

VIET NAM SUN CORPORATION

Form No. B01-DN

## BALANCE SHEET

As of 31st December 2007

Unit: VND

| ASSETS                                           | Code       | EXP  | 31/12/2007             | 31/12/2006             |
|--------------------------------------------------|------------|------|------------------------|------------------------|
| <b>A. CURRENT ASSETS</b>                         | <b>100</b> |      | <b>147,662,015,515</b> | <b>18,226,114,575</b>  |
| <b>I. Cash &amp; cash equivalents</b>            | <b>110</b> |      | <b>97,633,595,203</b>  | <b>5,699,692,299</b>   |
| 1- Cash                                          | 111        | V.01 | 97,633,595,203         | 5,699,692,299          |
| <b>II. Short-term financial investments</b>      | <b>120</b> |      |                        |                        |
| <b>II. Receivables</b>                           | <b>130</b> |      | <b>28,545,023,704</b>  | <b>5,396,940,840</b>   |
| 1- Trade accounts receivable                     | 131        |      | 4,125,293,922          | 2,638,126,461          |
| 2- Advances to supplier                          | 132        |      | 20,709,138,245         | 46,033,696             |
| 5- Other receivables                             | 135        | V.03 | 3,710,591,537          | 2,712,780,683          |
| <b>V. Inventories</b>                            | <b>140</b> |      | <b>149,639,602</b>     | <b>168,471,169</b>     |
| 1- Inventories                                   | 141        | V.04 | 149,639,602            | 168,471,169            |
| <b>V. Other current assets</b>                   | <b>150</b> |      | <b>21,333,757,006</b>  | <b>6,961,010,267</b>   |
| 1- Short-term prepaid expenses                   | 151        |      | 2,962,486,985          | 1,767,360,496          |
| 2- VAT deductible                                | 152        |      | 15,553,826,158         | 5,193,649,771          |
| 3- Tax and accounts receivable from State budget | 154        |      |                        |                        |
| 5- Other current assets                          | 158        | V.05 | 2,817,443,863          |                        |
| <b>B. LONG-TERM ASSETS</b>                       | <b>200</b> |      | <b>535,757,388,043</b> | <b>252,509,193,632</b> |
| <b>I. Long-term receivables</b>                  | <b>210</b> |      | <b>15,489,103,545</b>  | <b>13,376,517,918</b>  |
| 3- Other long-term receivables                   | 213        | V.07 | 15,489,103,545         | 13,376,517,918         |
| <b>II. Fixed assets</b>                          | <b>220</b> |      | <b>372,669,831,101</b> | <b>225,344,209,091</b> |
| 1- Tangible fixed assets                         | 221        | V.08 | 285,799,847,070        | 88,670,290,789         |
| - Historical cost                                | 222        |      | 349,054,938,899        | 145,981,170,536        |
| - Accumulated depreciation                       | 223        |      | (63,255,091,829)       | (57,310,879,747)       |
| 2- Finance leases fixed assets                   | 227        | V.09 | 85,128,087,775         | 123,230,023,947        |
| - Historical cost                                | 228        |      | 150,379,582,543        | 190,041,975,838        |
| - Accumulated depreciation                       | 229        |      | (65,251,494,768)       | (66,811,951,891)       |
| 4- Construction in progress expenses             | 230        | V.11 | 1,741,896,256          | 13,443,894,355         |

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|                                           |            |             |                        |                        |
|-------------------------------------------|------------|-------------|------------------------|------------------------|
| <b>II. Property Investment</b>            | <b>240</b> | <b>V.12</b> | <b>140,979,619,700</b> | <b>8,490,900,000</b>   |
| - Historical cost                         | 241        |             | 140,979,619,700        | 8,490,900,000          |
| <b>V. Long-term financial investments</b> | <b>250</b> | <b>V.13</b> | <b>2,400,000,000</b>   | <b>-</b>               |
| 3- Other long-term investments            | 258        |             | 2,400,000,000          |                        |
| <b>V. Other long-term assets</b>          | <b>260</b> | <b>V.14</b> | <b>4,218,833,697</b>   | <b>5,297,566,623</b>   |
| 1- Long-term prepaid expenses             | 261        | V.14.1      | 2,125,033,697          | 5,297,566,623          |
| 2- Others                                 | 268        | V.14.2      | 2,093,800,000          |                        |
| <b>TOTAL ASSETS</b>                       | <b>270</b> |             | <b>683,419,403,558</b> | <b>270,735,308,207</b> |

| CAPITAL SOURCE                           | CODE       | EXP         | 31/12/2007             | 31/12/2006             |
|------------------------------------------|------------|-------------|------------------------|------------------------|
| <b>A. LIABILITIES</b>                    | <b>300</b> |             | <b>141,004,297,112</b> | <b>254,689,121,193</b> |
| <b>I. Current liabilities</b>            | <b>310</b> |             | <b>60,384,870,028</b>  | <b>54,399,980,516</b>  |
| 1- Short-term borrowing and debts        | 311        | V.15        | 1,000,000,000          | 5,300,000,000          |
| 2- Trade accounts payable                | 312        |             | 4,480,407,892          | 30,071,152,332         |
| 3- Advances from customers               | 313        |             | 168,446,312            | 86,032,856             |
| 4- Taxes and liabilities to State budget | 314        | V.16        | 19,814,488,386         | 830,704,225            |
| 5- Payable to employees                  | 315        |             | 7,120,202,574          | 1,196,258,456          |
| 6- Payable expenses                      | 316        |             | 275,000,000            |                        |
| 9- Other short-term payables             | 319        | V.18        | 27,526,324,864         | 16,915,832,647         |
| <b>II. Long-term liabilities</b>         | <b>330</b> |             | <b>80,619,427,084</b>  | <b>200,289,140,677</b> |
| 4- Long-term borrowing and debts         | 324        | V.20        | 80,619,427,084         | 200,289,140,677        |
| <b>B. OWNER'S EQUITY</b>                 | <b>400</b> |             | <b>542,415,106,446</b> | <b>16,046,187,014</b>  |
| <b>I. Capital sources and funds</b>      | <b>410</b> | <b>V.22</b> | <b>538,287,648,481</b> | <b>16,046,187,014</b>  |
| 1- Paid-in capital                       | 411        |             | 170,000,000,000        | 16,000,000,000         |
| 2- Capital surplus                       | 412        |             | 328,396,000,000        |                        |
| 7- Investment and development funds      | 417        |             | 5,281,045,619          |                        |
| 8- Financial reserve fund                | 418        |             | 2,640,522,809          |                        |
| 10- Retained after-tax profit            | 420        |             | 31,970,080,053         | 46,187,014             |

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BALANCE SHEET

Af of 31st December 2007

Unit: VND

|                            |     |                 |                 |
|----------------------------|-----|-----------------|-----------------|
| II. Budget sources         | 430 | 4,127,457,965   | -               |
| 1- Bonus and welfare funds | 431 | 4,127,457,965   | -               |
| TOTAL RESOURCES            | 440 | 683,419,403,558 | 270,735,308,207 |

Hochiminh, 25th of January 2008

Chief Accoutant

General Director

Dang Hoang Suong

Dang Thi Lan Phuong

## INCOME STATEMENT

Year 2007

Unit: VND

| ITEMS                                             | CODE      | EXP   | Year 2007              | Year 2006              |
|---------------------------------------------------|-----------|-------|------------------------|------------------------|
| 1- Revenue of sales and services                  | 01        | VI.25 | 487,452,189,987        | 264,775,120,812        |
| 2- Deductions                                     | 03        | VI.26 | 136,721,360            | 21,291,226             |
| <b>3- Net sales and services</b>                  | <b>10</b> | VI.27 | <b>487,315,468,627</b> | <b>264,753,829,586</b> |
| 4- Cost of goods sold                             | 11        | VI.28 | 428,818,157,733        | 224,470,301,986        |
| <b>5- Gross profit</b>                            | <b>20</b> |       | <b>58,497,310,894</b>  | <b>40,283,527,600</b>  |
| 6- Financial Income                               | 21        | VI.29 | 1,151,759,219          | 52,388,921             |
| 7- Financial Expenses                             | 22        | VI.30 | 22,644,848,927         | 20,260,496,040         |
| - Include: Interest expense                       | 23        |       | 22,644,848,927         | 20,260,496,040         |
| 8- Selling Expenses                               | 24        |       | 2,087,391,965          | 3,391,456,908          |
| 9- General and Administrative Expenses            | 25        |       | 19,275,558,073         | 11,229,858,267         |
| <b>10- Net operating profit</b>                   | <b>30</b> |       | <b>15,641,271,148</b>  | <b>5,454,105,306</b>   |
| 11- Other Income                                  | 31        | VI.29 | 62,299,071,538         | 165,669,363            |
| 12- Other Expenses                                | 32        | VI.30 | 4,326,786,133          | 73,028,988             |
| <b>13- Other profit</b>                           | <b>40</b> |       | <b>57,972,285,405</b>  | <b>92,640,375</b>      |
| <b>14- Profit before tax</b>                      | <b>50</b> |       | <b>73,613,556,553</b>  | <b>5,546,745,681</b>   |
| <b>15- Current corporate income tax expenses</b>  | <b>51</b> | VI.31 | <b>20,803,100,366</b>  | <b>1,616,746,679</b>   |
| <b>16- Deferred corporate income tax expenses</b> | <b>52</b> |       |                        |                        |
| <b>17- Profit after tax</b>                       | <b>60</b> |       | <b>52,810,456,187</b>  | <b>3,929,999,002</b>   |
| <b>18- Earning per share</b>                      | <b>70</b> |       | <b>5,407</b>           | <b>2,456</b>           |

Chief Accountant

Hochiminh, 25th of January 2008

General Director

**Dang Hoang Suong**

**Dang Thi Lan Phuong**

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**VIET NAM SUN CORPORATION**
**CASH FLOW STATEMENT**
**Year 2007**

Unit: VND

| ITEMS                                                                      | Code      | EXP | Year 2007                | Year 2006                |
|----------------------------------------------------------------------------|-----------|-----|--------------------------|--------------------------|
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>                            |           |     |                          |                          |
| <b>1. Profit before tax</b>                                                | 01        |     | <b>73,613,556,553</b>    | <b>5,546,745,681</b>     |
| <b>2. Adjustment in accounts:</b>                                          |           |     |                          |                          |
| - Fixed assets depreciation                                                | 02        |     | 112,909,768,659          | 51,623,817,443           |
| - Loss/gain from investment                                                | 05        |     | (1,151,759,219)          | (145,029,296)            |
| - Interest expenses                                                        | 06        |     | 22,644,848,927           | 20,260,496,040           |
| <b>3. Operating profit before the changes of current capital</b>           | <b>08</b> |     | <b>208,016,414,920</b>   | <b>77,286,029,868</b>    |
| - Changes in accounts receivable                                           | 09        |     | (38,438,288,741)         | (9,671,806,295)          |
| - Changes in inventories                                                   | 10        |     | 18,831,567               | 821,487,296              |
| - Changes in trade payables (exclude interest payable, income tax payable) | 11        |     | (7,757,786,978)          | 33,025,409,298           |
| - Changes in prepaid expenses                                              | 12        |     | (1,977,406,437)          | 642,081,494              |
| - Paid interest                                                            | 13        |     | (22,644,848,927)         | (20,189,314,022)         |
| - Paid corporate income tax                                                | 14        |     | (3,285,947,447)          | (1,619,647,795)          |
| - Other receivables                                                        | 15        |     |                          |                          |
| - Other payables                                                           | 16        |     | (6,422,478,068)          | (14,803,859,647)         |
| <b>Net cash provided by (used in) operating activities</b>                 | <b>20</b> |     | <b>127,508,489,889</b>   | <b>65,490,380,197</b>    |
| <b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>                           |           |     |                          |                          |
| Cash paid for purchase of capital assets and                               |           |     |                          |                          |
| 1. other long-term assets                                                  | 21        |     | (281,884,366,248)        | (123,764,368,502)        |
| Cash received from liquidation or disposal of capital assets               |           |     |                          |                          |
| 2. and other long-term assets                                              | 22        |     | 62,299,071,538           | 165,669,363              |
| 5. Cash paid for joining capital in other companies                        | 25        |     | (2,400,000,000)          |                          |
| 6. Withdrawal of capital in other companies                                | 26        |     | 219,193,216              | 559,205,971              |
| 7. Cash received from interest, dividend and distributed profit            | 27        |     | 636,580,756              | 63,674,023               |
| <b>Net cash used in investing activities</b>                               | <b>30</b> |     | <b>(221,129,520,738)</b> | <b>(122,975,819,145)</b> |
| <b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>                          |           |     |                          |                          |
| 1. Cash received from issuing stock, other owners' equity                  | 31        | 21  | 482,396,000,000          | 8,000,000,000            |
| 2. Cash paid to owners' equity, repurchase issued stock                    | 32        | 21  |                          |                          |
| 3. Cash received from long-term and short-term borrowings                  | 33        |     | 27,186,815,000           | 130,039,494,301          |

|                                                            |           |                        |                       |
|------------------------------------------------------------|-----------|------------------------|-----------------------|
| 4. Cash paid to principal debt                             | 34        | (243,448,009,731)      | (32,438,684,707)      |
| 5. Cash paid to financial lease debt                       | 35        | (76,533,684,502)       | (42,630,307,154)      |
| 6. Cash paid to financial lease debt                       | 36 21     | (4,046,187,014)        | -                     |
| <b>Net cash (used in) provided by financing activities</b> | <b>40</b> | <b>185,554,933,753</b> | <b>62,970,502,440</b> |
|                                                            |           |                        |                       |
| <b>Net cash during the period</b>                          | <b>50</b> | <b>91,933,902,904</b>  | <b>5,485,063,492</b>  |
| <b>Cash and cash equivalents at beginning of year</b>      | <b>60</b> | <b>5,699,692,299</b>   | <b>214,628,807</b>    |
| Influence of foreign exchange fluctuation                  | 61        | -                      |                       |
| <b>Cash and cash equivalents at end of year</b>            | <b>70</b> | <b>97,633,595,203</b>  | <b>5,699,692,299</b>  |

Hochiminh, 25th of January 2008

**Chief Accountant**

**General Director**

**Dang Hoang Suong**

**Dang Thi Lan Phuong**