

**GEMADEPT CORPORATION**

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ending 31 December 2010

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the first 6 months of the fiscal year ending 31 December 2010**

The consolidated financial statements for the first 6 months of the fiscal year ending 31 December 2010 of General Forwarding and Agency Corporation (Gemadept Corporation) and its subsidiaries (list of subsidiaries is presented in Note I.3) (hereinafter referred to as “the Group”).

**I. OPERATION FEATURES****1. Parent company**

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

**2. Total number of subsidiaries : 13****3. List of subsidiaries to be consolidated**

<i>Subsidiaries</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
Gemadept (Singapore) Ltd.	120 Lower Delta Road, #15-14/15 Cendex Centre, Singapore.	100,00 %	100,00 %
Gemadept (Malaysia) Ltd.	No.49B, Jalan Cungah, 42000 Port Klang, Selangor Darul Ehsan, Malaysia.	100,00 %	100,00 %

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<i>Subsidiaries</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
V.N.M General Transportation Service Co., Ltd.	22 <sup>nd</sup> floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00 %	100,00 %
Gemadept Dung Quat International Port J.S.C	Port No. 1 – Dung Quat Port, Binh Thuan Commune, Binh Son District, Quang Ngai Province, Vietnam.	66,20%	66,20%
Phuoc Long Port Co., Ltd.	19 <sup>th</sup> floor, Gemadept Building, No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100,00 %	100,00 %
ISS - Gemadept Co., Ltd.	No. 8, Nguyen Hue, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	51,00 %	51,00 %
Gemadept – Vung Tau Corporation	No. 1/1A Pham Hong Thai, Ward 7, Vung Tau City, Vietnam.	70,00%	70,00%
Gemadept Nhon Hoi International Port J.S.C	No. 98 Pham Hung, Quy Nhon City, Binh Dinh Province, Vietnam.	55,00%	55,00%
Hoa Sen - Gemadept Logistics and International Port Corporation	No. 05-07, 3/2 Street, Ward 8, Vung Tau City, Ba Ria-Vung Tau Province, Vietnam.	51,00%	51,00%
Gemadept Logistics One Member Co., Ltd.	Lot J1, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong Province, Vietnam.	100,00 %	100,00 %
Gemadept Infrastructures Development and Investment Construction J.S.C	No. 142, Nguyen Thong, Ward 3, Tan An Town, Long An Province, Vietnam.	50,00%	50,00%
Gemadept Hai Phong Co., Ltd.	No. 452 Le Thanh Tong, Van My Ward, Ngo Quyen District, Hai Phong City, Vietnam.	100,00 %	100,00 %
Truong Tho Tourism and Transportation J.S.C <sup>(*)</sup>	Quarter 7, Truong Tho Ward, Thu Duc District, Ho Chi Minh City, Vietnam.	26,00%	52,00%

<sup>(\*)</sup> Gemadept Corporation has controled Truong Tho Tourism and Transportation J.S.C according to the Vietnamese Accounting Standard No. 25. On the other hand, the company has been given the authority to reach the voting right rate of 52% in the shareholders' meetings by some shareholders.

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**Notes to the consolidated interim financial statements (cont.)****4. List of key associates reflected in the consolidated interim financial statements in accordance with the method of owner's equity.**

<i>Associates</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
Golden Globe Trading Co., Ltd.	No. 117 Le Loi, District 1, Ho Chi Minh City, Vietnam.	45,00%	45,00%
MBN-GMD Vietnam	No. 6 Le Thanh Ton, District 1, Ho Chi Minh City, Vietnam.	34,00 %	34,00 %
Vung Tau Commercial Port Joint Stock Company (VCP)	No. 973, 30/4 Street, Ward 11, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.	26,78%	26,78%
Vinh Hao Mineral Water Joint Stock Company	No. 72, 19/4 Street, Xuan An Ward, Binh Thuan Province, Vietnam..	29,00%	29,00%
Power Transportation and Service J.S.C (Potraco)	No. 112 Ngo Quyen, Ngô Quyen District, Hai Phong City, Vietnam	38,00%	38,00%
Schenker Gemadept Logistics Vietnam Co., Ltd.	Lot J2, Road No. 8, Song Than 1 Industrial Park, Di An District, Binh Duong, Vietnam.	49,00%	49,00%
Huyn dai Merchant Marine Vietnam Co., Ltd.	12th Floor, Fideco Building, 81-85 Ham Nghi, District 1, Ho Chi Minh City, Vietnam.	49,00%	49,00%
Minh Dam Tourism J.S.C	Hai Tan Quarter, Phuoc Hai Town, Dat Do District, Ba Ria – Vung Tau Province, Vietnam.	40,00%	40,00%
Saigon Cargo Service Corporation	A2 Truong Son, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.	23,00%	23,00%
Sinokor Vietnam Co., Ltd.	2A-4A Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	49,00%	49,00%
Nam Hai Port Joint Stock Company	No. 201, May Chai Ward, Ngo Quyen, Ngo Quyen District , Hai Phong City, Vietnam.	30,00%	30,00%
Falcon Ha Dong Investment and Trading J.S.C	No. 418 Quang Trung, La Khe Ward, Ha Dong District, Ha Noi City, Vietnam.	25,00%	25,00%

**5. List of associates not reflected in the consolidated interim financial statements in accordance with the method of owner's equity.**

<i>Associates</i>	<i>Addresses</i>	<i>Benefit rate</i>	<i>Voting right</i>
Gemadept - LCL Cold Storage Co., Ltd.	Lot H.04, Road No. 1, Long Hau Industrial Park, Long Hau Commune, Can Giuoc District, Long An Province, Vietnam	49,00%	49,00%

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

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## **II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING**

### **1. Fiscal year**

The fiscal year of the Group's companies is from 01 January to 31 December annually.

### **2. Standard currency unit**

The financial statements of the companies in the Group are prepared, using the currency units of the countries where they are located. The consolidated financial statements are expressed in Vietnam Dong (VND), which is the local currency unit of the country where the parent company is located.

## **III. ACCOUNTING STANDARDS AND SYSTEM**

### **1. Accounting system**

The consolidated interim financial statements are prepared in accordance with the Vietnamese accounting system and standards.

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

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

### **3. Accounting form**

General journal recording

## **IV. ACCOUNTING POLICIES**

### **1. Accounting convention**

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

### **2. Consolidation bases**

#### ***Subsidiaries***

A subsidiary is an enterprise that is controlled by the parent company. The control exists when the parent company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the options that are currently valid or will be transferred should also be taken into consideration.

The business results of a subsidiary are included in the consolidated financial statements from the date of acquisition, which is the date on which the control of the acquired subsidiary is effectively transferred to the buyer. The business results of a subsidiary disposed are included in the consolidated income statement until the date of disposal.

The difference between the investment expenses and the ownership share of the Group in the fair value of the net recognizable assets of the subsidiary as of the acquisition date is recorded as goodwill.

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Intra-group balances in the balance sheet and intra-group transactions and unrealized profits resulting from these transactions are eliminated when the consolidated interim financial statements are prepared. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

#### ***Business concerns***

Business concerns are those in which the Group has significant effects on but not having the control for their financial policies and operations. The consolidated financial statements include profit or loss of the Group in business concerns in accordance with the method of owner's equity from the date of having the effects. If the benefit of the Group in the business concern's loss is larger than or as equal as the book value of investing expenses, the investing expenses presented in the consolidated financial statements will be zero unless the Group has the obligations to settle for business concerns.

Investments in business concerns are presented in the consolidated financial statements in accordance with the owner's equity method and are initially recorded at costs.

The difference between the investment expenses and the ownership share of the Group in the fair value of the net recognizable assets of business concerns as of the acquisition date is recorded as goodwill.

#### **3. Cash and cash equivalents**

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

#### **4. Inventories**

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

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

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

#### **5. Trade receivable and other receivable**

Trade receivable and other receivable are recognized at the values on supporting documents and invoices. Provisions for bad debts are made on the basis of the evaluation on the possibility to recover each debt.

#### **6. Tangible fixed assets**

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

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

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

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	5 - 25
Machinery and equipment	5 - 8
Vehicles	5 - 23
Office equipment	3 - 8

#### **7. Financial leasehold assets**

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

Fixed assets under financial lease are depreciated in accordance with the straight-line method over their estimated useful lives. In case it is not sure that the company will have the ownership over the asset upon the expiry date of the financial lease contract, the fixed asset must be depreciated at the shorter between the lease period and the estimated useful life. The depreciation years of the fixed assets under financial lease are shown in Note IV.6.

#### **8. Operating leasehold assets**

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

#### **9. Investment property**

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

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

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

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Investment properties are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are shown in Note IV.6.

#### **10. Intangible fixed assets**

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

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

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

Computer software includes all expenses paid by the Group to obtain the accounting program serving the accounting and financial recording and managing. These expenses are amortized in 3 years.

#### **11. Borrowing costs**

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

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

#### **12. Financial investment**

Investments into subsidiaries are recorded at their original costs.

Provision for devaluation of investment in security is made for each particular type of securities in the market and for which the market value decreases in comparison with the book value. Provisions for loss of investments in other economic organizations are made when these organizations suffer from loss (except for the loss according to the plan already determined in the company's business budgets before making the investments) at the rate equivalent to the rate of capital contribution of the Group in these organizations.

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

#### **13. Recording joint venture activities**

Rewards of the Group in the joint control activities and the assets under the joint control are reflected in the financial statements by allocating the shares of the Group in assets, liabilities, income and expenses into the corresponding items.

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

##### ***Financial lease interests***

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

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##### ***Tools***

Expenses on tools being put into use (mainly container accessories, forklift accessories, steel cable, tires, etc.) are allocated into expenses during the period in accordance with the straight-line method for 2 years.

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

Other expenses are allocated according to the time as in the invoices or contracts, or for 2 to 3 years.

#### **15. Accrued expenses**

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

#### **16. Appropriation for unemployment fund**

Unemployment fund is used to pay for severance and unemployment allowances for employees who have worked for the Group before 01 January 2009. The rate of extraction for this fund is from 1% to 3% of the salary fund, which is used as the basis for social insurance payment, and is included into the company's expenses according to the Circular No. 82/2003/TT-BTC dated 14 August 2003 of the Ministry of Finance. In case that the unemployment fund is not enough for subsidizing resigned employees, the insufficient difference is recorded into expenses.

#### **17. Capital - Funds**

The Group's sources of capital include:

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

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

#### **18. Treasury stocks**

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury stocks and is recorded as a decrease in owner's equity.

#### **19. Dividends**

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

#### **20. Corporate income tax**

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

Current income tax is the tax amount computed based on the taxable income during the period at the tax rates applied as of the balance sheet date. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.



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

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used.

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

#### **21. Foreign currency translation**

The transactions in currencies other than the standard currency unit used in accounts (VND) will be recorded at the inter-bank foreign exchange rate ruling as at the transaction date. At the end of the period, assets and liabilities in foreign currencies will be converted at the rate ruling as of the balance sheet date. All the differences on foreign exchange rates and those due to the revaluation at the year end are recorded into the consolidated income statement during the period.

Financial statements of entities in foreign countries are converted as follows:

- Assets and accounts payable are converted at the actual rate ruling as at 30 June 2010.
- Sales and expenses are converted at the average rate.

Differences on foreign exchange rates upon the conversion of the entities in foreign countries to serve the consolidation will be considered owner's equity. If the entity in foreign country is liquidated, the differences on foreign exchange rate which are deferred and included in owner's equity will be included in income or expenses during the period in case of gains or losses from the liquidation are recorded.

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

The exchange rates used as of :	31 December 2009: VND 17.941/USD
	: VND 12.774/SGD
	: VND 5.236/RM
30 June 2010	: VND 18.544 /USD
	: VND 13.240/SGD
	: VND 5.730/RM

#### **22. Recognition of sales**

Sales of finished goods are recognized when most of risks and benefits associated with the goods ownership are transferred to customers and there are no uncertain factors related to payments, additional costs or sales returns.

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

Interests, dividends and profit shared are recognized when the Group is able to gain economic benefits from the transactions and the revenue is determined rather reliably. Interests are recorded based on the term and the interest rates applied for each period. Dividends and profit shared are recognized when the shareholders or the investors have the rights to receive dividends or profit from the capital contribution.

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

	<b>Ending balance</b>	<b>Beginning balance</b>
Cash on hand	46.767.480.741	18.270.070.482
Cash in bank	229.696.611.522	197.112.978.352
Cash in transit	478.294.554	1.734.116.722
Cash equivalents (*)	2.934.589.832	6.916.135.000
<b>Total</b>	<b>279.876.976.649</b>	<b>224.033.300.556</b>

(\*) Under-3-month deposit.

**2. Short-term investments**

	<b>Ending balance</b>	<b>Beginning balance</b>
Stocks	211.589.914.956	249.607.406.211
Certificates of Prudential Investment Fund	4.778.730.000	4.778.730.000
Under-1-year deposits	4.489.996.351	4.680.660.294
<b>Total</b>	<b>220.858.641.307</b>	<b>259.066.796.505</b>

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

This item reflects the provision for devaluation of investments in securities. Statement of fluctuations in provisions for devaluation of investments in securities is as follows:

Beginning balance	38.054.046.003
Reversal of provision	(13.117.952.236)
<b>Ending balance</b>	<b>24.936.093.767</b>

**4. Receivable from customers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Gemadept Corporation	149.725.769.041	132.430.479.462
Gemadept (Singapore) Ltd.	36.484.282.808	32.078.899.110
Gemadept (Malaysia) Ltd.	13.518.926.520	10.447.898.692
V.N.M General Transportation Service Co., Ltd.	172.602.323	88.432.244
Phuoc Long Port Co., Ltd.	44.279.349.822	31.752.645.526
Gemadept Dung Quat International Port J.S.C	1.721.168.097	889.624.090
Gemadept Logistics Co., Ltd.	23.090.002.650	18.985.217.968

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	<b>Ending balance</b>	<b>Beginning balance</b>
Gemadept Hai Phong Co., Ltd.	26.037.746.857	17.703.983.278
Truong Tho Tourism and Transportation J.S.C	148.190.375	3.976.875.395
ISS - Gemadept Co., Ltd.	1.533.729.544	-
<b>Total</b>	<b>296.711.768.038</b>	<b>248.354.055.765</b>

**5. Prepayment to suppliers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Gemadept Corporation	12.714.939.882	4.964.760.644
V.N.M General Transportation Service Co., Ltd.	123.797.044	149.106.831
Phuoc Long Port Co., Ltd.	970.565.842	4.204.616.803
Gemadept Dung Quat International Port J.S.C	18.437.742.384	17.284.847.303
Gemadept Infrastructures Development and Investment Construction J.S.C	6.241.376.556	6.991.721.555
Gemadept Logistics Co., Ltd.	12.269.938.626	1.251.080.400
Gemadept Hai Phong Co., Ltd.	333.063.270	179.099.011
Truong Tho Tourism and Transportation J.S.C	47.278.798.400	-
ISS - Gemadept Co., Ltd.	828.451	-
Hoa Sen - Gemadept Logistics and International Port Corporation	1.170.296.400	-
Gemadept Nhon Hoi International Port J.S.C	2.042.685.000	-
<b>Total</b>	<b>101.584.031.855</b>	<b>35.025.232.547</b>

**6. Other receivable**

	<b>Ending balance</b>	<b>Beginning balance</b>
Receivable of amounts paid on others' behalf to provide agency services	49.605.279.450	35.353.277.127
Receivable from associates and co-operations	7.706.174.217	53.339.409.943
Receivable from Hoa Sen - Gemadept Logistics and International Port Corporation for the capital contribution	23.122.700.000	24.652.700.000
Dividends and profit shared	12.037.775.639	-
Receivable from securities trading	3.968.000.000	3.968.000.000
Receivable for borrowings given to individuals outside the company	-	88.000.000
Others	26.384.607.581	22.585.618.601
<b>Total</b>	<b>122.824.536.887</b>	<b>139.987.005.671</b>

**7. Provisions for bad debts**

	<b>Ending balance</b>	<b>Beginning balance</b>
Bien Nam A Joint Stock Company	333.125.000	333.125.000
Nguyen Tran International Forwarding Service Co., Ltd.	190.500.000	190.500.000
Nguyen Duc Hung -YML Ha Noi	140.112.750	140.112.750
Ha Hai Transportation Service JSC	84.500.000	84.500.000
Binh An Vegetable Oil Corporation	33.663.006	33.663.006
Nghia Hung Transportation Company	20.412.000	20.412.000

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	<b>Ending balance</b>	<b>Beginning balance</b>
H.T.N Transportation and Construction Co., Ltd.	14.091.000	14.091.000
Vinatrans Regional Container Lines	12.655.566	12.655.566
<b>Total</b>	<b>829.059.322</b>	<b>829.059.322</b>
<b>8. Inventories</b>		
	<b>Ending balance</b>	<b>Beginning balance</b>
Materials and supplies in stock	15.865.010.214	18.290.446.692
Fuel in stock	29.745.759.630	27.856.801.618
Tools	223.545.326	227.640.990
Work-in-process	3.697.707.854	8.958.243.840
Merchandises	62.614.765	100.290.745
<b>Total</b>	<b>49.594.637.789</b>	<b>55.433.423.885</b>
<b>9. Short-term prepaid expenses</b>		
	<b>Ending balance</b>	<b>Beginning balance</b>
Repairing expenses	4.057.430.426	1.541.527.749
Insurance premiums	2.972.441.400	-
Tools	703.272.990	532.922.082
Others	4.474.681.425	6.023.280.535
<b>Total</b>	<b>12.207.826.241</b>	<b>8.097.730.366</b>
<b>10. Taxes and other accounts receivable from State</b>		
	<b>Ending balance</b>	<b>Beginning balance</b>
VAT excessively paid	5.947.705.338	4.063.165.003
Corporate income tax excessively paid	9.879.741.316	9.882.193.686
Other taxes	-	3.000.000
<b>Total</b>	<b>15.830.418.947</b>	<b>14.071.758.302</b>
<b>11. Other current assets</b>		
	<b>Ending balance</b>	<b>Beginning balance</b>
Advances	30.414.357.121	25.210.199.052
Deficit assets for treatment	896.389.050	-
Short-term deposits and mortgages	72.615.874.282	69.600.175.102
<b>Total</b>	<b>103.926.620.453</b>	<b>94.810.374.154</b>
<b>12. Other long-term accounts receivable</b>		
These are the capital contributions according to the business co-operation contracts. Details are as follows:		
	<b>Ending balance</b>	<b>Beginning balance</b>
Song Hang Co., Ltd.	19.000.000.000	19.000.000.000
Dong Duong Infrastructure Development and Construction Investment J.S.C	18.000.000.000	-
Falcon Ha Dong Investment and Trading J.S.C	20.500.000.000	-
<b>Total</b>	<b>57.500.000.000</b>	<b>19.000.000.000</b>

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

The information on the situation of increases/ (decreases) of tangible fixed assets is presented in Appendix 1 on page 44.

Buildings and structures include:

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

**14. Increases/ (decreases) of financial leasehold assets**

Financial leasehold assets are vehicles.

	<b>Historical costs</b>	<b>Depreciation</b>	<b>Net book values</b>
Beginning balance	23.890.768.666	12.659.212.093	11.231.556.573
Increases	-	1.982.358.870	
<b>Ending balance</b>	<b>23.890.768.666</b>	<b>14.641.570.963</b>	<b>9.249.197.703</b>

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

	<b>Land use right</b>	<b>Computer software</b>	<b>Total</b>
<b>Initial costs</b>			
Beginning balance	20.495.188.865	10.271.222.229	30.766.411.094
Disposals and liquidations	(3.351.730.000)	-	(3.351.730.000)
<b>Ending balance</b>	<b>17.143.458.865</b>	<b>10.271.222.229</b>	<b>27.414.681.094</b>
<b>Amortization</b>			
Beginning balance	-	1.728.928.159	1.728.928.159
Amortization	-	553.633.590	553.633.590
<b>Ending balance</b>	<b>-</b>	<b>2.282.561.749</b>	<b>2.282.561.749</b>
<b>Net book values</b>			
Beginning balance	20.495.188.865	8.542.294.070	29.037.482.935
<b>Ending balance</b>	<b>17.143.458.865</b>	<b>7.988.660.480</b>	<b>25.132.119.345</b>

**16. Construction-in-progress**

The information on construction-in-progress is presented in Appendix 2 on page 45.

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

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

	<b>Historical costs</b>	<b>Accumulated depreciation</b>	<b>Net book values</b>
Beginning balance	278.948.439.795	16.736.906.388	262.211.533.407
Increases	500.000.000	5.671.207.142	
<b>Ending balance</b>	<b>279.448.439.795</b>	<b>22.408.113.530</b>	<b>257.040.326.265</b>

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

The company's/(said) investment properties include some properties leased to a third party. Income and expenses related to the lease of said properties are as follows:

Gain from the lease	59.474.635.608
Direct expenses related to the gain from the lease	16.252.936.120
Direct expenses not related to the gain from the lease	-

The investment properties have been mortgaged to secure the loans from Indovina Bank (see Note V.34).

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

<i>Associates and joint ventures</i>	<i>Rate of capital ownership (%)</i>		<i>Investment capital(VND)</i>
	<i>As in the license</i>	<i>Actually contributed</i>	
Golden Globe Trading Co., Ltd.	45,00	45,00	42.761.600.000
Vung Tau Commercial Port Joint Stock Company (VCP)	26,78	26,78	9.642.000.000
MBN-GMD VIETNAM	34,00	34,00	1.534.080.000
Vinh Hao Mineral Water Joint Stock Company	29,00	29,00	32.206.940.000
Nam Hai Port J.S.C	30,00	30,00	27.596.000.000
Minh Dam Tourism J.S.C	40,00	10,94	18.264.608.143
Power Transportation and Service J.S.C (Potraco)	38,00	38,00	23.236.200.000
Schenker Gemadept Logistics Vietnam Co., Ltd.	49,00	49,00	11.882.010.000
Huyndai Merchant Marine Vietnam Co., Ltd.	49,00	49,00	2.371.845.000
Saigon Cargo Service Corporation	23,00	23,00	69.000.000.000
Falcon Ha Dong Investment and Trading J.S.C	25,00	25,00	29.375.000.000
Sinokor Vietnam Co., Ltd.	49,00	49,00	2.319.909.000
Gemadept - LCL Cold Storage Co., Ltd.	49,00	35,52	2.781.857.430
Gemadept – Terminal Link Cai Mep Terminal J.S.C	50,00	50,00	643.200.000.000
OOCL Vietnam Co., Ltd.	49,00	49,00	3.848.541.000
Gains from associates upon consolidation			16.253.321.114
<b>Total</b>			<b>936.273.911.687</b>

**19. Other long-term investments**

	<b>Ending balance</b>	<b>Beginning balance</b>
Investments in stocks	367.346.979.600	354.382.740.000
Investments in bonds and bills	10.000.000	10.000.000
Others	71.911.901.494	73.401.131.494
<b>Total</b>	<b>439.268.881.094</b>	<b>427.793.871.494</b>

**20. Provision for devaluation of long-term investments**

	<b>Ending balance</b>	<b>Beginning balance</b>
Provision for devaluation of long-term investments in securities	20.260.415.500	20.260.415.500
Provision for the loss of subsidiaries	6.039.181.721	3.494.846.697
Provision for the loss of associates and joint	5.761.837.348	193.740.414

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

	<u>Ending balance</u>	<u>Beginning balance</u>
ventures		
Provision for loss from other long-term financial investments	2.005.709.657	2.005.709.656
<b>Total</b>	<b>34.067.144.226</b>	<b>25.954.712.267</b>

**21. Long-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Tool expenses	510.544.014	712.865.246
Warehouse and office repairing expenses	-	354.313.667
Interests on financial leases	224.118.906	416.927.012
Establishment costs	171.588.441	300.279.723
Designing expenses	2.883.130.723	6.935.544.242
Others	1.331.140.201	970.354.070
<b>Total</b>	<b>5.120.522.285</b>	<b>9.690.283.960</b>

**22. Deferred income tax assets**

This item reflects the deferred income tax assets related to the temporarily non-deductible differences. Details are as follows:

Beginning balance	1.812.032.647
Reversals	(1.009.825.462)
<b>Ending balance</b>	<b>802.207.185</b>

**23. Other long-term assets**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits to service providers for office and house rental	1.903.321.490	1.873.321.490
Deposits at airlines to guarantee the payment of freights	927.200.000	1.166.165.000
Other long-term deposits	70.000.000	20.000.000
<b>Total</b>	<b>2.900.521.490</b>	<b>3.059.486.490</b>

**24. Goodwill**

The goodwill generated from the purchases of Hoa Sen - Gemadept Logistics and International Port Corporation, which is determined by the differences between the buying prices and the fair values of the net assets (assuming that the fair values of net assets are equal to the values recorded in the accounting book).

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Gemadept Corporation	200.283.157.398	204.618.868.697
Gemadept (Singapore) Ltd.	79.736.681.920	54.540.675.162
Gemadept Dung Quat International Port J.S.C	7.000.000.000	7.000.000.000
Phuoc Long Port Co., Ltd.	112.566.099.437	99.449.160.846
<b>Total</b>	<b>399.585.938.755</b>	<b>365.608.704.705</b>

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**Notes to the consolidated interim financial statements (cont.)****26. Payable to suppliers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Gemadept Corporation	97.259.651.441	109.922.674.570
Gemadept (Singapore) Ltd.	12.300.595.520	14.947.534.422
Gemadept (Malaysia) Ltd.	6.523.765.440	14.315.517.216
Sinokor Vietnam Co., Ltd.		-
Phuoc Long Port Co., Ltd.	58.691.791.590	52.442.197.516
Gemadept Dung Quat International Port J.S.C	17.117.555.661	18.932.572.438
V.N.M General Transportation Service Co., Ltd.	2.029.052.104	3.111.705.110
Gemadept Infrastructures Development and Investment Construction J.S.C	68.653.496	337.697.664
Gemadept Logistics Co., Ltd.	5.498.286.245	1.366.210.170
Hoa Sen - Gemadept Logistics and International Port Corporation	136.999.210	27.948.304.585
Gemadept Hai Phong Co., Ltd.	15.261.281.087	136.999.210
Truong Tho Tourism and Transportation J.S.C	532.441.597	9.309.538.266
ISS - Gemadept Co., Ltd.	103.016.405	-
<b>Total</b>	<b>215.523.089.796</b>	<b>252.770.951.167</b>

**27. Advances from customers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Gemadept Corporation	6.977.439.036	10.140.272.792
Gemadept Dung Quat International Port J.S.C	1.241.800.225	6.855.088
Gemadept Infrastructures Development and Investment Construction J.S.C	300.000.000	996.617.600
Gemadept Logistics Co., Ltd.	393.593.817	388.612.925
Gemadept Hai Phong Co., Ltd.	47.296.372	455.779.556
V.N.M General Transportation Service Co., Ltd.	1.395.000	-
ISS - Gemadept Co., Ltd.	4.647.447.599	-
<b>Total</b>	<b>13.608.972.049</b>	<b>11.988.137.961</b>

**28. Taxes and other obligations to the State Budget**

	<b>Ending balance</b>	<b>Beginning balance</b>
VAT on local sales	11.926.844.362	5.179.109.522
Corporate income tax	14.669.421.221	10.038.145.129
Personal income tax	393.573.897	898.377.419
Other taxes	2.290.452.202	2.917.025.939
<b>Total</b>	<b>29.280.291.682</b>	<b>19.032.658.009</b>

**Corporate income tax**

See Note IV.20.

**29. Payable to employees**

This item includes the salary, allowances and bonuses to be paid to employees.



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**Notes to the consolidated interim financial statements (cont.)****30. Accrued expenses**

	<b>Ending balance</b>	<b>Beginning balance</b>
Goods circulation expenses	15.045.480.558	19.108.007.536
Warehousing and office rentals	4.391.868.865	992.172.727
Salaries for employees of ships	-	646.132.872
Towing freight	4.115.636.363	5.656.772.154
Repairing expenses	68.465.753	514.406.429
Loan interest expenses	3.996.463.598	2.542.377.117
Compensations	11.506.038.007	-
Others	16.739.239.026	15.752.524.881
<b>Total</b>	<b>55.863.192.170</b>	<b>45.212.393.716</b>

**31. Other payable**

	<b>Ending balance</b>	<b>Beginning balance</b>
Trade Union's expenditure	3.056.463.680	2.818.940.562
Social insurance	919.015.605	2.097.788.344
Health insurance	80.900.240	51.906.000
Unemployment insurance	1.258.762.880	687.145.594
Dividends payable	65.246.600	1.065.246.600
Unearned revenue	-	-
Deposits and mortgages received	10.235.683.940	6.081.043.999
Excessive assets for treatment	2.149.691.880	1.566.810.678
Other payable	142.292.940.562	60.918.239.853
<i>Amounts received on others' behalf payable</i>	<i>18.226.426.106</i>	<i>21.899.122.827</i>
<i>Sales of goods at ports payable to the State</i>	<i>-</i>	<i>1.716.241.909</i>
<i>Payable of associates and co-operations</i>	<i>35.172.514.756</i>	<i>8.288.438.212</i>
<i>Payable to the State for the sales of goods at ports, which have been outstanding for a long time</i>	<i>1.716.241.909</i>	<i>-</i>
<i>Payable to PetroVietnam Trade Union Finance Investment J.S.C according to the securities trading of fixed term contract No. 25/HĐMB/2010/PVFI-LPL dated 31 May 2010</i>	<i>75.960.046.511</i>	<i>-</i>
<i>Payable for investment amount</i>	<i>5.142.850.320</i>	<i>-</i>
<i>Others</i>	<i>6.074.860.960</i>	<i>29.014.436.905</i>
<b>Total</b>	<b>160.058.705.387</b>	<b>75.287.121.630</b>

**32. Bonus and welfare funds**

	<b>Beginning balance</b>	<b>Increases due to extraction from profit</b>	<b>Other increases</b>	<b>Disbursements during the period</b>	<b>Ending balance</b>
Bonus fund	4.244.577.580	546.558.250	45.600.000	(941.040.000)	3.895.695.830
Welfare fund	(3.959.416.651)	10.357.591.642	-	(3.577.472.111)	2.820.702.880
Training fund	(17.621.218)	-	-	(42.500.000)	(60.121.218)
Fund of the Board of Management	505.584.000	-	-	-	505.584.000

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

	<b>Beginning balance</b>	<b>Increases due to extraction from profit</b>	<b>Other increases</b>	<b>Disbursements during the period</b>	<b>Ending balance</b>
Bonus fund for production emulation	(90.188.907)	3.600.600	-	-	(86.588.307)
Assistance fund	-	-	6.212.694.985	(1.613.980.393)	4.598.714.592
<b>Total</b>	<b>682.934.804</b>	<b>10.907.750.492</b>	<b>6.258.294.985</b>	<b>(6.174.992.504)</b>	<b>11.673.987.777</b>

  

<b>33. Other long-term accounts payable</b>	<b>Ending balance</b>	<b>Beginning balance</b>
Receipt of the deposit for the lease of other assets	86.044.160	-
Receipt of the deposit for the lease of Gemadept Maritime Trading Center Building at No. 6 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	22.382.528.412	24.531.675.907
Difference on the revaluation of assets contributed as capital in joint venture	283.980.000.000	283.980.000.000
<b>Total</b>	<b>306.448.572.572</b>	<b>308.511.675.907</b>

  

<b>34. Long-term loans and debts</b>	<b>Ending balance</b>	<b>Beginning balance</b>
Parent company - Gemadept (Vietnam)	206.672.301.747	206.672.301.747
Gemadept (Singapore) Ltd.	239.024.672.520	292.438.477.692
Gemadept Dung Quat International Port J.S.C	226.551.032.575	221.071.032.575
Phuoc Long Port Co., Ltd.	24.519.325.438	-
<b>Total</b>	<b>696.767.332.280</b>	<b>720.181.812.014</b>

  

<b>35. Deferred income tax liabilities</b>	
Beginning balance	18.090.897.343
Deferred income tax liabilities are those related to the temporarily taxable differences	22.920.000
Foreign exchange differences	558.724.854
Reversal of deferred corporate income tax liabilities recorded from the previous years	(2.908.010.637)
<b>Ending balance</b>	<b>15.764.531.560</b>

  

<b>36. Provision for unemployment fund</b>	
Beginning balance	1.599.058.599
Amount already paid	(783.376.579)
<b>Ending balance</b>	<b>815.682.020</b>

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**Notes to the consolidated interim financial statements (cont.)****37. Owner's equity*****Statement of fluctuations in owner's equity***

Information on the fluctuations in owner's equity is presented in Appendix 3 on page 46.

***Dividends***

Dividends already paid are as follows:

Dividends given in the previous year	3.529.275.735
Advances of dividends	-
<b>Total</b>	<b>3.529.275.735</b>

***Shares***

	<b>Ending balance</b>	<b>Beginning balance</b>
Number of shares registered to be issued	48.212.500	47.500.000
Number of shares already issued	48.212.500	47.500.000
- <i>Common shares</i>	48.212.500	47.500.000
- <i>Preferred shares</i>	-	-
Number of shares re-purchased	-	-
- <i>Common shares</i>	-	-
- <i>Preferred shares</i>	-	-
Number of outstanding shares	48.212.500	47.500.000
- <i>Common shares</i>	48.212.500	47.500.000
- <i>Preferred shares</i>	-	-

Face value of outstanding share: VND 10.000.

**38. Interests of minority shareholders**

	<b>Ending balance</b>	<b>Beginning balance</b>
Investment capital	97.855.396.000	92.050.396.000
Accumulated profits after tax	97.428.435.764	96.679.194.737
Other funds	1.733.246.801	1.733.292.210
<b>Total</b>	<b>197.017.078.565</b>	<b>190.462.882.947</b>

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

	<b>Accumulated from the beginning of the year</b>
Gain from transportation service	623.742.428.557
Gain from agency service	61.185.830.222
Gain from office lease	59.474.635.608
Gain from services of exploitation of port, logistics and other services, etc.	215.638.308.925
<b>Total</b>	<b>960.041.203.312</b>

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**Notes to the consolidated interim financial statements (cont.)****2. Costs of goods sold**

	<b>Accumulated from the beginning of the year</b>
Costs of transportation service	587.285.382.556
Costs of agency service	35.258.228.766
Costs of office lease	16.252.936.120
Costs of services of exploitation of port, logistics and other services, etc.	193.583.295.709
<b>Total</b>	<b>832.379.843.151</b>

**3. Financial income**

	<b>Accumulated from the beginning of the year</b>
Gain from investments in securities	16.902.865.508
Gains from capital contribution in joint ventures	20.273.888.704
Interests on demand deposits	820.085.629
Interests on time deposits	1.758.645.048
Dividends and profit shared	22.179.907.630
Unrealized exchange gains	1.950.062.812
Realized exchange gains	21.927.602.877
Others	772.090.986
<b>Total</b>	<b>86.585.149.194</b>

**4. Financial expenses**

	<b>Accumulated from the beginning of the year</b>
Loan interest expenses	41.361.852.153
Interests on financial leases	192.808.107
Unrealized exchange loss	14.063.642.200
Realized exchange loss	18.491.894.517
Loss from investment in securities	14.868.448.911
Expenses to buy securities of fixed term	1.060.046.511
Reversal of provisions for devaluation of investment in securities	(5.005.520.277)
Others	4.800.537
<b>Total</b>	<b>85.037.972.659</b>

**5. Selling expenses**

	<b>Accumulated from the beginning of the year</b>
Salary of office staff	335.456.016
Materials	48.758.738
Depreciation of fixed assets	274.534.576
External service rendered	4.012.957.231
Other cash expenses	1.683.892.302
<b>Total</b>	<b>6.355.598.863</b>

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**Notes to the consolidated interim financial statements (cont.)****6. Administrative overheads**

	<b>Accumulated from the beginning of the year</b>
Salary of office staff	29.519.178.010
Office supplies	366.583.998
Office equipment	588.255.957
Depreciation of fixed assets	5.666.036.177
Taxes, fees and legal fees	88.690.257
External service rendered	22.309.189.846
Other expenses	4.904.954.122
<b>Total</b>	<b>63.442.888.367</b>

**7. Other income**

	<b>Accumulated from the beginning of the year</b>
Liquidation and disposal of fixed assets	41.647.100.801
Others	3.699.964.380
<b>Total</b>	<b>45.347.065.181</b>

**8. Other expenses**

	<b>Accumulated from the beginning of the year</b>
Net book values of liquidated fixed assets	5.768.309.534
Others	2.634.296.017
<b>Total</b>	<b>8.402.605.551</b>

**9. Deferred corporate income tax**

	<b>Accumulated from the beginning of the year</b>
Deferred corporate income tax generated from the temporarily taxable differences	22.920.000
Deferred corporate income tax generated from the reversal of deferred income tax assets	1.009.825.462
Deferred corporate income tax generated from the reversal of deferred income tax liabilities	(2.908.010.637)
<b>Total</b>	<b>(1.875.265.175)</b>

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**Notes to the consolidated interim financial statements (cont.)****10. Earning per share**

	<b>Accumulated from the beginning of the year</b>
Accounting profit after corporate income tax of shareholders of parent company	83.795.587.402
Increase/(decrease) of accounting profit to determine profit attributable to holders of ordinary shares of parent company:	-
Profit attributable to holders of ordinary shares of parent company	83.795.587.402
Average ordinary shares outstanding during the period <sup>(*)</sup>	48.082.322
<b>Earning per share</b>	<b>1.743</b>

(\*) Average ordinary shares outstanding during the period are calculated as follows:

	<b>Accumulated from the beginning of the year</b>
Ordinary shares outstanding at the beginning of the year	47.500.000
Effects of ordinary shares issued in January 2010	151.694
Effects of ordinary shares issued in February 2010	430.629
<b>Average ordinary shares outstanding during the period</b>	<b>48.082.322</b>

**11. Operating expenses**

	<b>Accumulated from the beginning of the year</b>
Materials and supplies	247.068.143.348
Labor	94.987.338.896
Depreciation of fixed assets	86.249.962.223
External service rendered	465.537.967.710
Other expenses	15.902.442.303
<b>Total</b>	<b>909.745.854.480</b>

**VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INTERIM CASH FLOW STATEMENT****Non-cash transactions**

During the period, the Group's companies have had the following non-cash transactions:

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

	<b><u>Accumulated from the beginning of the year</u></b>
Outstanding amount payable for fixed assets and construction	21.359.196.853
Capital contribution into Gemadept Hai Phong Co., Ltd. by means of assets	1.886.854.850
Dividends and profit shared, for which the payments have not been made yet	12.037.775.639
Loan interest expenses, for which the payments have not been made yet	3.996.463.598
Selling fixed assets, for which the payments have not been made yet	40.615.890.909
<b>Total</b>	<b><u>79.896.181.849</u></b>

**VIII. OTHER INFORMATION****1. Contingent assets and liabilities**

Gemadept Corporation has signed a contract with Marine Materials Import Export Co. to transfer the right to use the land lot of 1.112,60 m<sup>2</sup> of land and the assets attached to the land located at No. 276A Da Nang, Ngo Quyen District, Hai Phong City according to the transfer contract No. 12/2007/HĐCN dated 30 August 2007. However, Marine Materials Import Export Co. has now been in their dissolution process and has not yet proceeded the formalities of the transfer the use right of the said land lot to Gemadept Corporation. At present, the final decision for this matter has not been reached yet; however, perhaps Gemadept Corporation will have to pay the amount of related taxes to have the ownership of the above land lot.

**2. Commitments**

Gemadept Corporation has committed to re-purchase 10.700.000 stocks of Maritime Bank (securities code: MSB) at the price of VND 7.608/stock on 30 November 2010 with PetroVietnam Trade Union Finance Investment J.S.C according to the securities trading of fixed term contract No. 25/HĐMB/2010/PVFI-LPL dated 31 May 2010. Besides, in case the market price of MSB stocks on the listed market or valued by PetroVietnam Trade Union Finance Investment J.S.C (in case of buying stocks unlisted on the listed market) falls below 150% of trading price, Gemadept Corporation must proceed the contract liquidation before the due date or make additional payment. The additional amount is determined by the difference between the market price or the price valued by PetroVietnam Trade Union Finance Investment J.S.C and the price of VND 14.000/stock or the price of MSB stocks legally owned by Gemadept Corporation, which valued according to the trading price with fixed term of MSB being currently applied by PetroVietnam Trade Union Finance Investment J.S.C at the time of blockade.

**3. Subsequent events**

In July 2010, Gemadept Corporation has a loan of VND 190.950.000.000 from Vietinbank - Branch No. 7 at Ho Chi Minh City to re-purchase the share capital of Terminal Link Company in Gemadept – Terminal Link Cai Mep Terminal J.S.C according to the credit contract No. 10.20.0125/HĐTD dated 30 June 2010.

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

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**2. Changes in accounting policies**

In the year 2010, in some related aspects, the Group's companies have applied the regulations of the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance giving guidance on the amendment and supplementation of the accounting system.

Ho Chi Minh City, 30 August 2010

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**Truong Nhu Nguyen**  
**Preparer**

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**Nguyen Minh Nguyet**  
**Chief Accountant**

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**Do Van Minh**  
**General Director**