

**Nam Viet Corporation**

Consolidated Financial Statements for  
the year ended 31 December 2008

**Nam Viet Corporation  
Corporate Information**

**Business Registration No** 5203000050 2 October 2006  
and amended on 5 October 2006  
and 1 August 2007

**Board of Management**

Mr Doan Toi	Chairman
Mr Doan Chi Thanh	Member
Mr Nguyen Duy Nhut	Member
Mr Do Lap Nghiep	Member
Mr Dang Van Dien	Member
Mr Nguyen Thua Buu	Member
Mr Doan Quoc Xa	Member

**Board of Directors**

Mr Doan Toi	General Director
Ms Duong Thi Kim Huong	Deputy General Director
Mr Nguyen Duy Nhut	Deputy General Director and Financial Manager
Mr Nguyen Thua Buu	Technical Manager
Mr Do Lap Nghiep	Executive Manager
Mr Dang Van Dien	Sales Manager
Mr Doan Quoc Xa	Mechanical Manager
Mr Doan Van Nho	Chief Accountant

**Registered Office** 19D Tran Hung Dao Street  
My Quy Ward  
An Giang Province  
Vietnam

**Auditors** KPMG Limited  
Vietnam

## **REPORT OF THE INDEPENDENT AUDITORS**

**To the Shareholders  
Nam Viet Corporation**

### **Scope**

We have audited the accompanying consolidated balance sheet of Nam Viet Corporation (“the Company”) and its subsidiary (together referred to as “the Group”) as of 31 December 2008 and the related consolidated statements of income, changes in equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### **Audit opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2008 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.

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#### **KPMG Limited**

Vietnam

Investment Certificate No: 01043000345

Audit Report No: 08-01-332

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Chong Kwang Puay  
CPA No. N0864/KTV  
*Deputy General Director*

Ho Chi Minh City, 31 March 2008

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Ha Vu Dinh  
CPA No. 0414/KTV

**Nam Viet Corporation**  
**Consolidated balance sheet at 31 December 2008**

	Code	Note	2008 VND'000	2007 VND'000
<b>ASSETS</b>				
<b>Current assets</b>	<b>100</b>		<b>1,739,898,664</b>	<b>1,657,433,508</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>96,890,634</b>	<b>266,442,925</b>
Cash	111		59,150,763	266,442,925
Cash equivalents	112		37,739,871	-
<b>Accounts receivable - short-term</b>	<b>130</b>	<b>5</b>	<b>963,841,614</b>	<b>1,118,457,833</b>
Accounts receivable – trade	131		469,594,972	344,848,160
Prepayments to suppliers	132		12,884,434	28,850,722
Inter-company receivables	133		471,324,477	743,769,761
Other receivables	135		20,943,612	10,137,057
Allowance for doubtful debts	139		(10,905,881)	(9,147,867)
<b>Inventories</b>	<b>140</b>	<b>6</b>	<b>638,823,284</b>	<b>231,499,493</b>
Inventories	141		701,642,506	231,499,493
Allowance for inventories	149		(62,819,222)	-
<b>Other current assets</b>	<b>150</b>	<b>7</b>	<b>40,343,132</b>	<b>41,033,257</b>
Deductible value added tax	152		16,636,648	12,310,192
Taxes receivable from State Treasury	154		80,330	-
Other current assets	158		23,626,154	28,723,065
<b>Long-term assets</b>	<b>200</b>		<b>919,947,423</b>	<b>686,538,895</b>
<b>Fixed assets</b>	<b>220</b>		<b>604,135,987</b>	<b>482,804,397</b>
Tangible fixed assets	221	8	488,022,031	113,048,417
<i>Cost</i>	222		629,759,610	199,596,444
<i>Accumulated depreciation</i>	223		(141,737,579)	(86,548,027)
Intangible fixed assets	227	9	16,209,872	16,242,606
<i>Cost</i>	228		16,332,506	16,332,506
<i>Accumulated amortisation</i>	229		(122,634)	(89,900)
Construction in progress	230	10	99,904,084	353,513,374
<b>Long-term investments</b>	<b>250</b>	<b>11</b>	<b>287,951,220</b>	<b>178,410,000</b>
Other long-term investments	258		299,190,500	178,410,000
Allowance for diminution in the value of long-term investments	259		(11,239,280)	-
<b>Other long-term assets</b>	<b>260</b>		<b>27,860,216</b>	<b>25,324,498</b>
Deferred tax assets	262	12	4,278,433	1,807,596
Other long-term assets	268		23,581,783	23,516,902
<b>TOTAL ASSETS</b>	<b>270</b>		<b>2,659,846,087</b>	<b>2,343,972,403</b>

*The accompanying notes are an integral part of these financial statements*

**Nam Viet Corporation**  
**Consolidated balance sheet at 31 December 2008 (continued)**

	Code	Note	2008 VND'000	2007 VND'000
<b>RESOURCES</b>				
<b>LIABILITIES</b>	<b>300</b>		<b>1,058,369,530</b>	<b>651,568,743</b>
<b>Current liabilities</b>	<b>310</b>		<b>981,960,495</b>	<b>551,561,769</b>
Short-term borrowings and liabilities	311	13	761,738,824	117,664,000
Accounts payable – trade	312		152,734,416	58,180,036
Advance from customers	313		14,598,629	3,966,770
Taxes payable to State Treasury	314	14	12,240,854	26,213,874
Payable to employees	315		10,486,756	7,284,018
Accrued expenses	316	15	1,862,778	8,640,916
Inter-company payables	317	16	5,157,614	242,997,395
Other payables	319	17	23,140,624	86,614,760
<b>Long-term liabilities</b>	<b>330</b>		<b>76,409,035</b>	<b>100,006,974</b>
Long-term borrowings	334	18	70,722,460	99,719,803
Provision for severance allowance	336	19	5,686,575	287,171
<b>EQUITY</b>	<b>400</b>		<b>1,601,476,557</b>	<b>1,692,403,660</b>
<b>Equity</b>	<b>410</b>		<b>1,585,462,952</b>	<b>1,683,764,738</b>
Share capital	411	20	660,000,000	660,000,000
Share premium	412		611,965,459	611,965,459
Treasury share	414		(27,417,630)	-
Foreign exchange differences	416		-	1,130,471
Retained profits	420		340,915,123	410,668,808
<b>Other funds</b>	<b>430</b>		<b>16,013,605</b>	<b>8,638,922</b>
Bonus and welfare funds	431		16,013,605	8,638,922
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>2,659,846,087</b>	<b>2,343,972,403</b>

Prepared by:

Approved by:

Doan Van Nho  
*Chief Accountant*

Doan Toi  
*General Director*

*The accompanying notes are an integral part of these financial statements*

**Nam Viet Corporation**  
**Consolidated statement of income for the year ended 31 December 2008**

	Code	Note	2008 VND'000	2007 VND'000
<b>Total revenue</b>	<b>01</b>	<b>3</b>	<b>3,336,126,789</b>	<b>3,200,352,091</b>
<b>Less sales deductions</b>	<b>02</b>	<b>3</b>	<b>(16,923,355)</b>	<b>(6,914,825)</b>
<b>Net sales</b>	<b>10</b>	<b>3</b>	<b>3,319,203,434</b>	<b>3,193,437,266</b>
<b>Cost of sales</b>	<b>11</b>		<b>(2,832,484,046)</b>	<b>(2,482,976,103)</b>
<b>Gross profit</b>	<b>20</b>		<b>486,719,388</b>	<b>710,461,163</b>
Financial income	21	21	169,117,350	64,769,470
Financial expenses	22	22	(178,181,755)	(41,518,466)
Selling expenses	24		(310,692,886)	(276,741,703)
General and administration expenses	25		(56,768,284)	(44,885,364)
<b>Net operating profit</b>	<b>30</b>		<b>110,193,813</b>	<b>412,085,100</b>
<b>Results of other activities</b>	<b>40</b>			
Other income	31	23	6,769,928	21,134,295
Other expenses	32	24	(3,621,826)	(16,647,392)
<b>Profit before tax</b>	<b>50</b>		<b>113,341,915</b>	<b>416,572,003</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>25</b>	<b>(18,066,442)</b>	<b>(46,878,018)</b>
<b>Income tax benefit – deferred</b>	<b>52</b>	<b>25</b>	<b>2,470,837</b>	<b>646,959</b>
<b>Net profit</b>	<b>60</b>		<b>97,746,310</b>	<b>370,340,944</b>
<b>Earnings per share</b>				
Basic and diluted earnings per share	<b>70</b>	<b>26</b>	<b>1.488</b>	<b>5.953</b>

Prepared by:

Approved by:

Doan Van Nho  
*Chief Accountant*

Doan Toi  
*General Director*

*The accompanying notes are an integral part of these financial statements*

**Nam Viet Corporation**

**Consolidated statement of changes in equity for the year ended 31 December 2008**

	Share capital VND'000	Share premium VND'000	Treasury shares VND'000	Foreign exchange differences VND'000	Bonus and welfare funds VND'000	Retained profits VND'000	Total VND'000
<b>Balance at 1 January 2007</b>	600,000,000	-	-	-	389,522	129,527,864	729,917,386
Share capital issued	60,000,000	-	-	-	-	-	60,000,000
Share premium	-	611,965,459	-	-	-	-	611,965,459
Net profit for the year	-	-	-	-	-	370,340,944	370,340,944
Unrealised exchange differences	-	-	-	1,130,471	-	-	1,130,471
Transfer to bonus and welfare funds	-	-	-	-	10,000,000	(10,000,000)	-
Dividends accrued	-	-	-	-	-	(79,200,000)	(79,200,000)
Paid during the year	-	-	-	-	(1,750,600)	-	(1,750,600)
<b>Balance at 1 January 2008</b>	660,000,000	611,965,459	-	1,130,471	8,638,922	410,668,808	1,692,403,660
Treasury share capital	-	-	(27,417,630)	-	-	-	(27,417,630)
Net profit for the year	-	-	-	-	-	97,746,310	97,746,310
Realisation of unrealised exchange differences	-	-	-	(1,130,471)	-	-	(1,130,471)
Transfer to bonus and welfare funds	-	-	-	-	10,010,327	(10,010,327)	-
Dividends accrued	-	-	-	-	-	(157,489,668)	(157,489,668)
Paid during the year	-	-	-	-	(2,635,644)	-	(2,635,644)
<b>Balance at 31 December 2008</b>	660,000,000	611,965,459	(27,417,630)	-	16,013,605	340,915,123	1,601,476,557

Prepared by:

Approved by:

Doan Van Nho  
Chief Accountant

Doan Toi  
General Director

*The accompanying notes are an integral part of these financial statements*

**Nam Viet Corporation**  
**Consolidated statement of cash flows for the year ended 31 December 2008**

	Code Note	2008 VND'000	2007 VND'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>	<b>01</b>	<b>113,341,915</b>	<b>416,572,003</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	56,336,958	29,552,102
Allowances and provisions	03	76,084,323	3,827,335
Unrealised foreign exchange losses	04	2,562,331	-
Loss/(profit) from investing activities	05	159,832	(337,089)
Interest expense	06	82,051,861	22,534,758
Interest and dividend income	07	(67,029,939)	(55,161,542)
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>263,507,281</b>	<b>416,987,567</b>
Change in receivables and other current assets	09	(154,283,958)	(277,073,606)
Change in inventories	10	(470,143,013)	(34,594,141)
Change in payables and other liabilities	11	(129,722,195)	186,617,479
		<b>(490,641,885)</b>	<b>291,937,299</b>
Interest paid	13	(82,051,861)	(22,534,758)
Corporate income tax paid	14	(35,186,992)	(24,150,914)
<b>Net cash (used in)/generated from operating activities</b>	<b>20</b>	<b>(607,880,738)</b>	<b>245,251,627</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	21	(180,100,741)	(366,782,278)
Proceeds from disposals of fixed assets	22	2,272,361	13,983,173
Change in other long-term assets	23	(64,881)	1,036,084
Increase in long-term investments	24	(120,780,500)	(178,400,000)
Receipts of interest and dividends	27	67,029,939	55,161,542
Loans to related parties	28	(1,305,073,143)	(1,503,179,077)
Loans repaid	29	1,612,637,624	1,254,689,888
<b>Net cash generated from/(used in) investing activities</b>	<b>30</b>	<b>75,920,659</b>	<b>(793,490,668)</b>

*The accompanying notes are an integral part of these financial statements*



**Nam Viet Corporation**  
**Consolidated statement of cash flows for the year ended 31 December 2008**  
(continued)

	Code Note	2008 VND'000	2007 VND'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from equity issued	31	-	671,965,459
Payments for repurchases of shares	32	(27,417,630)	-
Proceeds from short-term borrowings	33	3,523,871,465	1,498,463,092
Payments to settle debts	34	(2,913,306,973)	(1,511,140,537)
Payments of dividends	36	(221,559,261)	-
<b>Net cash generated from financing activities</b>	<b>40</b>	<b>361,587,601</b>	<b>659,288,014</b>
<b>Net cash flows during the year</b>	<b>50</b>	<b>(170,372,478)</b>	<b>181,048,973</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>266,442,925</b>	<b>85,916,204</b>
<b>Impact of exchange rate fluctuations</b>	<b>62</b>	<b>820,187</b>	<b>(522,252)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	<b>96,890,634</b>	<b>266,442,925</b>

Prepared by:

Approved by:

Doan Van Nho  
*Chief Accountant*

Doan Toi  
*General Director*

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. Reporting Entity**

Nam Viet Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The principal activities of the Company are to construct civil, industrial, traffic and irrigational architectural projects; engage in aquaculture and manufacture, process and trade aquatic products; manufacture packaging products and bio-diesel oil; manufacture fish oil and fish meal; and manufacture gentaline and glycerine glue.

The Company was formed by converting Nam Viet Company Limited, a limited company established under the Enterprise Law of Vietnam, into a joint stock company on 2 October 2006. All assets and liabilities of Nam Viet Company Limited were transferred to the Company at their carrying values at the time of conversion.

The total charter capital amount of the Company as stipulated in the Business Registration was VND600,000,000,000. During the year 2007, the total charter capital amount of the Company was increased from VND600,000,000,000 to VND660,000,000,000 under a revision to the Business Registration dated 1 August 2007.

The consolidated financial statements for the year ended 31 December 2008 relate to the Company and its subsidiary, Indian Ocean Company Limited (together referred to as “the Group”).

The details of the subsidiary, which is incorporated in Vietnam, is as follows:

Name of subsidiary	Principal activity	Investment license	Ownership of legal capital by the Company	
			% ownership in subsidiary’s license	Amount VND’000
Indian Ocean Company Limited	To process aquatic products, manufacture paper packaging, process fish oil and powder, manufacture gentaline, glycerine glue and bio-diesel products	5704000012 issued by the Can Tho Department of Planning and Investment on 26 October 2006 and its updates	100%	36,000,000

As at 31 December 2008 the Group had 9,100 employees (2007: 4,640 employees).

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**2. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Group in the preparation of these financial statements.

**(a) Basis of financial statement preparation**

The consolidated financial statements, expressed in Vietnam Dong rounded to the nearest thousand (“VND’000”), have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

**(b) Basis of consolidation**

**(i) *Subsidiary***

A subsidiary is an enterprise controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

**(ii) *Transaction eliminated on consolidation***

Intra-group balances and transactions, and any unrealised differences arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

**(c) Fiscal year**

The fiscal year of the Company and its subsidiary is from 1 January to 31 December.

**(d) Foreign currency transactions**

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates approximating those ruling at the transaction dates.

## **Nam Viet Corporation**

### **Notes to the consolidated financial statements for the year ended 31 December 2008 (continued)**

All realised and unrealised foreign exchange differences are recorded in statement of income, except when they relate to the construction of tangible fixed assets or the translation of foreign currency monetary items during the pre-operating stage, in which case they are recorded in the Foreign Exchange Difference Account in equity until commercial operations commence and the tangible fixed assets are put into use. Once commercial operations commence and the tangible fixed assets are put into use, the related realised foreign exchange differences are transferred to the statement of income, unrealised foreign exchange gains are transferred to the Unearned Revenue Account and unrealised foreign exchange losses are transferred to the Long-term Prepayment Account. The unrealised gains and losses are then amortised on a straight line basis over five years

#### **(e) Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short- term cash commitments rather than for investment or other purposes.

#### **(f) Investments**

Investments in term deposits, debt instruments and equity instruments of entities over which the Group has no control or significant influence are stated at cost. Allowance is made for reduction in investment values which in the opinion of the management are not temporary. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

#### **(g) Accounts receivable**

Trade and other receivables are stated at cost less allowance for doubtful debts.

#### **(h) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventory.

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**(i) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, and the costs of dismantling and removing the asset and restoring the site on which they are located. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings	5 – 25 years
▪ office equipment	5 – 10 years
▪ plant and equipment	5 – 7 years
▪ motor vehicles	3 – 7 years

**(j) Intangible fixed assets**

**(i) Freehold land use rights**

Freehold land use rights are stated at cost and are not amortised. The initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use right.

**(ii) Software**

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 3 years.

**(k) Construction in progress**

Construction in progress represents the cost of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**(l) Trade and other payables**

Trade and other payables are stated at their cost.

**(m) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(n) Taxation**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous year.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(o) Bonus and welfare funds**

Allocation is made to bonus and welfare funds from retained earnings annually based on shareholders' resolution. This fund is used exclusively to pay bonuses and welfare to the Group's staff. Payments from bonus and welfare funds are not charged to the income statement.

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**(p) Revenue**

**(i) Goods sold**

Revenue from the sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

**(q) Operating lease payments**

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

**(r) Borrowing costs**

Borrowing costs are recognised as an expense in the year they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of tangible fixed assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the fixed assets concerned.

**(s) Related companies**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

**(t) Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**Nam Viet Corporation**

**Notes to the consolidated financial statements for the year ended 31 December 2008  
(continued)**

**(u) Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those in other segments. The Group's primary format for segment reporting is based on its geographical segments. The Group operates in one single business segment, which is the manufacturing and sale of processed fish products.

**(v) Off balance sheet items**

Amounts which are defined as off balance sheet items under the Vietnamese Accounting System are disclosed in the relevant notes to these financial statements.



**Nam Viet Corporation****Notes to the consolidated financial statements for the year ended 31 December 2008 (continued)****3. Segment reporting**

Segment information is presented in respect of the Group's geographical segment.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, selling, general and administration expenses, other gains or losses, and corporate income tax.

**Geographical segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, which are located in Vietnam ("Local") or countries other than Vietnam ("Export").

	<b>Export</b>		<b>Local</b>		<b>Consolidated</b>	
	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Total revenue	2,376,511,037	2,550,635,689	959,615,752	649,716,402	3,336,126,789	3,200,352,091
Less sales deductions	(4,819,090)	(6,032,213)	(12,104,265)	(882,612)	(16,923,355)	(6,914,825)
Net sales	2,371,691,947	2,544,603,476	947,511,487	648,833,790	3,319,203,434	3,193,437,266
Cost of sales	(2,059,978,675)	(2,005,972,121)	(772,505,371)	(477,003,982)	(2,832,484,046)	(2,482,976,103)
Gross profit	311,713,272	538,631,355	175,006,116	171,829,808	486,719,388	710,461,163

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**4. Cash and cash equivalents**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Cash on hand	2,061,897	42,594,700
Cash in bank	57,088,866	223,848,225
Cash equivalents	37,739,871	-
Cash and cash equivalents	96,890,634	266,442,925

Cash at 31 December 2008 included amounts denominated in currencies other than VND amounting to VND23,244 million (2007: VND56,941 million).

**5. Accounts receivable - short-term**

Inter-company receivables comprised:

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
<b>Amounts due from related companies</b>		
Trade	306,014,258	217,996,487
Non-trade	165,310,219	525,773,274
	471,324,477	743,769,761

The non-trade amounts due from related companies were unsecured, interest free and had no fixed terms of repayment, except for an amount of VND70,384 million (2007: VND377,949 million), which bore interest at rates ranging from 1% to 1.7% per month during the year (2007: 1% to 1.2%).

Other receivables comprised:

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Loans receivable (a)	11,100,094	5,321,161
Others	9,843,518	4,815,896
	20,943,612	10,137,057

- a. This represents loans to employees which were unsecured and bore interest at 1.5% (2007: 1.5%) per month during the year.

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

Movements in the allowance for doubtful debts during the year were as follows:

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Opening balance	9,147,867	5,320,532
Increase in allowance during the year	2,025,821	3,827,335
Allowance utilised during the period	(267,807)	-
	<hr/>	<hr/>
Allowance for doubtful debts	10,905,881	9,147,867
	<hr/>	<hr/>

**6. Inventories**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Goods in transit	-	1,333,742
Raw materials	17,995,922	7,898,246
Tools and supplies	5,929,167	5,734,139
Work in progress	74,579	163,645
Finished goods	674,193,783	133,183,694
Merchandise inventory	3,449,055	83,186,027
	<hr/>	<hr/>
	701,642,506	231,499,493
Allowance for inventories	(62,819,222)	-
	<hr/>	<hr/>
	638,823,284	231,499,493
	<hr/>	<hr/>

Movements in the allowance for inventories during the year represented allowance made during the year.

**7. Other current assets**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Advances	23,542,967	28,723,065
Short-term deposits	83,187	-
	<hr/>	<hr/>
	23,626,154	28,723,065
	<hr/>	<hr/>

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**8. Tangible fixed assets**

	<b>Buildings VND'000</b>	<b>Office equipment VND'000</b>	<b>Plant and equipment VND'000</b>	<b>Motor vehicles VND'000</b>	<b>Total VND'000</b>
<b>Cost</b>					
Opening balance	59,122,805	4,926,128	121,376,359	14,171,152	199,596,444
Additions	-	3,518,856	12,961,816	6,092,609	22,573,281
Transfers from construction in progress	137,978,265	812,154	272,346,331	-	411,136,750
Disposals	-	-	(659,028)	(1,613,333)	(2,272,361)
Written off	(342,048)	(100,559)	(831,897)	-	(1,274,504)
Reclassifications	732,359	12,545	(744,904)	-	-
<b>Closing balance</b>	<b>197,491,381</b>	<b>9,169,124</b>	<b>404,448,677</b>	<b>18,650,428</b>	<b>629,759,610</b>
<b>Accumulated depreciation</b>					
Opening balance	31,944,398	1,902,828	48,099,544	4,601,257	86,548,027
Charge for the year	18,402,842	1,423,625	33,525,574	2,952,183	56,304,224
Written off	(228,031)	(76,148)	(810,493)	-	(1,114,672)
<b>Closing balance</b>	<b>50,119,208</b>	<b>3,250,305</b>	<b>80,814,626</b>	<b>7,553,440</b>	<b>141,737,579</b>
<b>Net book value</b>					
Closing balance	147,372,173	5,918,819	323,634,051	11,096,988	488,022,031
Opening balance	27,178,408	3,023,300	73,276,814	9,569,895	113,048,417

Included in the cost of tangible fixed assets were assets costing VND18,978 million which were fully depreciated as of 31 December 2008 (2007: VND18,743 million), but which are still in active use.

At 31 December 2008 tangible fixed assets with a carrying value of VND468,440 million (2007: VND32,942 million) were pledged with banks as security for loans granted to the Group.

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**9. Intangible fixed assets**

	<b>Freehold land use rights VND'000</b>	<b>Software VND'000</b>	<b>Total VND'000</b>
<b>Cost</b>			
Opening and closing balance	16,183,968	148,538	16,332,506
<b>Accumulated amortisation</b>			
Opening balance	-	89,900	89,900
Charge for the year	-	32,734	32,734
Closing balance	-	122,634	122,634
<b>Net book value</b>			
Closing balance	16,183,968	25,904	16,209,872
Opening balance	16,183,968	58,638	16,242,606

**10. Construction in progress**

	<b>2008 VND'000</b>	<b>2007 VND'000</b>
Opening balance	353,513,374	5,441,673
Additions during the year	157,527,460	352,572,634
Transfers to intangible fixed assets	-	(4,500,933)
Transfers to tangible fixed assets	(411,136,750)	-
Closing balance	99,904,084	353,513,374

**Nam Viet Corporation****Notes to the consolidated financial statements for the year ended 31 December 2008  
(continued)****11. Investments**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Long-term equity investments in:		
▪ My Xuyen Rural Commercial Joint Stock Bank	135,000,000	135,000,000
▪ Viet Long Growth Fund	20,200,000	20,200,000
▪ Viet Capital Medical Security Investment Fund	20,000,000	20,000,000
▪ Vietnam National Aviation Insurance Company	43,200,000	3,200,000
▪ Tai Nguyen Trading - Manufacturing - Construction Co., Ltd	65,780,500	-
▪ Vietnam Chemical Finance Joint Stock Company	10,000,000	-
▪ Hung Viet Fund Management Joint Stock Company	5,000,000	-
Long-term treasury bonds	10,000	10,000
	<hr/>	<hr/>
	299,190,500	178,410,000
Allowance for diminution in value of investments	(11,239,280)	-
	<hr/>	<hr/>
	287,951,220	178,410,000
	<hr/>	<hr/>

**12. Deferred tax assets and liabilities*****Recognised deferred tax assets***

Deferred tax assets are attributable to the following:

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Allowances and provisions	1,694,503	943,504
Accruals	-	864,092
Tax losses carried forward	2,583,930	-
	<hr/>	<hr/>
	4,278,433	1,807,596
	<hr/>	<hr/>

The deductible temporary differences do not expire under current tax legislation.

**Nam Viet Corporation****Notes to the consolidated financial statements for the year ended 31 December 2008  
(continued)****13. Short-term borrowings and liabilities**

	<b>2008</b>	<b>2007</b>
	<b>VND'000</b>	<b>VND'000</b>
Short-term borrowings		
Facility 1 from ANZ (a)	304,028,492	-
Facility 2 from BIDV - An Giang branch (b)	100,000,000	-
Facility 3 from Eximbank (c)	123,000,000	-
Facility 4 from Sacombank – HCMC (d)	-	100,000,000
Facility 5 from VDB bank – An Giang branch (e)	86,400,000	-
Facility 6 from Vietcombank – An Giang branch (f)	100,000,000	-
Facility 7 from Bien Dong Corporation (g)	4,800,000	-
Facility 8 from Doan Toi, General Director (h)	10,000,000	-
Current portion of long-term liabilities	33,510,332	17,664,000
	<hr/>	<hr/>
	761,738,824	117,664,000
	<hr/>	<hr/>

- a. Facility 1 is secured by fixed assets with net book value as of 31 December 2008 of VND270,571 million. The loan under this facility bore interest at rates ranging from 11.25% to 19.25% per annum during the year.
- b. Facility 2 is secured by fixed assets with net book value as of 31 December 2008 of VND 50,279 million. The loan under this facility bore interest at rates ranging from 0.81% to 1.75% per month during the year.
- c. Facility 3 is secured by Mr Doan Chi Thanh's nine million shares in the Company and bore interest at rates ranging from 0.81% to 1.75% per month during the year.
- d. Facility 4 is secured by Mr Doan Chi Thanh's nine million shares in the Company and bore interest at 9.72% per annum during the year.
- e. Facility 5 is unsecured and bore interest at rates ranging from 0.73% to 1.35% per month during the year.
- f. Facility 6 is unsecured and bore interest at 0.88% per month during the year.
- g. Facility 7 is unsecured and bore interest at 0.8% per month during the year.
- h. Facility 8 is unsecured and bore interest at 1.2% per month during the year.

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
(continued)

**14. Taxes payable to State Treasury**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
<b>Taxes</b>		
Value added tax	4,737,977	2,509,486
Import-export tax	1,891,598	953,534
Corporate income tax	5,606,554	22,727,104
Other taxes	4,725	23,750
	<hr/>	<hr/>
	12,240,854	26,213,874
	<hr/>	<hr/>

**15. Accrued expenses**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
13 <sup>th</sup> month salary	1,862,778	8,640,916
	<hr/>	<hr/>

**16. Inter-company payables**

The inter-company payables were trade amounts due to related companies.

**17. Other payables**

Other payables comprised:

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Purchases awaiting invoices	1,133,645	3,641,863
Social insurance	366,983	526,227
Health insurance	82,441	78,077
Dividends	15,130,407	79,200,000
Others	6,427,148	3,168,593
	<hr/>	<hr/>
	23,140,624	86,614,760
	<hr/>	<hr/>



**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**18. Long-term borrowings**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Long-term borrowings		
An Giang mutual fund (a)	25,001,132	42,665,133
An Binh Bank (b)	79,231,660	74,718,670
	<hr/>	<hr/>
	104,232,792	117,383,803
Repayable within twelve months	(33,510,332)	(17,664,000)
	<hr/>	<hr/>
Repayable after twelve months	70,722,460	99,719,803
	<hr/> <hr/>	<hr/> <hr/>

a. This loan is secured by fixed assets with net book value as at 31 December 2008 of VND36,632 million (2007: VND32,942 million) pledged with the lender. The loan bore interest at 5.4% (2007: 5.4%) per annum during the year.

b. This loan is secured by fixed assets with net book value as at 31 December 2008 of VND110,958 million (2007: VND106,755 million) pledged with the lender. This loan bore interest at 6.73% (2007: 6.73%) per annum during the year. This facility relates to the subsidiary's loan facility and is also guaranteed by the Company.

Repayments of long-term borrowings based on the existing loan agreement are scheduled as follows:

<b>Year of repayment</b>	<b>VND'000</b>
2009	33,510,332
2010	25,891,258
2011	14,943,734
2012	14,943,734
2013	14,943,734
	<hr/>
	104,232,792
	<hr/> <hr/>

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**19. Provision for severance allowance**

Movements of provision during the year were as follows:

	<b>Severance allowance VND'000</b>
Opening balance	287,171
Provision made during the year	5,686,575
Provision used during the year	(287,171)
	<hr/>
Closing balance	5,686,575
	<hr/> <hr/>

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more (“eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employees severance allowance calculated based on years of service and employees’ compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary and 20 times the general minimum salary level as specified by the Government from time to time (currently VND540,000 per month). With the implementation of the unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 December 2008 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

**20. Contributed capital**

The Company’s authorised and issued share capital are:

	<b>31 December 2008</b>		<b>31 December 2007</b>	
	<b>Number of shares</b>	<b>VND'000</b>	<b>Number of shares</b>	<b>VND'000</b>
<b>Authorised share capital</b>	66,000,000	660,000,000	66,000,000	660,000,000
<b>Issued share capital</b>				
Ordinary shares	66,000,000	660,000,000	66,000,000	660,000,000
	<hr/> <hr/>			

**Nam Viet Corporation****Notes to the consolidated financial statements for the year ended 31 December 2008  
(continued)**

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Movement in share capital during the year was as follows:

	31 December 2008		31 December 2007	
	Number of shares	VND'000	Number of shares	VND'000
Balance at the beginning of the year	66,000,000	660,000,000	60,000,000	600,000,000
Shares issued during the year	-	-	6,000,000	60,000,000
Shares bought back	(394,750)	(27,417,630)	-	-
Balance at the end of the year	65,605,250	632,582,370	66,000,000	660,000,000

**21. Financial income**

	2008 VND'000	2007 VND'000
Interest income		
▪ Related parties	46,426,522	43,833,515
▪ Banks	8,288,573	8,132,763
▪ Dividend income	7,776,000	-
▪ Others	4,538,844	3,195,264
Foreign exchange gains	102,087,411	9,607,928
	169,117,350	64,769,470

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**22. Financial expenses**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Interest expenses payable to		
▪ Related parties	3,109,695	11,360,600
▪ Banks	78,657,965	10,435,166
▪ Others	284,201	738,992
Foreign exchange losses	80,547,076	18,983,708
Losses from investment activities	4,343,538	-
Allowance for long-term investments	11,239,280	-
	<hr/>	<hr/>
	178,181,755	41,518,466
	<hr/> <hr/>	<hr/> <hr/>

**23. Other income**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Proceeds of tangible fixed assets disposal	2,272,361	13,983,173
Others	4,497,567	7,151,122
	<hr/>	<hr/>
	6,769,928	21,134,295
	<hr/> <hr/>	<hr/> <hr/>

**24. Other expenses**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Net book value of tangible fixed assets disposed and written off	2,432,193	13,646,084
Others	1,189,633	3,001,308
	<hr/>	<hr/>
	3,621,826	16,647,392
	<hr/> <hr/>	<hr/> <hr/>

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**25. Income tax**

**(a) Recognised in the statement of income**

	<b>2008</b>	<b>2007</b>
	<b>VND'000</b>	<b>VND'000</b>
<b>Current tax expense</b>		
Current year	16,072,161	39,989,459
Under provision in prior years	1,994,281	6,888,559
	<hr/>	<hr/>
	18,066,442	46,878,018
	<hr/>	<hr/>
<b>Deferred tax income</b>		
Origination of temporary differences	(2,470,837)	(646,959)
	<hr/>	<hr/>
Income tax expense	15,595,605	46,231,059
	<hr/>	<hr/>

**(b) Reconciliation of effective tax rate**

	<b>2008</b>	<b>2007</b>
	<b>VND'000</b>	<b>VND'000</b>
Profit before tax	113,341,915	416,572,003
	<hr/>	<hr/>
Tax at the Company's tax rate	22,668,382	83,314,401
Effect of difference in tax rate applied to subsidiary	5,469,900	-
Taxable intra-group income (waived)/incurred	(1,666,171)	1,666,171
Non-taxable income	(1,499,616)	(532,178)
Effect of tax holiday and exemptions	(11,371,171)	(45,105,894)
Under provision in prior years	1,994,281	6,888,559
	<hr/>	<hr/>
Income tax expense	15,595,605	46,231,059
	<hr/>	<hr/>

**Nam Viet Corporation****Notes to the consolidated financial statements for the year ended 31 December 2008  
(continued)****(c) Applicable tax rates**

Under the terms of Tax Incentive Licence No 70/CN.UN issued by the People's Committee of An Giang Province on 11 May 2000 and the Official Letter No 2657/CT.TTr2 issued by An Giang Tax Department on 28 November 2006, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits and is entitled to an exemption from income tax for 2002 and a 50% reduction in income tax from 2003 to 2006.

The Company is also entitled to an additional reduction of 50% of income tax on the profit arising on export sales if such sales exceeded the export sales in the prior year.

Furthermore, the Company received the following tax incentives as a result of its re-investments:

<b>Tax Incentive Licence</b>	<b>Tax incentive</b>
Decision 51/CN.UB dated 29 August 2003	Exempt from CIT for 2004 and 50% reduction in CIT from 2005 to 2008 on the additional profits generated from the new investment
Decision 70/CN.UB dated 16 August 2004	Exempt from CIT for 2005 and 50% reduction in CIT from 2006 to 2009 on the additional profits generated from the new investment

**26. Earnings per share****(a) Basic earnings per share**

The calculation of basic earnings per share at 31 December 2008 was based on the profit attributable to ordinary shareholders of VND97,746million (2007: VND370,341 million) and a weighted average number of ordinary shares outstanding of 65,688,143 (2007: 62,219,178), calculated as follows:

**(i) Net profit attributable to ordinary shareholders**

	<b>2008 VND'000</b>	<b>2007 VND'000</b>
Net profit for the period	97,746,310	370,340,944
Net profit attributable to ordinary shareholders	97,746,310	370,340,944

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

(ii) *Weighted average number of ordinary shares*

	2008	2007
Issued ordinary shares at the beginning of the period	66,000,000	60,000,000
Effect of shares issued on 18 August 2007	-	2,219,178
Effect of shares bought back in February 2008	(209,425)	-
Effect of shares bought back in March 2008	(61,245)	-
Effect of shares bought back in April 2008	(41,187)	-
Weighted average number of ordinary shares as at 31 December 2008	65,688,143	62,219,178

**27. Significant transactions with related parties**

During the year there were the following significant transactions with related parties:

	Transaction value		Balance outstanding as at 31 December	
	2008 VND'000	2007 VND'000	2008 VND'000	2007 VND'000
<b>Related companies</b>				
<b>Atlantic Co Ltd</b>				
Sales of products	117,362,037	102,030,176	173,606,779	175,655,448
Sales of materials	26,691,422	143,691,135	116,986,037	66,229,226
Loan to related company	1,232,523,143	1,503,179,077	15,384,708	307,949,189
Interest income	46,353,403	41,694,215	-	28,785,553
Purchases of processed products	1,096,460,303	967,178,082	(5,157,614)	(242,997,395)
Payment on behalf	80,000,509	9,112,662	94,925,511	15,524,345
<b>Bluesky Co Ltd</b>				
Loan to related company	-	24,000,000	-	-
Sales of finished goods	52,642,251	95,290,412	15,421,442	79,626,000
<b>Shareholders</b>				
<b>Doan Toi</b>				
Borrowings	58,334,610	-	(10,000,000)	-
Interest expenses	3,109,695	-	-	-
<b>Duong Thi Kim Huong</b>				
Borrowings	-	251,500,000	-	-
Interest expenses	-	11,345,333	-	-
<b>Doan Chi Thanh</b>				
Loan to shareholder	17,550,000	74,200,000	-	70,000,000
<b>Doan Chi Thien</b>				
Loan to related party	55,000,000	-	55,000,000	-

**Nam Viet Corporation**  
**Notes to the consolidated financial statements for the year ended 31 December 2008**  
**(continued)**

**28. Commitments**

**Capital expenditure**

As at 31 December 2008 the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Approved and contracted	13,581,600	38,101,525

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**29. Production and business costs by element**

	<b>2008</b> <b>VND'000</b>	<b>2007</b> <b>VND'000</b>
Raw material costs included in production costs	2,652,482,347	1,276,041,339
Labour costs and staff costs	121,271,574	87,218,036
Depreciation and amortisation	56,336,958	29,552,102
Outside services	206,853,335	332,830,653
Other expenses	7,275,730	77,840,276

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**30. Foreign exchange contracts**

As at 31 December 2008, the Company had a commitment under foreign exchange contracts with ANZ Bank, Ho Chi Minh City Branch, to sell USD6,200,000 for VND105,926 million in January 2009 (2007: nil).

Prepared by:

Approved by:

Doan Van Nho  
*Chief Accountant*

Doan Toi  
*General Director*



**Nam Viet Corporation**  
**Management report (unaudited)**

The consolidated balance sheet of Nam Viet Corporation and its subsidiary as of 31 December 2008 and the related consolidated statement of income for the year then ended have been prepared as follows:

<b>Balance sheet</b>	<b>The Company VND'000</b>	<b>Its subsidiary VND'000</b>	<b>Consolidation adjustments VND'000</b>	<b>The Group VND'000</b>
<b>ASSETS</b>				
<b>Current assets</b>	<b>1,964,563,023</b>	<b>522,062,631</b>	<b>(746,726,990)</b>	<b>1,739,898,664</b>
<b>Cash and cash equivalents</b>	<b>88,964,991</b>	<b>7,925,643</b>	<b>-</b>	<b>96,890,634</b>
Cash	51,225,120	7,925,643	-	59,150,763
Cash equivalents	37,739,871	-	-	37,739,871
<b>Accounts receivable - short-term</b>	<b>1,683,725,848</b>	<b>26,842,756</b>	<b>(746,726,990)</b>	<b>963,841,614</b>
Accounts receivable – trade	465,247,893	4,347,079	-	469,594,972
Prepayments to suppliers	1,851,501	11,032,933	-	12,884,434
Inter-company receivables	1,206,648,396	11,403,071	(746,726,990)	471,324,477
Other receivables	20,883,939	59,673	-	20,943,612
Allowance for doubtful debts	(10,905,881)	-	-	(10,905,881)
<b>Inventories</b>	<b>151,534,985</b>	<b>487,288,299</b>	<b>-</b>	<b>638,823,284</b>
Inventories	160,607,758	541,034,748	-	701,642,506
Allowance for inventories	(9,072,773)	(53,746,449)	-	(62,819,222)
<b>Other current assets</b>	<b>40,337,199</b>	<b>5,933</b>	<b>-</b>	<b>40,343,132</b>
Deductible value added tax	16,636,648	-	-	16,636,648
Taxes receivable from State	-	-	-	-
Treasury	80,330	-	-	80,330
Other current assets	23,620,221	5,933	-	23,626,154
<b>Long-term assets</b>	<b>542,020,008</b>	<b>413,927,415</b>	<b>(36,000,000)</b>	<b>919,947,423</b>
<b>Fixed assets</b>	<b>193,125,305</b>	<b>411,010,682</b>	<b>-</b>	<b>604,135,987</b>
Tangible fixed assets	96,451,472	391,570,559	-	488,022,031
<i>Cost</i>	207,458,353	422,301,257	-	629,759,610
<i>Accumulated depreciation</i>	(111,006,881)	(30,730,698)	-	(141,737,579)
Intangible fixed assets	16,209,872	-	-	16,209,872
<i>Cost</i>	16,332,506	-	-	16,332,506
<i>Accumulated amortisation</i>	(122,634)	-	-	(122,634)
Construction in progress	80,463,961	19,440,123	-	99,904,084
<b>Long-term investments</b>	<b>323,951,220</b>	<b>-</b>	<b>(36,000,000)</b>	<b>287,951,220</b>
Investment in subsidiaries	36,000,000	-	(36,000,000)	-
Other long-term investments	299,190,500	-	-	299,190,500
Allowance for diminution in the value of long-term investments	(11,239,280)	-	-	(11,239,280)

**Nam Viet Corporation**  
**Management report (unaudited) (continued)**

<b>Balance sheet</b>	<b>The Company VND'000</b>	<b>Its subsidiary VND'000</b>	<b>Consolidation adjustments VND'000</b>	<b>The Group VND'000</b>
<b>Other long-term assets</b>	<b>24,943,483</b>	<b>2,916,733</b>		<b>27,860,216</b>
Deferred tax assets	1,543,483	2,734,950	-	4,278,433
Other long-term assets	23,400,000	181,783	-	23,581,783
<b>TOTAL ASSETS</b>	<b>2,506,583,031</b>	<b>935,990,046</b>	<b>(782,726,990)</b>	<b>2,659,846,087</b>
<b>RESOURCES</b>				
<b>LIABILITIES</b>	<b>852,736,942</b>	<b>952,359,578</b>	<b>(746,726,990)</b>	<b>1,058,369,530</b>
<b>Current liabilities</b>	<b>840,870,856</b>	<b>887,816,629</b>	<b>(746,726,990)</b>	<b>981,960,495</b>
Short-term borrowings and liabilities	745,892,492	15,846,332	-	761,738,824
Accounts payable – trade	38,051,720	114,682,696	-	152,734,416
Advance from customers	14,590,335	8,294	-	14,598,629
Taxes payable to State Treasury	7,498,152	4,742,702	-	12,240,854
Payable to employees	6,562,177	3,924,579	-	10,486,756
Accrued expenses	-	1,862,778	-	1,862,778
Inter-company payables	8,386,537	743,498,067	(746,726,990)	5,157,614
Other payables	19,889,443	3,251,181	-	23,140,624
<b>Long-term liabilities</b>	<b>11,866,086</b>	<b>64,542,949</b>	<b>-</b>	<b>76,409,035</b>
Long-term borrowings	7,337,133	63,385,327	-	70,722,460
Provision for severance allowance	4,528,953	1,157,622	-	5,686,575
<b>EQUITY</b>	<b>1,653,846,089</b>	<b>(16,369,532)</b>	<b>(36,000,000)</b>	<b>1,601,476,557</b>
<b>Equity</b>	<b>1,637,437,323</b>	<b>(15,974,371)</b>	<b>(36,000,000)</b>	<b>1,585,462,952</b>
Share capital	660,000,000	36,000,000	(36,000,000)	660,000,000
Share premium	611,965,459	-	-	611,965,459
Treasury share	(27,417,630)	-	-	(27,417,630)
Retained profits	392,889,494	(51,974,371)	-	340,915,123
<b>Other funds</b>	<b>16,408,766</b>	<b>(395,161)</b>	<b>-</b>	<b>16,013,605</b>
Bonus and welfare funds	16,408,766	(395,161)	-	16,013,605
<b>TOTAL RESOURCES</b>	<b>2,506,583,031</b>	<b>935,990,046</b>	<b>(782,726,990)</b>	<b>2,659,846,087</b>

**Nam Viet Corporation**  
**Management report (unaudited) (continued)**

<b>Statement of income</b>	<b>The Company VND'000</b>	<b>Its subsidiary VND'000</b>	<b>Consolidation adjustments VND'000</b>	<b>The Group VND'000</b>
<b>Total revenue</b>	<b>3,496,082,819</b>	<b>1,138,913,555</b>	<b>(1,298,869,585)</b>	<b>3,336,126,789</b>
<b>Less sales deductions</b>	<b>(16,811,024)</b>	<b>(112,331)</b>	<b>-</b>	<b>(16,923,355)</b>
<b>Net sales</b>	<b>3,479,271,795</b>	<b>1,138,801,224</b>	<b>(1,298,869,585)</b>	<b>3,319,203,434</b>
<b>Cost of sales</b>	<b>(2,966,075,387)</b>	<b>(1,165,278,244)</b>	<b>1,298,869,585</b>	<b>(2,832,484,046)</b>
<b>Gross profit/(loss)</b>	<b>513,196,408</b>	<b>(26,477,020)</b>	<b>-</b>	<b>486,719,388</b>
Financial income	164,535,184	4,431,033	151,133	169,117,350
Financial expenses	(167,386,799)	(18,974,679)	8,179,723	(178,181,755)
Selling expenses	(301,315,889)	(9,376,997)	-	(310,692,886)
General and administration expenses	(50,928,598)	(5,839,686)	-	(56,768,284)
<b>Net operating profit/(loss)</b>	<b>158,100,306</b>	<b>(56,237,349)</b>	<b>8,330,856</b>	<b>110,193,813</b>
<b>Results of other activities</b>				
Other income	4,376,153	2,393,775	-	6,769,928
Other expenses	(2,766,406)	(855,420)	-	(3,621,826)
<b>Profit/(loss) before tax</b>	<b>159,710,053</b>	<b>(54,698,994)</b>	<b>8,330,856</b>	<b>113,341,915</b>
<b>Corporate income tax – current</b>	<b>(18,066,442)</b>	<b>-</b>	<b>-</b>	<b>(18,066,442)</b>
<b>Corporate income tax – deferred</b>	<b>(264,113)</b>	<b>2,734,950</b>	<b>-</b>	<b>2,470,837</b>
<b>Net profit after tax</b>	<b>141,379,498</b>	<b>(51,964,044)</b>	<b>8,330,856</b>	<b>97,746,310</b>