics Holdings Company Limited in accordance with the Business Registration Certificate No. 0314546921, amended for the 3rd time on 15 March 2018.

On 13 February 2018, the Corporation finished transfer of 49% of capital contributed at Gemadept Shipping Holding Limited Company. The remaining investments are presented at the item "Investments in joint ventures, associates" in the Financial Statements as agreed in the Capital Transfer Contract. Gemadept Shipping Holding Limited Company was renamed into CJ Gemadept Shipping Holdings Company Limited in accordance with the Business Registration Certificate No. 0314492497, amended for the 3rd time on 15 March 2018.

On 30 June 2018, the Corporation finished transfer of entire capital contributed at Hoa Sen - Gemadept Logistics and International Port Corporation.

During the year, the Corporation terminated operations of Bright Ocean Logistics Co., Ltd., Gemadept (S) Pte., Ltd. and Grand Pacific Shipping Pte., Ltd.

6b. List of subsidiaries at the end of year

| Subsidiaries | Address | Capital contribution rate | Benefit rate | Voting rate |
|--|---|---------------------------|--------------|-------------|
| Pacific Lotus Joint Stock Company Limited | 18B Road No. 500, Phsar Deum Thkov Ward, Chamkarmon District, Phnom Penh City, Cambodia | 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% |
| 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 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% |
| Pacific Pride J.S.C. | 947 Por Prok Khang Tbong Hamlet, Kar Karb Ward, Po Sen Chey District, Phnom Penh City, Cambodia | 100% | 100% | 100% |
| Phuoc Long Port 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% |

GEMADEPT CORPORATION

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the Financial Statements (cont.)

| Subsidiaries | Address | Capital contribution rate | Benefit rate | Voting rate |
|---|--|---------------------------|--------------|-------------|
| 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 – 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 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 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% |
| 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% |
| 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 Co., Ltd. | No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 100% | 100% | 100% |
| 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% |
| 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% |
| Vi Tin Service Computing Co., Ltd. | No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam | 100% | 100% | 100% |

- (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.

6c. 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% |

GEMADEPT CORPORATION

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the Financial Statements (cont.)

| Company's name | Address | Capital contribution rate | Ownership rate | Voting rate |
|--|--|---------------------------|----------------|-------------|
| 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% |
| "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% |
| 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% |
| 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 Street, 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% |
| 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% |

6d. 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 year can be comparable with corresponding figures in the previous year.

8. Employees

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

GEMADEPT CORPORATION

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the Financial Statements (cont.)

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

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

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.

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.

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the Financial Statements (cont.)

- 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 Citibank, N.A., Ho Chi Minh City Branch where the Corporation frequently makes transactions.
- For monetary items in foreign currencies classified as liabilities: the selling rate of Citibank, N.A., Ho Chi Minh City Branch 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

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.

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Notes to the Financial Statements (cont.)

- 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.

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.

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Notes to the Financial Statements (cont.)

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.
- 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 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".

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Notes to the Financial Statements (cont.)

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.

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.

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the Financial Statements (cont.)

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 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.

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Notes to the Financial Statements (cont.)

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.

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.

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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.

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.

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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

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.

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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.

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

| | Ending balance | Beginning balance |
|---|-----------------------|------------------------|
| Cash on hand | 2.515.324.364 | 2.928.760.727 |
| Deposits in banks | 40.554.953.065 | 138.837.242.396 |
| Cash in transit | - | 616.056.328 |
| Cash equivalents (Bank deposits of which the principal maturity is under 03 months) | - | 194.500.000.000 |
| Total | 43.070.277.429 | 336.882.059.451 |

2. Financial investments

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

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Notes to the Financial Statements (cont.)**2a. Trading securities**

| | Ending balance | | | Beginning balance | | |
|---------------------------------------|------------------------|-----------------------|-------------------------|------------------------|-----------------------|-------------------------|
| | Original cost | Fair value | Provision | Original cost | Fair value | Provision |
| Shares | | | | | | |
| National Citizen Bank (NCB) | 94,971,030,000 | 62,645,063,159 | (32,325,966,841) | 94,971,030,000 | 50,379,141,600 | (44,591,888,400) |
| Thu Duc Steel J.S.C. | 31,488,264,362 | 16,519,218,000 | (14,969,046,362) | 31,488,264,362 | 15,799,832,700 | (15,688,431,662) |
| Manganese Mineral Joint Stock Company | 14,234,321,100 | - | (14,234,321,100) | 14,234,321,100 | 361,364,000 | (13,872,957,100) |
| Other shares | 650,218 | 365,900 | (352,768) | 650,218 | 512,500 | (253,990) |
| Total | 140,694,265,680 | 79,164,647,059 | (61,529,687,071) | 140,694,265,680 | 66,540,850,800 | (74,153,531,152) |

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

| | Current year | Previous year |
|-----------------------|-------------------------|-------------------------|
| Beginning balance | (74,153,531,152) | (91,692,607,552) |
| Reversal | 12,623,844,081 | 17,539,076,400 |
| Ending balance | (61,529,687,071) | (74,153,531,152) |

2b. Investments in other entities

| | Ending balance | | Beginning balance | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Original cost | Provision | Original cost | Provision |
| Investments in subsidiaries | 3,394,681,888,483 | (373,669,542,700) | 3,857,249,567,918 | (253,944,866,923) |
| Pacific Lotus Joint Stock Company Limited ⁽ⁱ⁾ | 821,547,894,800 | (86,537,815,310) | 801,823,100,000 | (35,521,951,507) |
| Pacific Pearl Joint Stock Company Limited | 586,721,892,380 | (158,712,498,700) | 586,721,892,380 | (136,185,022,864) |
| 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 | (31,017,920,515) | 360,000,000,000 | (4,375,994,860) |
| Nam Hai Dinh Vu Port J.S.C. | 338,625,450,000 | - | 338,625,450,000 | - |
| Pacific Pride J.S.C. ⁽ⁱ⁾ | 258,592,695,550 | (81,556,853,689) | 183,045,245,550 | (39,063,050,101) |
| Phuoc Long Port Co., Ltd. | 200,000,000,000 | - | 200,000,000,000 | - |
| Pacific Rubber Industry Co., Ltd. ⁽ⁱ⁾ | 85,800,000,000 | (9,460,093,395) | 82,500,000,000 | (8,621,082,937) |
| Nam Hai ICD Joint Stock Company | 78,000,000,000 | (5,384,361,091) | 78,000,000,000 | (13,971,545,505) |
| 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 | - |

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Notes to the Financial Statements (cont.)

| | Ending balance | | Beginning balance | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Original cost | Provision | Original cost | Provision |
| Pacific Marine Equipment and Service Company Limited | 1.000.000.000 | - | 1.000.000.000 | - |
| Gemadept Logistics Holding Company Limited ⁽ⁱⁱ⁾ | - | - | 267.797.641.500 | - |
| Gemadept Shipping Holding Limited Company ⁽ⁱⁱ⁾ | - | - | 205.086.700.000 | - |
| Hoa Sen - Gemadept Logistics and International Port Corporation ⁽ⁱⁱ⁾ | - | - | 70.866.282.735 | (128.185.291) |
| Gemadept (S) Pte. Ltd. ⁽ⁱⁱⁱ⁾ | - | - | 15.207.300.000 | (15.207.300.000) |
| Bright Ocean Logistics Co., Ltd. ⁽ⁱⁱⁱ⁾ | - | - | 2.182.000.000 | - |
| Other subsidiaries | 2.637.304.000 | (1.000.000.000) | 2.637.304.000 | (870.733.858) |
| Investments in joint ventures, associates | 1.807.852.948.941 | (121.603.440.229) | 1.529.391.295.376 | (98.608.327.116) |
| Gemadept – Terminal Link Cai Mep Terminal J.S.C. | 834.150.000.000 | (80.767.976.488) | 834.150.000.000 | (71.095.385.067) |
| Saigon Cargo Service Corporation (SCSC Corp.) | 393.773.440.000 | - | 393.773.440.000 | - |
| CJ Gemadept Logistics Holdings Company Limited | 131.555.876.205 | - | - | - |
| “K” Line – Gemadept Logistics Co., Ltd. ⁽ⁱ⁾ | 108.001.500.000 | - | 71.352.500.000 | - |
| CJ Gemadept Shipping Holdings Company Limited | 104.620.023.000 | (11.712.456.929) | - | - |
| Golden Globe Co., Ltd. ⁽ⁱ⁾ | 94.992.157.496 | (626.134.604) | 89.355.403.136 | (1.060.531.832) |
| Golden Globe Trading Co., Ltd. | 62.538.064.097 | - | 62.538.064.097 | - |
| Foodstuff Combina Torial Joint Stock Company | 49.825.280.000 | (9.742.264.065) | 49.825.280.000 | (7.697.802.074) |
| 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 | (9.414.111.561) | 186.457.032.000 | (121.535.874.956) |
| Maritime Bank | 165.581.032.000 | - | 165.581.032.000 | (113.572.432.000) |
| Vietnam Industry Securities Company ^(iv) | 15.876.000.000 | (6.246.822.728) | 15.876.000.000 | (4.638.054.728) |
| Intellectual Vietnam Asset Management Joint-Stock Company | 5.000.000.000 | (3.167.288.833) | 5.000.000.000 | (3.325.388.228) |
| Total | 5.388.991.869.424 | (504.687.094.490) | 5.573.097.895.294 | (474.089.068.995) |

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

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Notes to the Financial Statements (cont.)*Fair value*

Fair value of investments with listed price is determined at the listed price as of the balance sheet date. The Corporation has not determined the fair value of the investments without listed price because there is no specific instruction on determination of fair value.

Operations of subsidiaries, joint ventures and associates

Subsidiaries, joint ventures and associates are in normal operation.

Provisions for investments in other entities

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

| | Current year | Previous year |
|---|--------------------------|--------------------------|
| Beginning balance | (474.089.068.995) | (358.289.881.095) |
| Additional extraction | (45.805.325.495) | (115.799.187.900) |
| Writing off provisions due to subsidiaries' dissolution | 15.207.300.000 | - |
| Ending balance | (504.687.094.490) | (474.089.068.995) |

Transactions with subsidiaries, joint ventures and associates

Significant transactions between the Corporation and its subsidiaries, joint ventures and associates are presented at Note No. VIII.1b.

Investments in other entities used as mortgage

The Corporation has mortgaged 11.100.000 shares of Saigon Cargo Services Corporation to secure loans from ACB – Saigon Branch (see Note No. V.21b).

3. Short-term trade receivables

| | Ending balance | Beginning balance |
|--|-----------------------|--------------------------|
| <i>Receivables from related parties</i> | <i>53.752.411.415</i> | <i>73.959.210.315</i> |
| Gemadept Shipping Limited Company | 20.662.956.601 | 19.183.375.817 |
| Phuoc Long Port Co., Ltd. | 11.419.893.476 | 17.144.944.275 |
| Pacific Marine Equipment and Service Company Limited | 6.403.258.406 | 15.863.651.038 |
| Gemadept Hai Phong Co., Ltd. | 4.130.800.000 | 449.145.392 |
| Gemadept Logistics One Member Company Limited | 3.691.392.506 | 380.626.242 |
| Truong Tho Transportation Services Corporation | 2.336.800.000 | 3.564.000.000 |
| Nam Hai ICD Joint Stock Company | 2.156.000.000 | 89.000.001 |
| Nam Dinh Vu Port Joint Stock Company | 1.538.407.200 | - |
| Nam Hai Dinh Vu Port J.S.C. | 1.412.903.226 | 52.000.000 |
| CJ Gemadept Shipping Holdings Company Limited | - | 16.939.164.416 |
| Nam Hai Port Corporation Joint Stock Company | - | 172.500.001 |
| CJ Gemadept Logistics Holdings Company Limited | - | 74.303.680 |
| Golden Globe Co., Ltd. | - | 46.499.453 |
| <i>Receivables from other customers</i> | <i>43.455.735.059</i> | <i>59.126.266.247</i> |
| Hyosung Vietnam Co., Ltd. | 16.806.567.523 | - |
| Other customers | 26.649.167.536 | 59.126.266.247 |
| Total | 97.208.146.474 | 133.085.476.562 |

The claim for all receivables has been mortgaged to secure the loan from Vietinbank – Branch 1 in Ho Chi Minh City (see Note No. V.21a).

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4. Short-term prepayments to suppliers

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|-----------------------------|-----------------------|--------------------------|
| Golden Lotus Corporation | 26.080.800.000 | 26.080.800.000 |
| Galaxy Maritime Corporation | 10.783.853.004 | 10.783.853.004 |
| Other suppliers | 5.216.910.805 | 10.221.811.624 |
| Total | 42.081.563.809 | 47.086.464.628 |

5. Receivables for short-term loans

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|--|------------------------|--------------------------|
| <i>Loans given to related parties</i> | <i>145.345.000.000</i> | <i>122.545.000.000</i> |
| Nam Hai ICD Joint Stock Company | 86.000.000.000 | 81.000.000.000 |
| Phuoc Long Port Co., Ltd. | 30.000.000.000 | 26.000.000.000 |
| 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 | 4.000.000.000 | - |
| Minh Dam Tourism J.S.C. | 2.110.000.000 | 1.780.000.000 |
| Vi Tin Service Computing Co., Ltd. | 235.000.000 | - |
| Gemadept Logistics One Member Co., Ltd. | - | 13.765.000.000 |
| <i>Loans given to other organizations</i> | <i>11.000.000.000</i> | <i>11.000.000.000</i> |
| Total | 156.345.000.000 | 133.545.000.000 |

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

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|------------------------|--------------------------|
| <i>Receivables from related parties</i> | <i>290.666.367.914</i> | <i>619.574.542.241</i> |
| Pacific Pearl Joint Stock Company Limited – Payment on other's behalf | 85.632.602.850 | 79.470.251.520 |
| Phuoc Long Port Co., Ltd. – Payment on other's behalf, profit shared, interests on loans given | 82.396.026.076 | 59.785.949.034 |
| Gemadept Dung Quat International Port J.S.C. – Dividends | 38.800.000.000 | 4.400.000.000 |
| Gemadept Shipping Limited Company – Profits shared, collection on the Corporation's behalf | 31.478.017.357 | 26.934.547.919 |
| Golden Globe Co., Ltd. – Payment on other's behalf | 26.036.881.500 | 20.620.600.000 |
| Gemadept Hai Phong Co., Ltd. – Payment on other's behalf, profit shared | 9.132.443.155 | 14.061.901.345 |
| Pacific Marine Equipment and Service Company Limited – Profit shared | 8.000.000.000 | - |
| Nam Hai ICD Joint Stock Company – Payment on other's behalf, interests on loans given | 3.456.724.105 | 1.652.444.444 |
| 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 | 1.072.446.000 |
| Pacific Rubber Industry Co., Ltd. – Payment on other's behalf | 773.782.948 | 344.270.605 |
| Gemadept Infrastructures Development and Investment Construction J.S.C. – Payment on other's behalf | 556.981.000 | - |

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Notes to the Financial Statements (cont.)

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|--|------------------------|--------------------------|
| Vi Tin Service Computing Co., Ltd. – Payment on other's behalf | 424.500.451 | 2.306.105.171 |
| Gemadept Logistics One Member Co., Ltd. – Payment on other's behalf, profit shared, interests on loans given | 327.961.655 | 21.225.867.164 |
| Mekong Logistics Company – Interest on loan given | 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 | 1.367.178 | 209.949.241.945 |
| Gemadept (S) Pte. Ltd. – Payment on other's behalf | - | 113.372.510.867 |
| Grand Pacific Shipping Pte. Ltd. – Deposits for leasing ships | - | 29.458.000.000 |
| Nam Hai Port Corporation Joint Stock Company – Dividends | - | 27.990.000.000 |
| Truong Tho Transportation Services Corporation – Capital support, payment on other's behalf, dividends | - | 6.000.800.000 |
| Other related parties | 506.882.222 | 929.606.227 |
| Receivables from other organizations and individuals | 75.200.630.173 | 65.107.991.170 |
| Hang River Co., Ltd. – Capital contribution to develop the project of Le Chan General Port | 19.000.000.000 | - |
| Advances | 31.562.880.969 | 38.172.040.862 |
| Payments on other's behalf to perform agent service | 2.722.178.104 | 4.808.856.213 |
| Short-term deposits | 6.389.443.118 | 5.945.954.000 |
| Other short-term receivables | 15.526.127.982 | 16.181.140.095 |
| Total | 365.866.998.087 | 684.682.533.411 |

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 |
| Hang River Co., Ltd. – Capital contribution to develop the project of Le Chan General Port | - | 19.000.000.000 |
| Long-term deposits | - | 5.000.000 |
| Total | 18.000.000.000 | 37.005.000.000 |

7. Doubtful debts

| | Ending balance | | Beginning balance | |
|--|--------------------|-------------------------|--------------------|-------------------------|
| | Outstanding period | Provisions already made | Outstanding period | Provisions already made |
| | Original costs | | Original costs | |
| Related parties | 2.266.882.222 | (2.266.882.222) | 144.767.393.089 | (144.767.393.089) |
| Minh Dam Tourism J.S.C – Loan given and loan interest | 2.266.882.222 | (2.266.882.222) | 1.936.882.222 | (1.936.882.222) |
| Gemadept (S) Pte., Ltd. – Payment on this company's behalf (*) | - | - | 113.372.510.867 | (113.372.510.867) |

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Notes to the Financial Statements (cont.)

| | Ending balance | | Beginning balance | |
|--|--------------------|---|-------------------------------|---|
| | Outstanding period | Original costs Provisions already made | Outstanding period | Original costs Provisions already made |
| Related parties | | 2.266.882.222 (2.266.882.222) | | 144.767.393.089 (144.767.393.089) |
| Grand Pacific Shipping Pte., Ltd. – Deposits for leasing ships (*) | | - | | 29.458.000.000 (29.458.000.000) |
| Other organizations and individuals | | 7.170.627.887 (7.170.627.887) | | 8.487.987.994 (8.386.557.994) |
| Ms. Nguyen Thi Hong Linh – Receivable for trading securities | Over 03 years | 3.000.000.000 (3.000.000.000) | Over 03 years | 3.000.000.000 (3.000.000.000) |
| Penex Container Lines Pte., Ltd. – Trade receivables | Over 03 years | 2.792.724.771 (2.792.724.771) | Over 03 years | 2.763.212.976 (2.763.212.976) |
| Receivables from other organizations and individuals | Over 03 years | 1.377.903.116 (1.377.903.116) | From 01 year to over 03 years | 2.724.775.018 (2.623.345.018) |
| Total | | 9.437.510.109 (9.437.510.109) | | 153.255.381.083 (153.153.951.083) |

- (*) The receivables from Gemadept (S) Pte., Ltd. and Grand Pacific Shipping Pte., Ltd. have been written off in accordance with the Meeting Minutes No. 029/BBHDQT-GMD dated 28 March 2018 of the Board of Management.

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

| | Current year | Previous year |
|-----------------------|------------------------|--------------------------|
| Beginning balance | (153.153.951.083) | (10.218.852.716) |
| Additional extraction | (370.941.795) | (142.935.098.367) |
| Writing off | 144.087.382.769 | - |
| Ending balance | (9.437.510.109) | (153.153.951.083) |

8. Inventories

| | Ending balance | | Beginning balance | |
|---------------|----------------------|-----------|-------------------|-----------|
| | Original costs | Allowance | Original costs | Allowance |
| Fuel in ships | 1.152.441.000 | - | - | - |
| Merchandises | - | - | 32.185.773 | - |
| Total | 1.152.441.000 | - | 32.185.773 | - |

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

| | Ending balance | Beginning balance |
|-----------------------------------|----------------------|--------------------|
| Insurance premiums | 1.358.469.357 | 379.051.790 |
| Other short-term prepaid expenses | 195.828.218 | 315.532.890 |
| Total | 1.554.297.575 | 694.584.680 |

9b. Long-term prepaid expenses

| | Ending balance | Beginning balance |
|---|-----------------------|-----------------------|
| Interest expenses for container financial lease | 49.467.126.156 | 17.701.641.274 |
| Other long-term prepaid expenses | 3.704.322.322 | 831.682.333 |
| Total | 53.171.448.478 | 18.533.323.607 |

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Notes to the Financial Statements (cont.)

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 | 456.794.195.174 | 5.688.438.941 | 473.009.010.811 |
| New purchases | - | - | 232.236.394.423 | 3.777.290.000 | 236.013.684.423 |
| Liquidation | - | - | (3.193.555.947) | - | (3.193.555.947) |
| Other decreases | - | - | (499.076.619) | - | (499.076.619) |
| Effect of exchange difference due to conversion of the Financial Statements | - | - | 5.625.000 | 2.830.500 | 8.455.500 |
| Ending balance | 6.051.904.132 | 4.474.472.564 | 685.343.582.031 | 9.468.559.441 | 705.338.518.168 |
| <i>In which:</i> | | | | | |
| Assets fully depreciated but still in use | 6.051.904.132 | 4.378.108.931 | 114.318.212.481 | 5.483.938.937 | 130.232.164.481 |
| Assets waiting for liquidation | - | - | - | - | - |
| Depreciation | | | | | |
| Beginning balance | 5.709.464.200 | 4.392.026.030 | 157.406.813.484 | 5.545.936.198 | 173.054.239.912 |
| Depreciation during the year | 342.439.932 | 13.766.233 | 45.133.164.321 | 319.224.270 | 45.808.594.756 |
| Liquidation | - | - | (3.193.555.947) | - | (3.193.555.947) |
| Effect of exchange difference due to conversion of the Financial Statements | - | - | 5.625.000 | 2.830.500 | 8.455.500 |
| Ending balance | 6.051.904.132 | 4.405.792.263 | 199.352.046.858 | 5.867.990.968 | 215.677.734.221 |
| Net book values | | | | | |
| Beginning balance | 342.439.932 | 82.446.534 | 299.387.381.690 | 142.502.743 | 299.954.770.899 |
| Ending balance | - | 68.680.301 | 485.991.535.173 | 3.600.568.473 | 489.660.783.947 |
| <i>In which:</i> | | | | | |
| Assets temporarily not in use | - | - | - | - | - |
| Assets waiting for liquidation | - | - | - | - | - |

Some tangible fixed assets, of which the net book values are VND 339.240.503.783, have been mortgaged to secure the loan from OCB – Tan Binh Branch (see Note No. V.21b).

11. Financial leased assets

| | Vehicles |
|---------------------------------|------------------------|
| Historical costs | |
| Beginning balance | 92.987.286.021 |
| Financial lease during the year | 166.304.969.132 |
| Ending balance | 259.292.255.153 |
| Depreciation | |
| Beginning balance | 28.158.836.164 |
| Depreciation during the year | 27.661.996.571 |
| Ending balance | 55.820.832.735 |
| Net book values | |
| Beginning balance | 64.828.449.857 |
| Ending balance | 203.471.422.418 |

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Notes to the Financial Statements (cont.)**12. Intangible fixed assets**

| | Land use right | Computer software | Total |
|---|-----------------------|--------------------------|-----------------------|
| Initial costs | | | |
| Beginning balance | 1.271.530.010 | 19.756.216.532 | 21.027.746.542 |
| Other decrease | - | (1.564.793.248) | (1.564.793.248) |
| Ending balance | 1.271.530.010 | 18.191.423.284 | 19.462.953.294 |
| <i>In which:</i> | | | |
| Assets fully amortized but still in use | - | 8.445.024.495 | 8.445.024.495 |
| Amortization | | | |
| Beginning balance | - | 9.736.255.519 | 9.736.255.519 |
| Amortization during the year | - | 1.231.939.154 | 1.231.939.154 |
| Ending balance | - | 10.968.194.673 | 10.968.194.673 |
| Net book values | | | |
| Beginning balance | 1.271.530.010 | 10.019.961.013 | 11.291.491.023 |
| Ending balance | 1.271.530.010 | 7.223.228.611 | 8.494.758.621 |
| <i>In which:</i> | | | |
| Assets temporarily not in use | - | - | - |
| Assets waiting for liquidation | - | - | - |

13. Construction-in-progress

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

| | Beginning balance | Increase during the year | Other decreases | Ending balance |
|---|--------------------------|---------------------------------|------------------------|-----------------------|
| Expenses on purchases of crane truck, forklift truck, barge | 15.839.894.800 | 40.839.227.772 | - | 56.679.122.572 |
| ORC software | 1.355.175.442 | - | - | 1.355.175.442 |
| HR software | - | 2.585.688.000 | - | 2.585.688.000 |
| E – Office software | - | 476.910.000 | - | 476.910.000 |
| GSS software | 630.000.000 | - | (630.000.000) | - |
| Other expenses | 60.000.000 | - | (60.000.000) | - |
| Total | 17.885.070.242 | 43.901.825.772 | (690.000.000) | 61.096.896.014 |

14. Deferred income tax assets

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

| | Current year | Previous year |
|--|-----------------------|-----------------------|
| Beginning balance | 11.730.007.241 | 11.760.929.931 |
| Inclusion into operation results during the year | 257.689.087 | (30.922.690) |
| Ending balance | 11.987.696.328 | 11.730.007.241 |

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

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Notes to the Financial Statements (cont.)

15. Short-term trade payables

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|--|-----------------------|--------------------------|
| <i>Payables to related parties</i> | <i>14.414.837.185</i> | <i>17.109.663.290</i> |
| Gemadept Shipping Limited Company | 12.981.527.205 | 13.262.786.457 |
| Gemadept Logistics One Member Company Limited | 1.423.841.601 | 3.846.876.833 |
| Pacific Marine Equipment and Service Company Limited | 9.468.379 | - |
| <i>Payables to other suppliers</i> | <i>31.670.311.287</i> | <i>24.847.819.141</i> |
| Unico Vina Joint Stock Company | 15.513.474.880 | - |
| Phnom Penh Autonomous Port | - | 13.638.422.452 |
| Other suppliers | 16.156.836.407 | 11.209.396.689 |
| Total | 46.085.148.472 | 41.957.482.431 |

The Corporation has no outstanding trade payable.

16. Short-term advances from customers

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---------------------------|-----------------------|--------------------------|
| Hyosung Vietnam Co., Ltd. | - | 17.879.882.833 |
| Other customers | - | 5.292.791.085 |
| Total | - | 23.172.673.918 |

17. Taxes and other obligations to the State Budget**17a. Taxes and other obligations to the State Budget generated in Vietnam**

| | <u>Beginning balance</u> | | <u>Increase during the year</u> | | <u>Ending balance</u> | |
|----------------------|--------------------------|----------------------|---------------------------------|----------------------------|-----------------------|----------------------|
| | <u>Payables</u> | <u>Receivables</u> | <u>Amount payable</u> | <u>Amount already paid</u> | <u>Payables</u> | <u>Receivables</u> |
| VAT on local sales | - | - | 426.962.813 | (426.962.813) | - | - |
| VAT on imports | - | - | 19.373.558.302 | (19.373.558.302) | - | - |
| Export-import duties | - | - | 98.867.936 | (98.867.936) | - | - |
| Corporate income tax | 4.423.731.360 | - | 213.692.358.467 | (207.654.557.090) | 10.461.532.737 | - |
| Personal income tax | - | 1.491.568.682 | 76.031.874.694 | (75.857.909.961) | - | 1.317.603.949 |
| Withholding tax | 537.911.392 | - | 5.785.958.740 | (6.061.411.576) | 262.458.556 | - |
| Other taxes | - | 313.668.403 | 268.371.483 | (268.371.483) | - | 313.668.403 |
| Total | 4.961.642.752 | 1.805.237.085 | 315.677.952.435 | (309.741.639.161) | 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%.

Export-import duties

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

Corporate income tax

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

Determination of corporate income tax liability of the Corporation is based on prevailing regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Financial Statements can be changed upon the inspection of tax authorities.

Other taxes

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

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Notes to the Financial Statements (cont.)

17b. Taxes and other obligations to the State Budget generated in Cambodia Branch

| | Beginning balance | Amount payable | Amount already paid | Ending balance |
|----------------------|------------------------------|---------------------------|--------------------------------|-----------------------|
| VAT on local sales | - | - | - | - |
| Corporate income tax | 192.430.339 | 13.080.075 | (192.236.862) | 13.273.552 |
| Total | 192.430.339 | 13.080.075 | (192.236.862) | 13.273.552 |

18. Payables to employees

This item reflects the salary and others payables to employees.

19. Short-term accrued expenses

| | Ending balance | Beginning balance |
|--|-----------------------|--------------------------|
| <i>Payables to related parties</i> | 497.616.332 | 6.285.908.465 |
| Gemadept - Terminal Link Cai Mep Terminal J.S.C. | | |
| – Loan interest expenses | 497.616.332 | 6.285.908.465 |
| <i>Payables to other organizations and individuals</i> | 3.878.135.962 | 2.383.389.917 |
| Loan interest expenses | 926.043.622 | 712.249.966 |
| Other short-term accrued expenses | 2.952.092.340 | 1.671.139.951 |
| Total | 4.375.752.294 | 8.669.298.382 |

20. Other short-term payables

| | Ending balance | Beginning balance |
|---|-----------------------|--------------------------|
| <i>Payables to related parties</i> | 12.903.453.387 | 15.868.236.755 |
| Gemadept Logistics One Member Co., Ltd. – | | |
| Collection on the other's behalf | 5.117.063.590 | 512.320.855 |
| Gemadept Shipping Limited Company – Collection | | |
| on the other's behalf | 2.295.405.974 | 3.755.249.639 |
| 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 | 197.916.667 |
| Gemadept Hai Phong Co., Ltd. – Collection on the | | |
| other's behalf and other payables | 1.066.094.645 | 321.868.893 |
| Nam Dinh Vu Port Joint Stock Company – Loan | | |
| interest expenses | 566.654.795 | - |
| Pacific Pride J.S.C. – Payment on the Corporation's | | |
| behalf | 566.531.235 | 566.655.720 |
| Nam Hai Port Corporation Joint Stock Company – | | |
| Loan interest expenses | 259.508.219 | - |
| “K” Line – Gemadept Logistics Co., Ltd. – Receipt | | |
| of deposits for office lease | 72.304.500 | 72.304.500 |
| Hoa Sen - Gemadept Logistics and International Port | | |
| Corporation – Receipt of capital support | - | 4.595.839.422 |
| Bright Ocean Logistics Co., Ltd. – Receipt of capital | | |
| support | - | 2.142.000.000 |
| Vi Tin Service Computing Co., Ltd. – Collection on | | |
| the other's behalf | - | 1.890.000.000 |

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Notes to the Financial Statements (cont.)

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|------------------------------|-------------------------------|
| Gemadep Dung Quat International Port J.S.C. – | | |
| Loan interest expenses | - | 68.888.889 |
| Pacific Marine Co., Ltd.– Loan interest expenses | - | 67.777.777 |
| <i>Payables to other organizations and individuals</i> | <i>52.716.659.111</i> | <i>466.126.855.953</i> |
| Collections on other's behalf to perform agent service | 262.047.160 | 464.090.084 |
| Receipts of short-term deposits | 603.148.840 | 1.029.036.015 |
| Dividends payable | 137.782.125 | 432.610.127.850 |
| Other short-term payables | 51.713.680.986 | 32.023.602.004 |
| Total | <u>65.620.112.498</u> | <u>481.995.092.708</u> |

The Corporation has no other outstanding payable.

21. Short-term/long-term borrowings and financial lease**21a. Short-term borrowings and financial lease**

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|--|-------------------------------|-------------------------------|
| <i>Short-term borrowings payable to related parties</i> | <i>448.775.223.876</i> | <i>302.776.728.013</i> |
| Loan from Gemadep – Terminal Link Cai Mep Terminal J.S.C. ⁽ⁱ⁾ | 220.320.963.876 | 244.776.728.013 |
| Loan from Nam Dinh Vu Port Joint Stock Company ⁽ⁱ⁾ | 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⁾ | 48.500.000.000 | - |
| Loan from Pacific Marine Company Limited ⁽ⁱ⁾ | 8.500.000.000 | 8.000.000.000 |
| Loan from Nam Hai Dinh Vu Port J.S.C. ⁽ⁱ⁾ | - | 50.000.000.000 |
| <i>Short-term borrowings and financial lease payable to other organizations</i> | <i>139.031.083.905</i> | <i>54.705.801.019</i> |
| Loan from Vietinbank – Branch 1 in Ho Chi Minh City ⁽ⁱⁱ⁾ | 27.163.172.621 | 729.387.696 |
| Loan from VIB – Saigon Branch | - | 19.127.886.823 |
| Current portions of long-term loans (see Note No. V.21b) | 55.962.938.572 | 13.477.740.000 |
| Current portions of financial lease (see Note No. V.21b) | 55.904.972.712 | 21.370.786.500 |
| Total | <u>587.806.307.781</u> | <u>357.482.529.032</u> |

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.

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Notes to the Financial Statements (cont.)

21b. Long-term borrowings and financial lease

| | Ending balance | Beginning balance |
|--|------------------------|--------------------------|
| Long-term loans from banks | 264.457.549.999 | 204.349.060.000 |
| Loan from OCB – Tan Binh Branch ⁽ⁱ⁾ | 184.457.549.999 | 104.349.060.000 |
| Loan from ACB – Saigon Branch ⁽ⁱⁱ⁾ | 80.000.000.000 | 100.000.000.000 |
| Financial lease | 204.872.566.704 | 65.868.878.887 |
| Financial lease from Trac Container Ltd. | 159.396.923.957 | - |
| Financial lease from Intermodal Investment Fund IV LLC | 45.475.642.747 | 65.868.878.887 |
| Total | 469.330.116.703 | 270.217.938.887 |

The Corporation is solvent over long-term loans and financial lease.

- (i) The loan from OCB – Tan Binh Branch is to purchase Green Pacific ship and Pride Pacific ship. The loan term is 84 months, starting from the date of first loan disbursement. This loan is secured by assets formed from the loan (see Note No. V.10).
- (ii) The loan from ACB – Saigon Branch is to contribute capital to Phuoc Long Port Co., Ltd. The loan term is 84 months, starting from the date of first loan disbursement. This loan is secured by 11.100.000 shares of Saigon Cargo Service Corporation (see Note No. V.2b).

Payment schedule of long-term borrowings and financial lease is as follows:

| | Total debts | Under 01 year | From 01 year to 05 years | Over 05 years |
|----------------------------|------------------------|------------------------|---------------------------------|-----------------------|
| Ending balance | | | | |
| Long-term loans from banks | 320.420.488.571 | 55.962.938.572 | 223.851.754.288 | 40.605.795.711 |
| Financial lease | 260.777.539.416 | 55.904.972.712 | 181.827.790.554 | 23.044.776.150 |
| Total | 581.198.027.987 | 111.867.911.284 | 405.679.544.842 | 63.650.571.861 |
| Beginning balance | | | | |
| Long-term loans from banks | 217.826.800.000 | 13.477.740.000 | 149.566.040.000 | 54.783.020.000 |
| Financial lease | 87.239.665.387 | 21.370.786.500 | 65.868.878.887 | - |
| Total | 305.066.465.387 | 34.848.526.500 | 215.434.918.887 | 54.783.020.000 |

Total financial lease payable is as follows:

| | Under 01 year | From 01 year to 05 years | Over 05 years | Total |
|--------------------------------|-----------------------|---------------------------------|-----------------------|------------------------|
| Ending balance | | | | |
| Principal | 44.717.652.195 | 146.443.869.938 | 18.633.797.834 | 209.795.319.967 |
| Interest | 11.187.320.517 | 35.383.920.616 | 4.410.978.316 | 50.982.219.449 |
| Financial lease payable | 55.904.972.712 | 181.827.790.554 | 23.044.776.150 | 260.777.539.416 |
| Beginning balance | | | | |
| Principal | 16.730.186.272 | 51.923.382.967 | - | 68.653.569.239 |
| Interest | 4.640.600.228 | 13.945.495.920 | - | 18.586.096.148 |
| Financial lease payable | 21.370.786.500 | 65.868.878.887 | - | 87.239.665.387 |

21c. Outstanding borrowings and financial lease

The Corporation has no outstanding loan and financial lease.

22. Provisions for short-term payables

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

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23. Bonus and welfare funds

| | Current year | Previous year |
|---|-----------------------|-----------------------|
| Beginning balance | 16.459.620.558 | 19.327.092.509 |
| Increase due to appropriation from profit | 40.630.746.030 | 31.179.213.550 |
| Decrease during the year | (31.274.229.431) | (34.046.685.501) |
| Ending balance | 25.816.137.157 | 16.459.620.558 |

24. Deferred income tax liabilities

Deferred income tax liabilities are mainly the differences due to revaluation of land use right when transferring Gemadept Tower and exchange differences due to revaluation of ending balances of monetary items and receivables. Details are as follows:

| | Current year | Previous year |
|--|---------------------|----------------------|
| Beginning balance | 1.347.905.488 | 9.845.668.171 |
| Inclusion into operation result and other decrease | (1.136.948.207) | (8.497.762.683) |
| Ending balance | 210.957.281 | 1.347.905.488 |

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

25. Owner's equity**25a. Statement on fluctuations in owner's equity**

Information on the fluctuations in owner's equity is presented in attached Appendix.

25b. 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.

26. Off-balance sheet items**26a. External leased assets**

The total minimum lease payment in the future for leasing contracts will be settled as follows:

| | Ending balance | Beginning balance |
|--------------------------|-----------------------|--------------------------|
| Under 01 year | 16.217.659.836 | 9.847.344.000 |
| From 01 year to 05 years | 24.326.489.754 | - |
| Total | 40.544.149.590 | 9.847.344.000 |

The above-mentioned lease payments reflects the rental and management fee payable for leasing office of CJ Vietnam Co., Ltd. located at No. 6 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City.

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26b. Foreign currencies

As of the balance sheet date, cash includes USD 526.669,73 (beginning balance: USD 5.619.903,53).

26c. Treated doubtful debts

| | <u>Ending balance</u> | <u>Beginning balance</u> | <u>Reasons for writing off</u> |
|----------------------------------|------------------------|--------------------------|--------------------------------|
| Gemadept (S) Pte. Ltd. | 113.372.510.867 | | - This Company was dissolved. |
| Grand Pacific Shipping Pte. Ltd. | 29.458.000.000 | | - This Company was dissolved. |
| Lion Lord Corporation | 1.277.515.915 | 1.277.515.915 | This Company was dissolved. |
| Other subjects | 2.435.057.867 | 1.178.185.965 | Irrecoverable |
| Total | 146.543.084.649 | 2.455.701.880 | |

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

| | <u>Current year</u> | <u>Previous year</u> |
|--|------------------------|------------------------|
| Sales from logistics services: transportation services, agent services, leasing assets, etc. | 221.335.113.582 | 605.663.430.258 |
| Sales from leasing offices | 2.778.073.972 | 2.392.059.121 |
| Total | 224.113.187.554 | 608.055.489.379 |

1b. Sales to related parties

Sales of goods and service provisions to related parties are presented at Note No. VIII.1b.

2. Costs of sales

This item reflects costs of logistics services: transportation services, agent services, leasing assets, etc.

3. Financial income

| | <u>Current year</u> | <u>Previous year</u> |
|--|--------------------------|------------------------|
| Bank deposit interest | 12.678.403.043 | 362.710.875 |
| Interest on loans given | 11.912.286.295 | 8.959.442.920 |
| Proceeds from investments in securities | - | 1.642.835.053 |
| Proceeds from transfer of investments | 1.790.862.962.895 | 13.407.436.000 |
| Dividends and profit shared | 513.895.036.162 | 860.397.625.159 |
| Exchange gain arising | 8.780.075.685 | - |
| Exchange gain due to the revaluation of monetary items in foreign currencies | - | 7.373.916.814 |
| Other financial income | 380.131.967 | 26.664.271 |
| Total | 2.338.508.896.047 | 892.170.631.092 |

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the Financial Statements (cont.)**4. Financial expenses**

| | <u>Current year</u> | <u>Previous year</u> |
|--|------------------------------|-------------------------------|
| Loan interest expenses | 43.981.940.846 | 73.497.581.496 |
| Exchange loss arising | - | 119.050.401 |
| Exchange loss due to the revaluation of monetary items in foreign currencies | 6.565.390.390 | - |
| Provision for devaluation of trading securities and investment loss | 33.181.481.414 | 98.260.111.500 |
| Other financial expenses | 44.460.063 | 1.629.115.371 |
| Total | <u>83.773.272.713</u> | <u>173.505.858.768</u> |

5. Selling expenses

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

6. General and administration expenses

| | <u>Current year</u> | <u>Previous year</u> |
|---|-------------------------------|-------------------------------|
| Employees | 55.869.792.832 | 54.561.924.165 |
| Office supplies and stationery | 601.868.245 | 1.446.085.783 |
| Depreciation/(amortization) of fixed assets | 5.883.931.540 | 5.647.392.597 |
| Allowance for doubtful debts | 370.941.795 | 142.935.098.367 |
| Office rental | 19.061.301.086 | 22.982.346.400 |
| Other expenses | 43.265.087.971 | 28.771.808.785 |
| Total | <u>125.052.923.469</u> | <u>256.344.656.097</u> |

7. Other income

| | <u>Current year</u> | <u>Previous year</u> |
|--|-----------------------------|------------------------------|
| Proceeds from liquidation of fixed assets | 986.818.181 | 15.170.574.769 |
| Reversal of provision for late tax payment | - | 21.054.124.191 |
| Other income | 3.945.435.179 | 1.860.950.700 |
| Total | <u>4.932.253.360</u> | <u>38.085.649.660</u> |

8. Other expenses

| | <u>Current year</u> | <u>Previous year</u> |
|--|-----------------------------|------------------------------|
| Loss due to revaluation of fixed assets used as capital contribution | - | 15.305.621.621 |
| Other expenses | 2.991.550.415 | 69.895.642.602 |
| Total | <u>2.991.550.415</u> | <u>85.201.264.223</u> |

9. Deferred income tax

| | <u>Current year</u> | <u>Previous year</u> |
|--|-------------------------------|-------------------------------|
| Deferred income tax arising from reversal of deferred income tax assets | - | 30.922.690 |
| Deferred income tax arising from temporarily taxable differences | - | 830.311.873 |
| Gain from deferred income tax arising from temporarily deductible differences | (257.689.087) | - |
| Gain from deferred income tax arising from reversal of deferred income tax payable | (1.136.948.207) | (9.327.894.556) |
| Total | <u>(1.394.637.294)</u> | <u>(8.466.659.993)</u> |

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FINANCIAL STATEMENTS

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Notes to the Financial Statements (cont.)

10. Earnings per share

Information on earnings per share is presented in the Consolidated Financial Statements.

11. Operating costs

| | <u>Current year</u> | <u>Previous year</u> |
|---|-------------------------------|-------------------------------|
| Materials and supplies | 21.555.288.787 | 135.885.102.184 |
| Labor | 67.865.635.457 | 76.988.808.560 |
| Depreciation/(amortization) of fixed assets | 74.702.530.481 | 62.246.161.668 |
| External services rendered | 60.387.227.419 | 363.222.579.533 |
| Other expenses | 53.644.061.310 | 189.244.238.225 |
| Total | <u>278.154.743.454</u> | <u>827.586.890.170</u> |

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

At the end of year, the Corporation has balances related to acquisition and liquidation of fixed assets as follows:

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|-----------------------|--------------------------|
| Prepayments for fixed asset acquisition | 1.962.000.000 | 1.228.669.000 |
| Payables for acquisition of fixed assets | 18.462.918.197 | - |
| Liquidation of fixed assets on which collection has not been made | 1.347.491.116 | 27.072.862.508 |
| Dividend receipt by offsetting against liabilities | 64.545.740.000 | - |

VIII. 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

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.

Transactions with the key managers and their related individuals

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

Receivables from and payables to 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

| | <u>Current year</u> | <u>Previous year</u> |
|--------------|------------------------------|------------------------------|
| Salary | 9.993.008.000 | 7.894.365.000 |
| Other income | 2.062.035.292 | 3.135.835.292 |
| Total | <u>12.055.043.292</u> | <u>11.030.200.292</u> |

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Notes to the Financial Statements (cont.)**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 |
| Pacific Pride J.S.C. | Subsidiary |
| Phuoc Long Port Co., Ltd. | 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 |
| Vi Tin Service Computing Co., Ltd. | Subsidiary |
| Gemadept - Terminal Link Cai Mep Terminal J.S.C. | Jointly-controlled entity |
| Saigon Cargo Service Corporation | Associate |
| CJ Gemadept Logistics Holdings Company Limited | Associate |
| "K" Line – Gemadept Logistics Co., Ltd. | Jointly-controlled entity |
| CJ Gemadept Shipping Holdings Company Limited | Jointly-controlled entity |
| Golden Globe Co., Ltd. | Associate |
| Golden Globe Trading Co., Ltd. | Associate |
| Foodstuff Combina Torial Joint Stock Company | Associate |
| Vung Tau Commercial Port J.S.C (VCP) | 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 entity |
| Gemadept (Malaysia) Sdn. Bhd. | Subsidiary of jointly-controlled entity |
| Gemadept Shipping Limited Company | Subsidiary of jointly-controlled entity |
| Power Transportation and Service J.S.C. (Potraco) | Secondary associate |

Transactions with other related parties

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

| | Current year | Previous year |
|--|---------------------|----------------------|
| <i>Pacific Lotus Joint Stock Company Limited</i> | | |
| Capital contribution | 19.724.794.800 | 11.341.000.000 |
| <i>Nam Hai Port Corporation Joint Stock Company</i> | | |
| Sales from service provision | - | 6.788.842.316 |
| Sales of asset liquidation | - | 12.102.199.910 |
| Service charges | - | 1.545.057.822 |
| Dividends shared | 28.000.000.000 | 97.299.685.023 |

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FINANCIAL STATEMENTS

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Notes to the Financial Statements (cont.)

| | <u>Current year</u> | <u>Previous year</u> |
|---|---------------------|----------------------|
| Loan | 48.500.000.000 | - |
| Loan interest | 1.080.752.055 | - |
| Payment on other's behalf | 24.327.040 | - |
| <i>Nam Dinh Vu Port Joint Stock Company</i> | | |
| Sales from leasing assets | 8.966.474.571 | - |
| Loan | 123.000.000.000 | - |
| Loan interest | 1.433.810.960 | - |
| <i>Nam Hai Dinh Vu Port J.S.C.</i> | | |
| Sales from service provision | 4.095.407.984 | 11.403.309.296 |
| Sales from asset liquidation | - | 68.362.971.728 |
| Service charges | - | 488.655.111 |
| Dividends shared | 165.249.219.600 | 362.329.231.500 |
| Loan | 137.000.000.000 | 235.000.000.000 |
| Loan interest | 1.901.022.754 | 4.085.138.891 |
| Loan given | 58.000.000.000 | - |
| Interest on loan given | 205.224.657 | - |
| Payment on other's behalf | 86.205.569 | - |
| <i>Pacific Pride J.S.C.</i> | | |
| Capital contribution | 75.547.450.000 | 127.397.745.550 |
| Payment on other's behalf | - | 566.531.235 |
| <i>Phuoc Long Port Co., Ltd.</i> | | |
| Sales from leasing assets | 25.316.392.959 | 27.201.465.295 |
| Sales from service provision | 611.057.564 | 1.348.346.694 |
| Sales from asset liquidation | - | 36.616.803.100 |
| Service charges | 93.681.381 | 6.231.010.958 |
| Profits shared | 58.000.000.000 | 44.000.000.000 |
| Loan given | 120.000.000.000 | 107.000.000.000 |
| Interest on loan given | 3.341.845.355 | 1.659.000.003 |
| Payment on other's behalf | 259.055.408 | 272.295.200 |
| <i>Pacific Rubber Industry Co., Ltd.</i> | | |
| Capital contribution | 3.300.000.000 | 800.000.000 |
| Payment on other's behalf | 429.512.343 | 422.142.156 |
| <i>Nam Hai ICD Joint Stock Company</i> | | |
| Sales from leasing assets | 2.520.000.000 | - |
| Sales from asset liquidation | - | 1.579.787.092 |
| Loan given | 14.000.000.000 | 44.000.000.000 |
| Interest on loan given | 6.850.094.368 | 5.478.222.221 |
| Payment on other's behalf | 7.737.804 | - |
| <i>Gemadept Infrastructures Development and Investment Construction J.S.C.</i> | | |
| Payment on other's behalf | 556.981.000 | - |

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Notes to the Financial Statements (cont.)

| | Current year | Previous year |
|--|---------------------|----------------------|
| <i>Gemadept Dung Quat International Port J.S.C.</i> | | |
| Sales from service provision | 634.909.091 | 634.909.091 |
| Service charges | 77.073.045 | 109.409.273 |
| Dividends shared | 40.800.000.000 | 20.400.000.000 |
| Loan | - | 16.000.000.000 |
| Loan interest | - | 164.444.445 |
| Loan given | 10.000.000.000 | - |
| Interest on loan given | 14.383.562 | - |
| Payment on the Corporation's behalf | 3.388.563.053 | - |
| <i>V.N.M General Transportation Service Co., Ltd.</i> | | |
| Profit shared | 24.000.000.000 | 7.000.000.000 |
| Loan | 1.000.000.000 | - |
| Loan interest | 17.534.246 | - |
| <i>Truong Tho Transportation Services Corporation</i> | | |
| Sales from leasing assets | 4.320.000.000 | 4.320.000.000 |
| Dividends shared | 5.520.000.000 | 6.624.000.000 |
| <i>Pacific Marine Co., Ltd.</i> | | |
| Profit shared | 2.000.000.000 | 2.000.000.000 |
| Loan | 7.000.000.000 | 27.500.000.000 |
| Loan interest | 497.671.232 | 325.666.665 |
| Payment on other's behalf | - | 212.595.381 |
| <i>Pacific Marine Equipment and Service Company Limited</i> | | |
| Sales from service provision | 7.916.399.438 | 2.603.319.125 |
| Sales from asset liquidation | 305.000.000 | 49.636.364 |
| Service charges | 472.113.971 | 282.126.460 |
| Profit shared | 10.000.000.000 | - |
| <i>ISS - Gemadept Co., Ltd.</i> | | |
| Sales from service provision | 7.983.500 | - |
| Profit shared | 1.792.503.763 | - |
| <i>Vi Tin Service Computing Co., Ltd.</i> | | |
| Service charges | 945.000.000 | 1.718.181.818 |
| Loan given | 235.000.000 | - |
| Payment on other's behalf | 1.008.395.280 | 2.396.905.171 |
| <i>Gemadept - Terminal Link Cai Mep Terminal J.S.C.</i> | | |
| Sales from leasing office | 264.000.000 | 264.000.000 |
| Loan interest | 1.248.590.178 | 1.240.875.200 |
| <i>Saigon Cargo Services Corporation</i> | | |
| Service charges | - | 6.360.640 |
| Dividends shared | 175.195.580.000 | 82.987.380.000 |
| Loan | 198.000.000.000 | - |
| Loan interest | 4.227.963.676 | - |

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Notes to the Financial Statements (cont.)

| | Current year | Previous year |
|--|---------------------|----------------------|
| <i>CJ Gemadept Logistics Holdings Company Limited</i> | | |
| Sales from service provision | - | 67.548.800 |
| Capital contribution | - | 267.797.641.500 |
| Loan given | 4.000.000.000 | - |
| Interest on loan given | 71.912.329 | - |
| <i>"K" Line – Gemadept Logistics Co., Ltd.</i> | | |
| Sales from service provision | 344.904.392 | 324.258.955 |
| Capital contribution | 36.649.000.000 | 24.596.000.000 |
| Loan | 30.000.000.000 | - |
| Loan interest | 345.205.479 | - |
| Loan given | - | 3.000.000.000 |
| Interest on loan given | - | 24.666.667 |
| <i>CJ Gemadept Shipping Holdings Company Limited</i> | | |
| Sales from service provision | - | 81.058.560 |
| Capital contribution | - | 205.086.700.000 |
| Sales of subsidiaries | - | 16.850.000.000 |
| <i>Golden Globe Co., Ltd.</i> | | |
| Capital contribution | 6.969.000.000 | - |
| Payment on other's behalf | - | 20.647.334.268 |
| <i>Vung Tau Commercial Port J.S.C.</i> | | |
| Dividends shared | 1.157.040.000 | - |
| <i>Minh Dam Tourism J.S.C.</i> | | |
| Loan given | 330.000.000 | 50.000.000 |
| <i>Gemadept Hai Phong Co., Ltd.</i> | | |
| Sales from service provision | - | 64.550.059.753 |
| Sales from leasing assets | 6.466.181.818 | 13.629.451.613 |
| Sales from asset liquidation | - | 60.000.000 |
| Service charges | - | 66.238.108.084 |
| Profit shared | - | 23.061.901.345 |
| Payment on other's behalf | 70.541.810 | 100.478.297 |
| <i>Gemadept Logistics One Member Co., Ltd.</i> | | |
| Sales from leasing assets | 3.451.090.909 | 3.580.357.910 |
| Sales from service provision | 7.778.378.064 | 9.596.937.458 |
| Sales from asset liquidation | - | 60.500.000 |
| Service charges | 287.590.909 | 260.160.651 |
| Profit shared | - | 159.780.075.292 |
| Loan | 2.077.159.008 | 44.000.000.000 |
| Loan interest | 6.191.641 | 335.051.111 |
| Loan given | 173.327.840.992 | 172.300.000.000 |
| Interest on loan given | 339.784.931 | 272.442.917 |
| Payment on other's behalf | 1.245.867.199 | 2.862.484.321 |
| Collection on other's behalf | 35.934.748.281 | 40.046.137.808 |

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Notes to the Financial Statements (cont.)

| | <u>Current year</u> | <u>Previous year</u> |
|---|---------------------|----------------------|
| <i>Mekong Logistics Company</i> | | |
| Loan given | 8.000.000.000 | - |
| Interest on loan given | 176.630.135 | - |
| <i>Gemadept (Malaysia) Sdn. Bhd.</i> | | |
| Agent service charges | - | 231.398.136 |
| Profit shared | - | 7.329.473.030 |
| <i>Gemadept Shipping Limited Company</i> | | |
| Sales from service provision | 3.570.040.000 | 33.366.475.121 |
| Sales from leasing assets | 67.243.233.408 | - |
| Sales from leasing office | 1.597.423.800 | - |
| Sales from asset liquidation | - | 6.663.947.972 |
| Capital contribution | - | 63.300.000.000 |
| Service charges | 290.785.457 | 8.161.571.894 |
| Profit shared | - | 25.132.953.120 |
| Collection on other's behalf | 47.416.086.960 | 20.385.859.866 |
| Payment on other's behalf | 2.366.540.432 | 646.338.664 |
| <i>Power Transportation and Service J.S.C.</i> | | |
| Dividends shared | - | 1.072.446.000 |

The prices of merchandises and services supplied to other related parties are agreed by the parties involved by themselves. The purchases of merchandises and services from other related parties are done at the agreed prices.

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.19, V.20 and V.21.

The receivables from other related parties are not secured and will be settled in cash.

2. Segment information

The principal business activity of the Corporation is mainly logistics, including transportation service, leasing vehicles, agent service, etc. (accounting for 98,76% of its net sales).

Details of net external sales according to geographical segments based on the locations of customers are as follows:

| | <u>Current year</u> | <u>Previous year</u> |
|----------------|------------------------|------------------------|
| Local areas | 159.108.345.949 | 386.899.737.743 |
| Overseas areas | 65.004.841.605 | 221.155.751.636 |
| Total | 224.113.187.554 | 608.055.489.379 |

Details of expenses generated on purchases of fixed assets and other non-current assets according to geographical segments, based on the locations of assets are as follows:

| | <u>Current year</u> | <u>Previous year</u> |
|----------------|------------------------|------------------------|
| Local areas | 485.086.833.857 | 253.953.173.420 |
| Overseas areas | 4.033.634.422 | 2.855.363.940 |
| Total | 489.120.468.279 | 256.808.537.360 |

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Notes to the Financial Statements (cont.)

Details of segment assets according to geographical segments, based on the locations of assets are as follows:

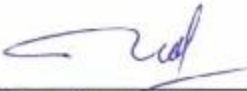

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|----------------|---------------------------------|---------------------------------|
| Local areas | 1.481.736.723.244 | 1.541.034.159.809 |
| Overseas areas | 95.523.620.201 | 117.491.000.991 |
| Total | <u>1.577.260.343.445</u> | <u>1.658.525.160.800</u> |

3. Subsequent events

Vi Tin Service Computing Co., Ltd. completed the dissolution procedures in accordance with Notice No. 193083/19 dated 19 March 2019 of Ho Chi Minh City Department of Planning and Investment.

Apart from the foresaid events, there is no material subsequent event which is required to adjust figures or disclosures in the Financial Statements.

Ho Chi Minh City, 20 March 2019


Pham Quang Huy
Preparer
Nguyen Minh-Nguyet
Chief Accountant
Do Van Minh
General Director

GEMADEPT CORPORATION

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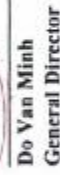
For the fiscal year ended 31 December 2018

Appendix: Statement on fluctuation in owner's equity

| | Capital | Share premiums | Other sources of capital | Exchange difference | Investment and development | Other funds | Retained earnings | Total |
|---|--------------------------|--------------------------|--------------------------|----------------------|----------------------------|-----------------------|------------------------|--------------------------|
| | Unit: VND | | | | | | | |
| Beginning balance of the previous year | 1.794.322.810.000 | 1.872.171.504.400 | 69.388.382.902 | (328.936.886) | 72.682.100.796 | 69.568.035.889 | 531.225.937.731 | 4.409.029.934.832 |
| Capital increase from loan conversion | 1.088.446.750.000 | 69.660.592.640 | - | - | - | - | - | 1.158.107.352.640 |
| Profit during the year | - | - | - | - | - | - | 449.397.751.761 | 449.397.751.761 |
| Appropriation for funds | - | - | - | - | - | - | (31.179.213.550) | (31.179.213.550) |
| Dividends shared during the year | - | - | - | - | - | - | (432.415.435.500) | (432.415.435.500) |
| Exchange difference due to the conversion of the Financial Statements prepared in USD into those in VND | - | - | - | (153.462.186) | - | - | - | (153.462.186) |
| Ending balance of the previous year | 2.882.769.570.000 | 1.941.832.197.040 | 69.388.382.902 | (482.399.072) | 72.682.100.796 | 69.568.035.889 | 517.029.040.442 | 5.552.786.927.997 |
| Beginning balance of the current year | 2.882.769.570.000 | 1.941.832.197.040 | 69.388.382.902 | (482.399.072) | 72.682.100.796 | 69.568.035.889 | 517.029.040.442 | 5.552.786.927.997 |
| Capital increase during the year | 86.480.000.000 | - | - | - | - | - | - | 86.480.000.000 |
| Profit during the year | - | - | - | - | - | - | 1.990.323.969.131 | 1.990.323.969.131 |
| Appropriation for funds | - | - | - | - | - | - | (40.630.746.030) | (40.630.746.030) |
| Dividends shared during the year | - | - | - | - | - | - | (2.319.187.656.000) | (2.319.187.656.000) |
| Exchange difference due to the conversion of the Financial Statements prepared in USD into those in VND | - | - | - | 50.134.532 | - | - | - | 50.134.532 |
| Ending balance of the current year | 2.969.249.570.000 | 1.941.832.197.040 | 69.388.382.902 | (432.264.540) | 72.682.100.796 | 69.568.035.889 | 147.534.607.543 | 5.269.822.629.630 |


 Pham Quang Huy
 Preparer


 Nguyen Minh Nguyệt
 Chief Accountant


 Do Van Minh
 General Director

