

**BALANCE SHEET**

As of 31 December 2007

Unit: VND

| ASSETS                              |                                                                         | Code<br>SỐ | EXP       | ENDING<br>BALANCE      | BEGINNING<br>BALANCE   |
|-------------------------------------|-------------------------------------------------------------------------|------------|-----------|------------------------|------------------------|
| 1                                   |                                                                         | 2          | 2         | 3                      | 4                      |
| <b>A/</b>                           | <b>CURRENT ASSETS (100=110+120+130+140+150)</b>                         | <b>100</b> |           | <b>281,471,966,635</b> | <b>290,314,675,768</b> |
| <b>I-</b>                           | <b>Cash &amp; cash equivalents</b>                                      | <b>110</b> |           | <b>11,481,711,561</b>  | <b>8,271,644,367</b>   |
| 1                                   | Cash                                                                    | 111        | 1         | 11,481,711,561         | 8,271,644,367          |
| 2                                   | Cash & cash equivalents                                                 | 112        |           |                        |                        |
| <b>II-</b>                          | <b>Short-term financial investments</b>                                 | <b>120</b> |           | <b>-</b>               | <b>-</b>               |
| 1                                   | Short-term investments                                                  | 121        |           |                        |                        |
| <b>III-</b>                         | <b>Receivables</b>                                                      | <b>130</b> | <b>2</b>  | <b>113,176,431,384</b> | <b>94,695,365,176</b>  |
| 1                                   | Trade accounts receivable                                               | 131        | 2.1       | 90,123,657,592         | 82,395,584,487         |
| 2                                   | Advances to supplier                                                    | 132        | 2.2       | 22,884,605,850         | 3,366,189,021          |
| 3                                   | Internal receivables                                                    | 133        |           |                        |                        |
| 5                                   | Other receivables                                                       | 138        | 2.3       | 2,219,035,742          | 8,933,591,668          |
| 6                                   | Provision for short-term bad receivables (*)                            | 139        | 2.4       | (2,050,867,800)        | -                      |
| <b>IV-</b>                          | <b>Inventories</b>                                                      | <b>140</b> | <b>3</b>  | <b>151,123,236,001</b> | <b>182,297,889,554</b> |
| 1                                   | Inventories                                                             | 141        |           | 151,123,236,001        | 182,297,889,554        |
| 2                                   | Provision for devaluation of inventories (*)                            | 149        |           | -                      | -                      |
| <b>V-</b>                           | <b>Other current assets</b>                                             | <b>150</b> |           | <b>5,690,587,689</b>   | <b>5,049,776,671</b>   |
| 1                                   | Short-term prepaid expenses                                             | 151        |           | 123,419,345            | 111,655,628            |
| 2                                   | VAT deductible                                                          | 152        | 4         | 2,298,401,954          | 4,922,810,921          |
| 3                                   | Tax and accounts receivable from State budget                           |            | 4         | 60,586,467             | 15,310,122             |
| 4                                   | Other current assets                                                    | 158        | 5         | 3,208,179,923          |                        |
| <b>B/</b>                           | <b>LONG-TERM ASSETS (200=210+220+240+250+260)</b>                       | <b>200</b> |           | <b>181,262,218,321</b> | <b>146,044,837,525</b> |
| <b>I-</b>                           | <b>Long-term receivables</b>                                            | <b>210</b> |           | <b>415,480,000</b>     | <b>395,360,000</b>     |
| 1                                   | Long-term receivables from customers                                    | 211        |           |                        | -                      |
| 4                                   | Other long-term Receivables                                             | 213        | 6         | 415,480,000            | 395,360,000            |
| 5                                   | Provision for long-term bad receivable                                  | 219        |           |                        |                        |
| <b>II-</b>                          | <b>Fixed assets</b>                                                     | <b>220</b> |           | <b>154,783,089,339</b> | <b>145,542,182,610</b> |
| 1                                   | Tangible fixed assets                                                   | 221        | 7         | 14,479,698,096         | 15,976,259,167         |
| -                                   | Historical cost                                                         | 222        |           | 21,208,379,030         | 22,026,753,180         |
| -                                   | Accumulated depreciation (*)                                            | 223        |           | (6,728,680,934)        | (6,050,494,013)        |
| 3                                   | Intangible fixed assets                                                 | 227        | 8         | 112,599,396,162        | 112,789,786,446        |
| -                                   | Historical cost                                                         | 228        |           | 113,152,532,884        | 113,152,532,884        |
| -                                   | Accumulated depreciation (*)                                            | 229        |           | (553,136,722)          | (362,746,438)          |
| 4                                   | Construction in progress expenses                                       | 230        | 9         | 27,703,995,081         | 16,776,136,997         |
| <b>IV-</b>                          | <b>Long-term financial investments</b>                                  | <b>250</b> | <b>10</b> | <b>26,000,000,000</b>  | <b>-</b>               |
| 1                                   | Investment in subsidiary company                                        | 251        |           |                        |                        |
| 3                                   | Other long-term investments                                             | 258        |           | 26,000,000,000         |                        |
| 4                                   | Provision for diminution in value of long-term security investments (*) | 259        |           |                        |                        |
| <b>V-</b>                           | <b>Other long-term assets</b>                                           | <b>260</b> |           | <b>63,648,982</b>      | <b>107,294,915</b>     |
| 1                                   | Long-term prepaid expenses                                              | 261        | 11        | 63,648,982             | 107,294,915            |
| 2                                   | Deferred income tax assets                                              | 262        |           |                        |                        |
| 3                                   | Other long-term assets                                                  | 268        |           |                        |                        |
| <b>TOTAL ASSETS (270= 100+200 )</b> |                                                                         | <b>270</b> |           | <b>462,734,184,956</b> | <b>436,359,513,293</b> |

**HOCHIMINH CITY METAL CORPORATION**
*Address: No. 8, Le Duan Street, District 1, Hochiminh city*
**Financial Statement**

For the fiscal year ended 31 Demcember 2007

| CAPITAL SOURCE                         |                                                  | Code       |           | ENDING<br>BALANCE      | BEGINNING<br>BALANCE   |
|----------------------------------------|--------------------------------------------------|------------|-----------|------------------------|------------------------|
| <b>A/</b>                              | <b>LIABILITIES (300=310+320)</b>                 | <b>300</b> |           | <b>267,389,029,759</b> | <b>254,703,978,430</b> |
| <b>I-</b>                              | <b>Current liabilities</b>                       | <b>310</b> |           | <b>262,510,764,394</b> | <b>253,620,067,705</b> |
| 1                                      | Short-term borrowing and debts                   | 311        | 12.1      | 73,362,122,303         | 90,688,405,602         |
| 2                                      | Trade accounts payable                           | 312        | 12.2      | 27,618,959,888         | 33,359,410,270         |
| 3                                      | Advances from customers                          | 313        | 12.3      | 3,456,048,045          | 205,918,487            |
| 4                                      | Taxes and liabilities to State budget            | 314        | 12.4      | 114,740,846,924        | 116,747,335,150        |
| 5                                      | Payable to employees                             | 315        | 12.5      | 10,823,998,840         | 5,610,524,099          |
| 6                                      | Payable expenses                                 | 316        | 12.6      | 3,624,126,830          | 609,799,690            |
| 7                                      | Accounts payable-Affiliate                       | 317        |           |                        |                        |
| 8                                      | Payable in accordance with contracts in progress | 318        |           |                        |                        |
| 9                                      | Other short-term payables                        | 319        | 12.7      | 28,884,661,564         | 6,398,674,407          |
| 10                                     | Provision for current liabilities                |            |           |                        |                        |
| <b>II-</b>                             | <b>Long-term liabilities</b>                     | <b>320</b> |           | <b>4,878,265,365</b>   | <b>1,083,910,725</b>   |
| 1                                      | Long-term accounts payable-Trade                 | 321        |           |                        |                        |
| 2                                      | Long-term accounts payable-Affiliate             | 322        |           |                        |                        |
| 3                                      | Other long-term payables                         | 323        | 13        | 4,771,237,365          | 988,238,000            |
| 4                                      | Long-term borrowing and debts                    | 324        |           | -                      | -                      |
| 5                                      | Deferred income tax                              | 325        |           |                        |                        |
| 6                                      | Provision for unemployment benefit               |            |           | 107,028,000            | 95,672,725             |
| 7                                      | Provision for long-term liabilities              |            |           |                        |                        |
| <b>B/</b>                              | <b>OWNER'S EQUITY (400=410+420)</b>              | <b>400</b> |           | <b>195,345,155,197</b> | <b>181,655,534,863</b> |
| <b>I-</b>                              | <b>Capital sources and funds</b>                 | <b>410</b> | <b>14</b> | <b>194,529,575,874</b> | <b>180,004,490,544</b> |
| 1                                      | Paid-in capital                                  | 411        |           | 158,000,000,000        | 158,000,000,000        |
| 2                                      | Capital surplus                                  | 412        |           |                        |                        |
| 3                                      | Other capital of owner                           |            |           |                        |                        |
| 4                                      | Treasury stock                                   | 413        |           |                        |                        |
| 5                                      | Assets revaluation difference                    | 414        |           | -                      | -                      |
| 6                                      | Foreign exchange difference                      | 415        |           | -                      | -                      |
| 7                                      | Investment and development funds                 | 416        |           | 6,161,257,352          | -                      |
| 8                                      | Financial reserve Fund                           | 417        |           | 43,233,192             | -                      |
| 9                                      | Other Fund belong to owner's equity              | 418        |           |                        |                        |
| 10                                     | Retained after-tax profit                        | 419        |           | 30,325,085,330         | 22,004,490,544         |
| <b>II</b>                              | <b>Budget sources</b>                            | <b>420</b> |           | <b>815,579,323</b>     | <b>1,651,044,319</b>   |
| 1                                      | Bonus and welfare funds                          | 421        |           | 815,579,323            | 1,651,044,319          |
| 2                                      | Budgets                                          | 422        |           |                        |                        |
| 3                                      | Budget for fixed asset                           | 423        |           |                        |                        |
| <b>TOTAL RESOURCES (430 = 300+400)</b> |                                                  | <b>430</b> |           | <b>462,734,184,956</b> | <b>436,359,513,293</b> |

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OFF BALANCE SHEET ITEMS

| ITEMS                                                   | EXP | ENDING<br>BALANCE | BEGINNING<br>BALANCE |
|---------------------------------------------------------|-----|-------------------|----------------------|
| 1    Leasehold assets                                   |     |                   |                      |
| 2    Materials and goods kept or processed for others   |     |                   |                      |
| 3    Goods deposited by others                          |     |                   |                      |
| 4    Bad debts already treated                          |     | 15,145,136,442    | 15,194,754,159       |
| 5    Foreign currencies                                 |     |                   |                      |
| 6    Estimates for non-business and project expenditure |     |                   |                      |

*January 22th, 2008*  
General Director

INCOME STATEMENT

As of 31 December 2007

Unit: VND

| ITEMS                                                        | Code | EXP | Current year      | Previous year     |
|--------------------------------------------------------------|------|-----|-------------------|-------------------|
| 1                                                            | 2    | 3   | 4                 | 5                 |
| 1. Revenue of sales and services                             | 1    | 15  | 2,801,315,131,165 | 1,748,881,375,390 |
| 2. Deductions                                                | 2    |     | 950,724,929       | 121,249,384       |
| 3. Net sales and services (10 = 01 - 02)                     | 10   |     | 2,800,364,406,236 | 1,748,760,126,006 |
| 4. Cost of goods sold                                        | 11   | 16  | 2,720,559,089,786 | 1,696,991,131,850 |
| 5. Gross profit (20 = 10 - 11)                               | 20   |     | 79,805,316,450    | 51,768,994,156    |
| 6. Financial Income                                          | 21   | 17  | 5,360,441,958     | 2,448,501,313     |
| 7. Financial Expenses                                        | 22   | 18  | 8,021,981,993     | 9,332,547,266     |
| - Include: Interest expense                                  | 23   |     | 7,275,250,944     | 8,316,751,917     |
| 8. Selling Expenses                                          | 24   |     | 28,616,886,231    | 16,497,223,952    |
| 9. General and Administrative Expenses                       | 25   |     | 13,018,036,466    | 8,556,425,033     |
| 10 Net operating profit<br>{30 = 20 + (21 - 22) - (24 + 25)} | 30   |     | 35,508,853,718    | 19,831,299,218    |
| 11. Other Income                                             | 31   | 19  | 3,128,932,442     | 2,199,524,599     |
| 12.Other Expenses                                            | 32   | 20  | 412,700,830       | 26,333,273        |
| 13. Other profit (40 = 31 - 32)                              | 40   |     | 2,716,231,612     | 2,173,191,326     |
| 14. Profit before tax (50 = 30 + 40)                         | 50   |     | 38,225,085,330    | 22,004,490,544    |
| 15. Current income tax expenses                              | 51   |     |                   |                   |
| 16. Deferred income tax expenses                             | 52   |     |                   |                   |
| 17. Profit after tax (60 = 50 – 51 - 52)                     | 60   | 21  | 38,225,085,330    | 22,004,490,544    |
| 18. Earning per share (*)                                    | 70   |     | 2,419             | 1,393             |

Preparer

(Signed, full name)

Chief Accoutant

(Signed, full name)

Hochiminh City, Juanuary 21st, 2008

General Director

(Signed, full name)

NGUYEN MINH XUAN

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

Unit: VND

| Items                                                                                      | Code      | EXP | Current year            | Previous year          |
|--------------------------------------------------------------------------------------------|-----------|-----|-------------------------|------------------------|
| 1                                                                                          | 2         | 3   | 4                       | 5                      |
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                            |           |     |                         |                        |
| <i>1. Profit before tax</i>                                                                | <b>1</b>  |     | <b>38,225,085,330</b>   | <b>22,004,490,544</b>  |
| <i>2. Adjustment in accounts:</i>                                                          |           |     | <b>6,240,900,419</b>    | <b>8,358,385,137</b>   |
| - Fixed assets depreciation                                                                | 2         |     | 1,493,061,229           | 1,511,343,200          |
| - Provisions                                                                               | 3         |     | 2,050,867,800           | -                      |
| - Unrealized foreign exchange difference loss/gain                                         | 4         |     | (2,516,850,682)         |                        |
| - Loss/gain from investment                                                                | 5         |     | (2,061,428,872)         | (1,469,709,980)        |
| - Interest expenses                                                                        | 6         |     | 7,275,250,944           | 8,316,751,917          |
| <i>3. Operating profit before the changes of current capital</i>                           | <b>8</b>  |     | <b>44,465,985,749</b>   | <b>30,362,875,681</b>  |
| - Changes in accounts receivable                                                           | 9         |     | (49,257,162,251)        | (45,993,029,450)       |
| - Changes in inventories                                                                   | 10        |     | 61,624,677,783          | 134,478,017,121        |
| - Changes in trade payables (exclude interest payable, income tax payable)                 | 11        |     | 24,422,485,749          | (1,341,400,617)        |
| - Changes in prepaid expenses                                                              | 12        |     | 31,882,216              | 130,287,672            |
| - Paid interest                                                                            | 13        |     | (7,275,250,944)         | (8,316,751,917)        |
| - Paid corporate income tax                                                                | 14        |     | (492,552,440)           | (682,975,568)          |
| - Other receivables                                                                        | 15        |     | 17,029,527,360          | 9,160,301,146          |
| - Other payables                                                                           | 16        |     | (18,676,706,063)        | (12,636,360,065)       |
| <i>Net cash provided by (used in) operating activities</i>                                 | <b>20</b> |     | <b>71,872,887,159</b>   | <b>105,160,964,003</b> |
| <b>II.CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                            |           |     |                         |                        |
| 1.Cash paid for purchase of capital assets and other long-term assets                      | 21        |     | (9,110,765,538)         | (5,505,020,107)        |
| 2. Cash received from liquidation or disposal of capital assets and other long-term assets | 22        |     | 20,009,979              | 254,918,182            |
| 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        |     | (26,000,000,000)        |                        |
| 6. Withdrawal of capital in other companies                                                | 26        |     |                         |                        |
| 7. Cash received from interest, dividend and distributed profit                            | 27        |     | 2,041,418,893           | 1,214,791,798          |
| <i>Net cash used in investing activities</i>                                               | <b>30</b> |     | <b>(33,049,336,666)</b> | <b>(4,035,310,127)</b> |
| <b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                          |           |     |                         |                        |
| 1. Cash received from issuing stock, other owners' equity                                  | 31        |     |                         |                        |
| 2. Cash paid to owners' equity, repurchase issued stock                                    | 32        |     |                         |                        |

|                                                                 |           |    |                         |                         |
|-----------------------------------------------------------------|-----------|----|-------------------------|-------------------------|
| 3. Cash received from long-term and short-term borrowings       | 33        |    | 1,009,120,536,830       | 464,413,774,930         |
| 4. Cash paid to principal debt                                  | 34        |    | (1,026,446,820,129)     | (560,352,596,731)       |
| 5. Cash paid to financial lease debt                            | 35        |    |                         |                         |
| 6. Dividend, profit paid for owners                             | 36        |    | (18,287,200,000)        |                         |
| <i>Net cash (used in) provided by financing activities</i>      | <b>40</b> |    | <i>(35,613,483,299)</i> | <i>(95,938,821,801)</i> |
| <b>Net cash during the period (50 = 20+30+40)</b>               | <b>50</b> |    | <b>3,210,067,194</b>    | <b>5,186,832,075</b>    |
| <b>Cash and cash equivalents at beginning of year</b>           | <b>60</b> |    | <b>8,271,644,367</b>    | <b>3,084,812,292</b>    |
| Influence of foreign exchange fluctuation                       | 61        |    |                         |                         |
| <b>Cash and cash equivalents at end of year (70 = 50+60+61)</b> | <b>70</b> | 31 | <b>11,481,711,561</b>   | <b>8,271,644,367</b>    |

Hochiminh City, Juanuary 21st, 2008

Preparer  
(Signed, full name)

Chief Accountant  
(Signed, full name)

General Director  
(Signed, full name)

NGUYEN MINH XUAN

*Ghi chú (\*)* : Những chỉ tiêu không có số liệu có thể không phải trình bày nhưng không được đánh lại số thứ tự chỉ tiêu và “Mã