

HANG XANH MOTORS SERVICE JOINT STOCK COMPANY

Add : 235/18 Dien Bien Phu str., Ward 15, Binh Thanh Dist., HCMC - Tax code : 0 3 0 2 0 0 0 1 2 6

FINANCIAL STATEMENT QUARTER III / 2008

I./ BALANCE SHEET

Unit: VND

| No. | ASSETS | Code | Note | Ending Balance | Beginning Balance |
|-------------|---|------------|------|------------------------|-----------------------|
| A/= | CURRENT ASSETS (100-110-120-130-140-150) | 100 | | 125,876,438,784 | 69,478,316,475 |
| I. | Cash and cash equivalents | 110 | | 10,634,787,378 | 18,065,650,596 |
| 1. | Cash | 111 | V.01 | 10,634,787,378 | 18,065,650,596 |
| 2. | Cash equivalents | 112 | | - | - |
| II. | Short-term financial investments | 120 | | 6,881,890,000 | 2,049,030,000 |
| 1. | Short-term investments | 121 | V.02 | 7,317,730,000 | 2,484,870,000 |
| 2. | Provision for devaluation of short-term securities | 129 | | (435,840,000) | (435,840,000) |
| III. | Receivables | 130 | | 49,882,027,379 | 20,664,791,319 |
| 1. | Trade accounts receivable | 131 | | 26,883,326,672 | 15,182,213,887 |
| 2. | Advances to supplier | 132 | | 2,342,152,708 | 4,257,089,675 |
| 3. | Short-term internal receivables | 133 | | - | - |
| 4. | Receivable in accordance with contracts in progress | 134 | | - | - |
| 5. | Other receivables | 135 | V.03 | 20,656,547,999 | 1,225,487,757 |
| 6. | Provision for short-term bad receivables | 139 | | - | - |
| IV. | Inventories | 140 | | 55,067,845,837 | 27,082,731,476 |
| 1. | Inventories | 141 | V.04 | 55,067,845,837 | 27,082,731,476 |
| 2. | Provision for devaluation of inventories | 149 | | - | - |
| V. | Other current assets | 150 | | 3,409,888,190 | 1,616,113,084 |
| 1. | Short-term prepaid expenses | 151 | | 478,160,050 | 415,026,344 |
| 2. | VAT deductible | 152 | | 1,611,764,348 | - |
| 3. | Tax and accounts receivable from State budget | 154 | V.05 | 263,071,523 | - |
| 4. | Other current assets | 158 | | 1,056,892,269 | 1,201,086,740 |
| B/= | LONG-TERM ASSETS (200=210+220+240) | 200 | | 45,958,371,518 | 19,129,341,253 |
| 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 | V.06 | - | - |
| 4. | Other long-term receivables | 218 | V.07 | - | - |
| 5. | Provision for long-term bad receivable | 219 | | - | - |
| II. | Fixed assets | 220 | | 34,080,159,724 | 17,917,106,241 |
| 1. | Tangible fixed assets | 221 | V.08 | 19,725,383,656 | 15,822,626,241 |
| | - Historical cost | 222 | | 31,672,918,039 | 25,424,311,040 |
| | - Accumulated depreciation | 223 | | (11,947,534,383) | (9,601,684,799) |
| 2. | Finance leases fixed assets | 224 | V.09 | - | - |
| | - Historical cost | 225 | | - | - |
| | - Accumulated depreciation | 226 | | - | - |
| 3. | Intangible fixed assets | 227 | V.10 | 11,646,416,800 | 2,094,480,000 |
| | - Historical cost | 228 | | 11,658,916,800 | 2,106,980,000 |
| | - Accumulated depreciation | 229 | | (12,500,000) | (12,500,000) |

| | | | | |
|--|------------|-------------|------------------------|-----------------------|
| 4. Construction in progress expenses | 230 | V.11 | 2,708,359,268 | - |
| III. Property Investment | 240 | V.12 | - | - |
| - Historical cost | 241 | | - | - |
| - Accumulated depreciation | 242 | | - | - |
| IV. Long-term financial investments | 250 | | 11,519,050,000 | 1,016,000,000 |
| 1. Investments subsidiary company | 251 | | 11,503,050,000 | - |
| 2. Investment in joint venture | 252 | | - | - |
| 3. Other long-term investments | 258 | V.13 | 16,000,000 | 1,016,000,000 |
| 4. Provision for devaluation of long-term security | 259 | | - | - |
| V. Other long-term assets | 260 | | 359,161,794 | 196,235,012 |
| 1. Long-term prepaid expenses | 261 | V.14 | 359,161,794 | 196,235,012 |
| 2. Deferred income tax assets | 262 | V.21 | - | - |
| 3. Others | 268 | | - | - |
| TOTAL ASSETS (270=100+200) | 270 | | 171,834,810,302 | 88,607,657,728 |

| No. | CAPITAL SOURCE | Code | Note | Ending Balance | Beginning Balance |
|------------|--|------------|-------------|------------------------|-----------------------|
| A/= | LIABILITIES (300=310+320) | 300 | | 65,907,318,232 | 60,838,297,842 |
| I. | Current liabilities | 310 | | 65,907,318,232 | 60,838,297,842 |
| 1. | Short-term borrowing and debts | 311 | V.15 | 35,204,789,448 | 36,177,491,206 |
| 2. | Trade accounts payable | 312 | | 18,953,667,923 | 2,761,940,115 |
| 3. | Advances from customers | 313 | | 8,799,172,485 | 4,999,871,259 |
| 4. | Taxes and liabilities to State budget | 314 | V.16 | 291,001,516 | 1,404,508,016 |
| 5. | Payable to employees | 315 | | 1,689,634,646 | 1,343,748,787 |
| 6. | Payable expenses | 316 | V.17 | 400,000,000 | 214,544,500 |
| 7. | Accounts payable-Affiliate | 317 | | - | - |
| 8. | Payable in accordance with contracts in progress | 318 | | - | - |
| 9. | Other short-term payables | 319 | V.18 | 569,052,214 | 13,936,193,959 |
| 10. | Provision for current liabilities | 320 | | - | - |
| II. | Long-term liabilities | 330 | | - | - |
| 1. | Long-term accounts payable-Trade | 331 | | - | - |
| 2. | Long-term accounts payable-Affiliate | 332 | V.19 | - | - |
| 3. | Other long-term payables | 333 | | - | - |
| 4. | Long-term borrowing and debts | 334 | V.20 | - | - |
| 5. | Deferred income tax | 335 | V.21 | - | - |
| 6. | Provision for unemployment benefit | 336 | | - | - |
| 7. | Provision for long-term liabilities | 337 | | - | - |
| B/= | OWNER'S EQUITY (400=410+430) | 400 | | 105,927,492,070 | 27,769,359,886 |
| I. | Capital sources and funds | 410 | V.22 | 104,751,368,895 | 27,433,985,807 |
| 1. | Paid-in capital | 411 | | 43,312,110,000 | 16,257,300,000 |
| 2. | Capital surplus | 412 | | 42,796,840,600 | - |
| 3. | Other capital of owner | 413 | | - | - |
| 4. | Treasury stock | 414 | | - | - |
| 5. | Assets revaluation difference | 415 | | - | - |
| 6. | Foreign exchange difference | 416 | | - | - |

| | | | | |
|--|------------|------|------------------------|-----------------------|
| 7. Investment and development funds | 417 | | 5,446,159,727 | 4,261,003,601 |
| 8. Financial reserve fund | 418 | | 1,771,084,527 | 1,178,506,465 |
| 9. Other fund belong to owner's equity | 419 | | - | - |
| 10. Retained after-tax profit | 420 | | 11,425,174,041 | 5,737,175,741 |
| 11. Capital for construction work | 421 | | - | - |
| II. Budget sources | 430 | | 1,176,123,175 | 335,374,079 |
| 1. Bonus and welfare funds | 431 | | 1,176,123,175 | 335,374,079 |
| 2. Budgets | 432 | V.23 | - | - |
| 3. Budget for fixed asset | 433 | | - | - |
| TOTAL RESOURCES (430=300+400) | 440 | | 171,834,810,302 | 88,607,657,728 |

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II./ INCOME STATEMENT Quarter III / 2008

Unit: VND

| Items | Code | Note | Quarter III | | Accum. from beginning of year to the end | |
|---|-----------|--------------|------------------------|------------------------|--|------------------------|
| | | | This year | Last year | This year | Last year |
| 1. Revenue of sales and services | 01 | VI.25 | 134,791,644,881 | 112,078,467,453 | 403,812,533,149 | 325,935,102,337 |
| 2. Deductions | 02 | | 306,423,382 | 3,552,151,826 | 1,780,791,500 | 7,663,414,371 |
| 3. Net sales and services (10=01-02) | 10 | | 134,485,221,499 | 108,526,315,627 | 402,031,741,649 | 318,271,687,966 |
| 4. Cost of goods sold | 11 | VI.27 | 124,733,339,335 | 100,450,090,227 | 368,178,390,098 | 297,222,724,490 |
| 5. Gross profit (20=10-11) | 20 | | 9,751,882,164 | 8,076,225,400 | 33,853,351,551 | 21,048,963,476 |
| 6. Financial Income | 21 | VI.26 | 1,744,912,964 | 433,054,746 | 3,647,597,700 | 1,121,460,079 |
| 7. Financial Expenses | 22 | VI.28 | 1,309,524,250 | 928,959,228 | 3,395,702,470 | 2,302,844,764 |
| - Include: Interest expense | 23 | | 1,141,805,887 | 674,565,348 | 3,155,997,870 | 1,749,414,191 |
| 8. Selling expenses | 24 | | 5,916,577,130 | 3,252,511,313 | 15,536,877,988 | 11,056,422,579 |
| 9. General and Administrative Expenses | 25 | | 1,882,532,295 | 925,908,692 | 5,447,787,184 | 2,739,078,357 |
| 10. Net operating profit [30=20+(21-22)-(24+25)] | 30 | | 2,388,161,453 | 3,401,900,913 | 13,120,581,609 | 6,072,077,855 |
| 11. Other income | 31 | | 2,229,331,018 | 17,392,045 | 2,644,315,841 | 1,628,697,788 |
| 12. Other expenses | 32 | | 1,888,000,622 | 43,000,000 | 1,984,000,622 | 179,440,241 |
| 13. Other profit (40=31-32) | 40 | | 341,330,396 | (25,607,955) | 660,315,219 | 1,449,257,547 |
| 14. Profit before tax (50=30+40) | 50 | | 2,729,491,849 | 3,376,292,958 | 13,780,896,828 | 7,521,335,402 |
| 15. Current corporate income tax expenses | 51 | VI.30 | 382,128,859 | 472,681,014 | 1,929,325,553 | 1,052,986,956 |
| 16. Deferred corporate income tax expenses | 52 | VI.30 | - | - | - | - |
| 17. Profit after tax (60=50-51-52) | 60 | | 2,347,362,990 | 2,903,611,944 | 11,851,571,275 | 6,468,348,446 |
| 18. EPS (VND/share) | 70 | | - | - | - | - |

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CASH FLOW STATEMENT

Quarter III/ 2008

(Indirect method)

Unit: VND

| No. | Items | Code | Note | Accum. from beginning of year to the end | |
|--|---|-----------|------|--|------------------------|
| | | | | This year | Last year |
| I/= CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| 1. | Profit before tax | 01 | | 13,780,896,828 | 7,521,335,402 |
| 2. | Adjustment in accounts | | | - | - |
| | - Fixed assets depreciation | 02 | | 2,836,857,029 | 2,235,985,007 |
| | - Provisions | 03 | | - | - |
| | - Unrealized foreign exchange difference loss/gain | 04 | | - | - |
| | - Loss/gain from investment | 05 | | (3,547,919,957) | (578,246,725) |
| | - Interest expenses | 06 | | 3,155,997,870 | 1,749,414,191 |
| 3 | Operating profit before the changes of current capital | 08 | | 16,225,831,770 | 10,928,487,875 |
| | - Changes in accounts receivable | 09 | | (20,886,316,229) | 362,830,305 |
| | - Changes in inventories | 10 | | (27,985,114,361) | (8,165,604,280) |
| | - Changes in trade payables | 11 | | (12,980,424,627) | (1,493,101,310) |
| | - Changes in prepaid expenses | 12 | | (226,060,488) | 213,331,389 |
| | - Paid interest | 13 | | (3,222,074,224) | (1,746,014,191) |
| | - Paid corporate income tax | 14 | | (2,964,284,166) | (1,175,053,850) |
| | - Other receivables | 15 | | 68,932,867,548 | 513,652,892 |
| | - Other payables | 16 | | (1,929,325,553) | (1,052,986,956) |
| | Net cash provided by (used in) operating activities | 20 | | 14,965,099,670 | (1,614,458,126) |
| II/= CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| 1. | Cash paid for purchase of capital assets and other long-term assets | 21 | | (10,540,647,844) | (254,724,335) |
| 2. | Cash received from liquidation or disposal of capital assets and | 22 | | - | - |
| 3. | Cash paid for lending or purchase debt tools of other companies | 23 | | (15,000,000,000) | - |
| 4. | Withdrawal of lending or resale debt tools of other companies | 24 | | - | - |
| 5. | Cash paid for joining capital in other companies | 25 | | (135,000,000) | - |
| 6. | Withdrawal of capital in other companies | 26 | | - | - |
| 7. | Cash received from interest, dividend and distributed profit | 27 | | 3,285,306,462 | 1,075,505,213 |
| | Net cash used in investing activities | 30 | | (22,390,341,382) | 820,780,878 |
| III/= CASH FLOWS FROM FINANCING ACTIVITIES: | | | | | |
| 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 | | 291,863,315,889 | 275,213,332,176 |
| 4. | Cash paid to principal debt | 34 | | (291,868,937,395) | (273,748,191,830) |
| 5. | Cash paid to financial lease debt | 35 | | - | - |
| 6. | Dividend, profit paid for owners | 36 | | - | - |
| | Net cash (used in) provided by financing activities | 40 | | (5,621,506) | 1,465,140,346 |
| | Net cash during the period | 50 | | (7,430,863,218) | 671,463,098 |
| | Cash and cash equivalents at beginning of year | 60 | | 18,065,650,596 | 7,875,710,911 |
| | Influence of foreign exchange fluctuation | 61 | | - | - |
| | Cash and cash equivalents at end of year | 70 | | 10,634,787,378 | 8,547,174,009 |