

VINH HOAN CORPORATION

Address: 30 Highway, Ward 11, Cao Lanh City, Dong Thap Province

CONSOLIDATED FINANCIAL STATEMENT

For the fiscal year ended 31st December 2007

CONSOLIDATED BALANCE SHEET**As of 31st December 2007**

Unit: VND

ASSETS	Code	EXP	Ending Balance	Beginning Balance
A - CURRENT ASSETS	100		380,448,756,575	237,294,380,559
I. Cash and cash equivalents	110	V.1	20,898,051,546	24,320,448,574
1. Cash	111		20,898,051,546	24,320,448,574
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	-
1. Short-term investments	121		-	-
2. Provision for devaluation of short-term investments	129		-	-
III. Short-term receivables	130		251,891,941,783	172,876,027,851
1. Trade accounts receivable	131	V.2	174,856,385,438	129,989,116,514
2. Advances to supplier	132	V.3	71,922,726,492	36,653,146,337
3. Short-term internal receivables	133		-	-
4. Receivable in accordance with contracts in progress	134		-	-
5. Other receivables	135	V.4	5,112,829,853	6,233,765,000
6. Provision for short-term bad receivables	139		-	-
IV. Inventories	140		92,350,154,541	39,292,235,284
1. Inventories	141	V.5	92,350,154,541	39,292,235,284
2. Provision for devaluation of inventories	149		-	-
V. Other current assets	150		15,308,608,705	805,668,850
1. Short-term prepaid expenses	151	V.6	473,289,585	532,083,850

2. VAT deductible	152		12,033,508,620	-
3. Tax and accounts receivable from State budget	154		-	-
4. Other current assets	158	V.7	2,801,810,500	273,585,000

(*) Beginning balance is the figures that were changed from Vinh Hoan Limited Company to VH Corporation

For the fiscal year ended 31st December 2007

Consolidated balance sheet (cont.)

ASSETS	Code	EXP	Ending Balance	Beginning Balance
B - LONG-TERM ASSETS	200		296,027,544,734	91,691,683,376
I. Long-term receivables	210		-	-
1. Long-term receivables from customers	211		-	-
2. Capital receivable from subsidiaries	212		-	-
3. Long-term inter-company receivables	213		-	-
4. Other long-term receivables	218		-	-
5. Provision for long-term bad receivable	219		-	-
II. Fixed assets	220		290,745,731,934	91,580,377,376
1. Tangible fixed assets	221	V.8	60,118,697,233	47,706,413,036
<i>Historical cost</i>	222		109,463,631,707	86,733,422,311
<i>Accumulated depreciation</i>	223		(49,344,934,474)	(39,027,009,275)
2. Finance leases fixed assets	224		-	-
<i>Historical cost</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.9	34,231,888,736	25,395,489,372
<i>Historical cost</i>	228		34,387,721,991	25,480,512,610
<i>Accumulated depreciation</i>	229		(155,833,255)	(85,023,238)
4. Construction in progress expenses	230	V.10	196,395,145,965	18,478,474,968
III. Property Investment	240		1,778,449,364	-
<i>Historical cost</i>	241	V.11	1,778,449,364	-
<i>Accumulated depreciation</i>	242		-	-

IV. Long-term financial investments	250		10,000,000	10,000,000
1. Investment in subsidiary company	251		-	-
2. Investment in joint venture	252		-	-
3. Other long-term investments	258		10,000,000	10,000,000
4. Provision for devaluation of long-term finance inve	259		-	-
V. Goodwill	260		-	-
V. Other long-term assets	270		3,493,363,436	101,306,000
1. Long-term prepaid expenses	271		-	-
2. Deferred income tax assets	272	V.12	180,587,186	-
3. Others	273	V.13	3,312,776,250	101,306,000
TOTAL ASSETS	280		676,476,301,309	328,986,063,935

(*) Beginning balance is the figures that were changed from Vinh Hoan Limited Company to VH Corporation

For the fiscal year ended 31st December 2007

Consolidated balance sheet (cont.)

CAPITAL SOURCE	Code	EXP	Ending Balance	Beginning Balance
A - LIABILITIES	300		267,508,270,217	82,254,607,225
I. Current liabilities	310		206,969,364,252	70,328,108,751
1. Short-term borrowing and debts	311	V.14	97,955,283,885	24,135,578,282
2. Trade accounts payable	312	V.15	81,298,714,028	32,637,394,392
3. Advances from customers	313		5,857,564,700	681,415,800
4. Taxes and liabilities to State budget	314	V.16	9,447,873,402	7,450,074,034
5. Payable to employees	315	V.17	11,563,532,210	4,208,664,388
6. Payable expenses	316		-	550,000,000

7. Accounts payable-Affiliate	317	-	-
8. Payable in accordance with contracts in progress	318	-	-
9. Other short-term payables	319 V.18	846,396,027	664,981,855
10. Provision for current liabilities	320	-	-
II. Long-term liabilities	330	60,538,905,965	11,926,498,474
1. Long-term accounts payable-Trade	331	-	-
2. Long-term accounts payable-Affiliate	332	-	-
3. Other long-term payables	333	-	-
4. Long-term borrowing and debts	334 V.19	60,182,466,321	11,869,559,093
5. Deferred income tax	335	-	-
6. Provision for unemployment benefit	336 V.20	356,439,644	56,939,381
7. Provision for long-term liabilities	337	-	-
B - OWNER'S EQUITY	400	394,093,352,617	246,731,456,710
I. Capital sources and funds	410	389,488,916,765	246,731,456,710
1. Paid-in capital	411 V.21	300,000,000,000	246,731,456,710
2. Capital surplus	412	-	-
3. Other capital of owner	413	-	-
4. Treasury stock	414	-	-
5. Assets revaluation difference	415	-	-
6. Foreign exchange difference	416 V.21	79,423,658	-
7. Investment and development funds	417	-	-
8. Financial reserve fund	418	-	-
9. Other fund belong to owner's equity	419	-	-
10. Retained after-tax profit	420 V.21	89,409,493,107	-
11. Capital for construction work	421	-	-
II. Budget sources	430	4,604,435,852	-
1. Bonus and welfare funds	431 V.22	4,604,435,852	-
2. Budgets	432	-	-
3. Budget for fixed asset	433	-	-

C- MINORITY INTEREST	500	14,874,678,475	-
TOTAL RESOURCES	440	676,476,301,309	328,986,063,935

(*) Beginning balance is the figures that were changed from Vinh Hoan Limited Company to VH Corporation

For the fiscal year ended 31st December 2007

Consolidated balance sheet (cont.)

OFF BALANCE SHEET ITEMS

ITEMS	EXP	Ending Balance	Beginning Balance
1. Operating lease assets		-	-
2. Goods held under trust or for processing		-	-
3. Goods received on consignment for sale		-	-
4. Bad debts written off		-	-
5. Foreign currencies :			
USD		474,967.74	22,058.45
EUR		189,990.25	284.25
6. Estimates for non-business and project expenditure		-	-

(*) Beginning balance is the figures that were changed from Vinh Hoan Limited Company to VH Corporation

Dong Thap, 25th of March 2008

Nguyễn Thị Kim Đào
Chief Accountant

Trương Thị Lệ Khanh
General Director

VINH HOAN CORPORATION

Address: 30 Highway, Ward 11, Cao Lanh City, Dong Thap Province

CONSOLIDATED FINANCIAL STATEMENT

For the fiscal year ended 31st December 2007

CONSOLIDATED INCOME STATEMENT
Year 2007

Unit: VND

ITEMS	Code	EXP	Current year
1. Revenue of sales and services	01	VI.1	1,426,700,854,024
2. Deductions	02	VI.1	1,265,060,160
3. Net sales and services	10	VI.1	1,425,435,793,864
4. Cost of goods sold	11	VI.2	1,242,043,065,784
5. Gross profit	20		183,392,728,080
6. Financial Income	21	VI.3	4,976,868,677
7. Financial Expenses	22	VI.4	1,964,424,808
- Include: Interest expense	23		212,751,250
8. Selling Expenses	24	VI.5	49,406,442,917
9. General and Administrative Expenses	25	VI.6	26,010,939,404
10. Net operating profit	30		110,987,789,628

11. Other Income	31		309,401,319
12. Other Expenses	32		101,658,188
13. Other profit	40		207,743,131
14. Profit or loss in joint venture	50		-
15. Profit before tax	60		111,195,532,759
16. Current corporate income tax expenses	61	V.16	15,398,456,859
16. Deferred corporate income tax expenses	62		(180,587,186)
18. Profit after tax	70		95,977,663,086
<i>18.1 Benefits of minorities</i>			<i>(171,138,233)</i>
<i>18.2 Profit after tax of parent company's shareholder</i>			<i>96,148,801,319</i>
19. Earning per share	80	VI.7	4,525

Dong Thap, 25th of March 2008

Nguyễn Thị Kim Đào
Chief Accountant

Trương Thị Lệ Khanh
General Director

VINH HOAN CORPORATION

Address: 30 Highway, Ward 11, Cao Lanh City, Dong Thap Province

CONSOLIDATED FINANCIAL STATEMENT

For the fiscal year ended 31st December 2007

**CASH FLOW STATEMENT
(Indirect method)
Year 2007**

Unit: VND

ITEMS	Code	EXP	<u>Current year</u>
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
1. Profit before tax	01		111,195,532,759
2. Adjustment in accounts:			
- Fixed assets depreciation	02	V.8, 9	10,388,735,216
- Provisions	03		-
- Unrealized foreign exchange difference loss/gain	04		(705,254,005)
- Loss/gain from investment	05		(657,000,000)
- Interest expenses	06		212,751,250
3. Operating profit before the changes of current capital	08		120,434,765,220
- Changes in accounts receivable	09		(93,753,890,249)
- Changes in inventories	10		(53,057,919,257)
- Changes in trade payables	11		37,905,230,372
- Changes in prepaid expenses	12		58,794,265
- Paid interest	13		(212,751,250)
- Paid corporate income tax	14	V.16	(13,050,000,000)
- Other receivables	15		230,000,000
- Other payables	16		(5,575,868,610)
Net cash provided by (used in) operating activities	20		<u>(7,021,639,509)</u>

II. CASH FLOWS FROM INVESTING ACTIVITIES:

1. Cash paid for purchase of capital assets and other long-term assets	21	(188,293,796,377)
2. Cash received from liquidation or disposal of capital assets and other long-term assets	22	-
3. Cash paid for lending or purchase debt tools of other companies	23	-
4. Withdrawal of lending or resale debt tools of other companies	24	-
5. Cash paid for joining capital in other companies	25	-
6. Withdrawal of capital in other companies	26	-
7. Cash received from interest, dividend and distributed profit	27	657,000,000
Net cash used in investing activities	30	<u>(187,636,796,377)</u>

For the fiscal year ended 31st December 2007

Consolidated cash flow statement (cont.)

ITEMS	Code	EXP	<u>Current year</u>
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
1. Cash received from issuing stock, other owners' equity	31		68,268,543,290
2. Cash paid to owners' equity, repurchase issued stock	32		-
3. Cash received from long-term and short-term borrowings	33	√.14, 1'	316,192,003,235
4. Cash paid to principal debt	34	√.14, 1'	(193,678,308,833)
5. Cash paid to financial lease debt	35		-
6. Dividend, profit paid for owners	36		-
Net cash (used in) provided by financing activities	40		<u>190,782,237,692</u>
Net cash during the period	50		(3,876,198,194)
Cash and cash equivalents at beginning of year	60	V.1	24,320,448,574
Influence of foreign exchange fluctuation	61		453,801,166

Cash and cash equivalents at end of year	70	V.1	<u>20,898,051,546</u>
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Dong Thap, 25th of March 2008

Nguyễn Thị Kim Đào
Chief Accoutant

Trương Thị Lệ Khanh
General Director