

Phuong Nam Cultural Joint Stock Corporation

BALANCE SHEET

As at Mar. 31, 2008

Unit: VND

| No. | ASSETS | Code | Note | Ending Balance | Beginning Balance |
|------------|---|------------|------|------------------------|------------------------|
| A | SHORT-TERM ASSETS (100=110+120+130+140+150) | 100 | | 223,055,816,055 | 152,505,653,505 |
| I | Cash & Cash equivalents | 110 | | 7,771,699,730 | 6,881,057,312 |
| | 1 Cash | 111 | V.01 | 7,771,699,730 | 6,881,057,312 |
| | 2 Cash equivalents | 112 | | - | - |
| II | Short-term financial investments | 120 | V.02 | - | - |
| | 1 Short-term investments | 121 | | - | - |
| | 2 Provision for devaluation of short-term investments (*) | 129 | | - | - |
| III | Short-term receivables | 130 | | 108,637,600,377 | 44,905,676,211 |
| | 1 Trade accounts receivables | 131 | | 40,074,615,790 | 33,076,510,139 |
| | 2 Prepayment to suppliers | 132 | | 7,722,734,470 | 7,722,734,470 |
| | 3 Short-term intercompany receivables | 133 | | 46,305,332,237 | - |
| | 4 Receivables on percentage of construction contract completion | 134 | | - | - |
| | 5 Other receivables | 135 | V.03 | 14,534,917,880 | 4,106,431,602 |
| | 6 Provision for short-term doubtful debts (*) | 139 | | - | - |
| IV | Inventories | 140 | | 92,536,415,786 | 87,959,959,809 |
| | 1 Inventories | 141 | V.04 | 92,536,415,786 | 87,959,959,809 |
| | 2 Provision for devaluation of inventories (*) | 149 | | - | - |
| V | Other short-term assets | 150 | | 14,110,100,162 | 12,758,960,173 |
| | 1 Short-term prepaid expenses | 151 | | 2,933,330,196 | 2,990,162,810 |
| | 2 VAT deductible | 152 | | 830,125,782 | 788,138,370 |
| | 3 Tax and accounts receivable from State budget | 154 | V05 | - | - |
| | 4 Other short-term assets | 158 | | 10,346,644,184 | 8,980,658,993 |
| B | LONG-TERM ASSETS (200=210+220+240+250+260) | 200 | | 66,289,644,961 | 65,531,244,931 |
| I | Long-term receivables | 210 | | 247,200,000 | 247,200,000 |
| | 1 Long-term receivables from customers | 211 | | - | - |
| | 2 Capital receivable from subsidiaries | 212 | | - | - |
| | 3 Long-term inter-company receivables | 213 | V.06 | - | - |
| | 4 Other long-term receivables | 218 | V.07 | 247,200,000 | 247,200,000 |
| | 5 Provision for long-term doubtful debts (*) | 219 | | - | - |
| II | Fixed assets | 220 | | 34,620,508,994 | 34,360,592,252 |
| | 1 Tangible fixed assets | 221 | V.08 | 31,674,805,637 | 31,911,631,649 |
| | - Historical cost | 222 | | 60,823,711,649 | 60,200,717,740 |
| | - Accumulated depreciation (*) | 223 | | (29,148,906,012) | (28,289,086,091) |
| | 2 Finance leases fixed assets | 224 | V.09 | - | - |
| | - Historical cost | 225 | | - | - |
| | - Accumulated depreciation (*) | 226 | | - | - |
| | 3 Intangible fixed assets | 227 | V.10 | 1,545,484,155 | 1,606,992,930 |
| | - Historical cost | 228 | | 1,950,589,068 | 1,950,589,068 |
| | - Accumulated depreciation (*) | 229 | | (405,104,913) | (343,596,138) |
| | 4 Construction in progress | 230 | V.11 | 1,400,219,202 | 841,967,673 |
| III | Property investment | 240 | V.12 | - | 4,686,823 |
| | - Historical cost | 241 | | 332,114,000 | 332,114,000 |

| | | | | | |
|-----------|---|------------|------|------------------------|------------------------|
| | - Accumulated depreciation (*) | 242 | | (332,114,000) | (327,427,177) |
| IV | Long-term financial investments | 250 | | 24,543,817,535 | 23,853,910,635 |
| 1 | Investment in subsidiaries | 251 | | - | - |
| 2 | Investment in associate or joint-venture companies | 252 | | 22,494,760,635 | 22,194,760,635 |
| 3 | Other long-term investments | 258 | V.13 | 2,049,056,900 | 1,659,150,000 |
| 4 | Provision for devaluation of long-term security investments (*) | 259 | | - | - |
| V | Other long-term assets | 260 | | 6,878,118,432 | 7,064,855,221 |
| 1 | Long-term prepaid expenses | 261 | V.14 | 5,065,030,783 | 5,261,072,006 |
| 2 | Deferred income tax assets | 262 | V.21 | 631,177,049 | 631,177,049 |
| 3 | Others | 268 | | 1,181,910,600 | 1,172,606,166 |
| | TOTAL ASSETS | | | 289,345,461,016 | 218,036,898,436 |

| No. | CAPITAL SOURCE | Code | Note | Ending Balance | Beginning Balance |
|-----------|--|------------|------|------------------------|------------------------|
| A | LIABILITIES (300=310+330) | 300 | | 167,192,371,860 | 91,887,048,134 |
| I | Short-term liabilities | 310 | | 121,243,648,867 | 89,252,186,437 |
| 1 | Short-term borrowing | 311 | V.15 | 24,028,140,000 | 8,521,800,000 |
| 2 | Trade accounts payable | 312 | | 79,054,637,491 | 63,223,967,807 |
| 3 | Advances from customers | 313 | | 346,287,662 | 525,762,468 |
| 4 | Taxes and payable to state budget | 314 | V.16 | 3,784,156,166 | 3,846,493,446 |
| 5 | Payable to employees | 315 | | 1,322,563,358 | 3,293,968,299 |
| 6 | Payable expenses | 316 | V.17 | 1,630,918,578 | 2,254,203,745 |
| 7 | Intercompany payable | 317 | | - | - |
| 8 | Payable in accordance with contracts in progress | 318 | | - | - |
| 9 | Other short-term payables | 319 | V.18 | 11,076,945,612 | 7,585,990,672 |
| 10 | Provision for short-term liabilities | 320 | | - | - |
| II | Long-term liabilities | 330 | | 45,948,722,993 | 2,634,861,697 |
| 1 | Long-term accounts payable-Trade | 331 | | - | - |
| 2 | Long-term intercompany payable | 332 | V.19 | 43,313,861,296 | - |
| 3 | Other long-term payables | 333 | | 2,634,861,697 | 2,634,861,697 |
| 4 | Long-term borrowing | 334 | V.20 | - | - |
| 5 | Deferred income tax payable | 335 | V.21 | - | - |
| 6 | Provision for unemployment allowance | 336 | | - | - |
| 7 | Provision for long-term liabilities | 337 | | - | - |
| B | OWNER'S EQUITY (400=410+430) | 400 | | 122,153,089,156 | 126,149,850,302 |
| I | Capital sources and funds | 410 | V.22 | 122,617,215,005 | 125,894,441,002 |
| 1 | Paid-in capital | 411 | | 65,000,000,000 | 65,000,000,000 |
| 2 | Share premiums | 412 | | 48,879,549,530 | 48,929,549,530 |
| 3 | Other capital of owner | 413 | | - | - |
| 4 | Treasury stock | 414 | | (32,400,000) | (32,400,000) |
| 5 | Asset revaluation differences | 415 | | - | - |
| 6 | Foreign exchange differences | 416 | | - | - |
| 7 | Investment and development fund | 417 | | 3,144,727,481 | 3,144,727,481 |
| 8 | Financial reserve fund | 418 | | 1,489,902,856 | 1,359,420,039 |
| 9 | Other fund belong to owner's equity | 419 | | - | - |
| 10 | Retained profit | 420 | | 4,135,435,138 | 7,493,143,952 |
| 11 | Capital for construction work | 421 | | - | - |
| II | Budget sources | 430 | | (464,125,849) | 255,409,300 |
| 1 | Bonus and welfare fund | 431 | | (464,125,849) | 255,409,300 |
| 2 | Budgets | 432 | V.23 | - | - |

| | | | |
|--|-----|------------------------|------------------------|
| 3 Budget for fixed asset | 433 | | |
| TOTAL RESOURCES (430 = 300 + 400) | | 289,345,461,016 | 218,036,898,436 |

OFF BALANCE SHEET ITEMS

| No. | Items | Code | Note | Ending Balance | Beginning Balance |
|-----|--|------|------|----------------|-------------------|
| 1 | Operating lease assets | | | | |
| 2 | Goods held under trust or for processing | | | | |
| 3 | Goods received on consignment for sale | | | 4,740,358,632 | 4,554,835,331 |
| 4 | Bad debts written off | | | | |
| 5 | Foreign currencies: | | | | |
| | USD | | | | |
| | EUR | | | | |
| 6 | Subsidies of state budget | | | | |

INCOME STATEMENT

Quarter 1/2008

Unit: VND

| Items | Note | Quarter 1 | | Accumulation fr. Jan. 01 to Mar. 31 | |
|--|------|----------------|----------------|-------------------------------------|----------------|
| | | 2008 | 2007 | 2008 | 2007 |
| 1. Sales | 01 | 43,651,134,152 | 37,033,595,617 | 43,651,134,152 | 37,033,595,617 |
| 2. Deductions | 02 | 71,381,376 | 190,777,901 | 71,381,376 | 190,777,901 |
| 3. Net sales and services (10=01-02) | 10 | 43,579,752,776 | 36,842,817,716 | 43,579,752,776 | 36,842,817,716 |
| 4. Cost of goods sold | 11 | 32,336,627,608 | 26,614,360,397 | 32,336,627,608 | 26,614,360,397 |
| 5. Gross profit (20=10-11) | 20 | 11,243,125,168 | 10,228,457,319 | 11,243,125,168 | 10,228,457,319 |
| 6. Financial income | 21 | 48,981,151 | 519,936,277 | 48,981,151 | 519,936,277 |
| 7. Financial expenses | 22 | 648,724,236 | 615,200,492 | 648,724,236 | 615,200,492 |
| - Include: Interest expense | 23 | 577,609,628 | 577,944,293 | 577,609,628 | 577,944,293 |
| 8. Selling expenses | 24 | 8,225,946,333 | 7,712,285,089 | 8,225,946,333 | 7,712,285,089 |
| 9. General & administrative expenses | 25 | 1,995,907,916 | 1,836,244,720 | 1,995,907,916 | 1,836,244,720 |
| 10. Net operating profit (30=20+(21-22)-(24+25)) | 30 | 421,527,834 | 584,663,295 | 421,527,834 | 584,663,295 |
| 11. Other income | 31 | 464,576,555 | 152,983,566 | 464,576,555 | 152,983,566 |
| 12. Other expenses | 32 | - | 28,200,000 | - | 28,200,000 |
| 13. Other profit (40=31-32) | 40 | 464,576,555 | 124,783,566 | 464,576,555 | 124,783,566 |
| 14. Profit before tax (50=30+40) | 50 | 886,104,389 | 709,446,861 | 886,104,389 | 709,446,861 |
| 15. Current corporate income tax expenses | 51 | 248,109,229 | 29,322,560 | 248,109,229 | 29,322,560 |
| 16. Deferred corporate income tax expenses | 52 | | | | |
| 17. Profit after tax (60=50-51-52) | 60 | 637,995,160 | 680,124,301 | 637,995,160 | 680,124,301 |

CASH FLOWS STATEMENT
Quarter 1/2008 (Direct method)

Unit: VND

| Items | Note | Accumulation fr. Jan. 01 to Mar. 31 | |
|--|-----------|-------------------------------------|------------------------|
| | | 2008 | 2007 |
| I. CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| 1. Cash received from sale or services and other revenue | 01 | 38,052,514,840 | 35,037,025,317 |
| 2. Cash paid for supplier | 02 | (30,892,672,737) | (23,469,026,595) |
| 3. Cash paid for employee | 03 | (6,213,084,960) | (5,334,429,828) |
| 4. Cash paid for interest | 04 | (318,087,116) | (445,404,206) |
| 5. Cash paid for corporate income tax | 05 | - | (600,835,470) |
| 6. Other receivables | 06 | 14,641,474,048 | 8,920,047,869 |
| 7. Other payables | 07 | (25,625,639,982) | (18,471,506,286) |
| <i>Net cash provided by (used in) operating activities</i> | 20 | (10,355,495,907) | (4,364,129,199) |
| II. CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| 1. Cash paid for purchase of capital assets and other long-term assets | 21 | (89,750,408) | (118,124,924) |
| 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 | (300,000,000) | (279,514,126) |
| 6. Withdrawal of capital in other companies | 26 | - | - |
| 7. Cash received from interest, dividend and distributed profit | 27 | 36,695,933 | - |
| <i>Net cash used in investing activities</i> | 30 | (353,054,475) | (397,639,050) |
| III. CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| 1. Cash received from issuing stock, other owners' equity | 31 | (50,000,000) | - |
| 2. Cash paid to owners' equity, repurchase issued stock | 32 | - | - |
| 3. Cash received from long-term and short-term borrowings | 33 | 20,000,000,000 | 8,800,878,244 |
| 4. Cash paid to principal debt | 34 | (4,500,000,000) | (7,239,000,000) |
| 5. Cash paid to financial lease debt | 35 | - | - |
| 6. Dividend, profit paid for owners | 36 | (3,850,807,200) | - |
| <i>Net cash (used in) provided by financing activities</i> | 40 | 11,599,192,800 | 1,561,878,244 |
| Net cash during the period | 50 | 890,642,418 | (3,199,890,005) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 60 | 6,881,057,312 | 7,704,139,464 |
| Influence of foreign exchange change | 61 | | |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 70 | 7,771,699,730 | 4,504,249,459 |