

AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS
FROM 01/01/2008 TO 31/12/2008

TO THE DIRECTOR OF THIEN CHI CENTER FOR COMMUNITY SUPPORT AND
DEVELOPMENT

We have audited the financial statements of fiscal year from 01 Jan 2008 to 31 Dec 2008 in
pages from 01 to 18 regarding Balance Sheet, Report of Results Of Operations and Notes to the
Financial Statements of Thien Chi Center.

The Center's Director is responsible for the preparation of the financial statements. Our
responsibility is to express an independent opinion based on our audit.

None of us

FINANCIAL STATEMENTS
FROM JANUARY 01, 2008 TO DECEMBER 31, 2008
OF THIEN CHI CENTER FOR COMMUNITY
SUPPORT AND DEVELOPMENT

The financial statements of the Company as of 31 Dec 2008. The financial statements of the
Results Of Operations, Balance Sheet and Notes of the Center to the Director as of 31 Dec
2008. The financial statements have been prepared in accordance with generally
accepted accounting principles and their contents are in accordance with the financial
statements prepared by your Center in Binh Thuan Province.

THIEN CHI CENTER FOR COMMUNITY SUPPORT AND DEVELOPMENT
BINH THUAN PROVINCE

No.740

Hochiminh City, 14th February 2005

AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS
FROM 01/01/2008 TO 31/12/2008

TO THE DIRECTOR OF THIEN CHI CENTER FOR COMMUNITY SUPPORT AND DEVELOPMENT

We have audited the financial statements of fiscal year from 01 Jan 2008 to 31 Dec 2008 on pages from 02 to 08 including Balance Sheet, Report Of Result Of Operation and Notes to the Financial Statements in Binh Thuan province.

The Center's Director is responsible for the preparation of the financial statements. Our responsibility is to form an independent opinion based on our audit.

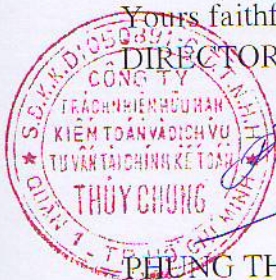
Basis of opinion

We conducted our audit in accordance with Vietnamese Standards on Accounting and Auditing as well as with international standards accepted by the Socialist Republic of Vietnam. An audit includes examination, on a test basis, of evidence relevant to the amounts and explanations in the financial statements, in order to make conclusion that the financial statements are free from significant material misstatement. We consider that our audit provides us reasonable basis for our opinion.

Opinion

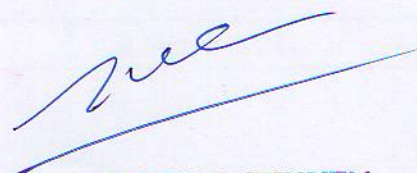
In our opinion, in the all material respects, the financial statements give a true and fair view of the financial statement of the Company as at 31 Dec 2008. The Balance Sheet, Report Of Result Of Operations reflected truly real activities of your Center in Binh Thuan for the period then ended. The form of Reports have been prepared in accordance with accepted international standards and their contents are in accordance with characteritic and particulars of projects performed by your Center in Binh Thuan Province.

Yours faithfully
DIRECTOR - CPA



Phung Thi Thanh Thuy
PHUNG THI THANH THUY
AC No.: Đ. 0126/KTV

AUDITOR



DANG DUC CHUYEN
AC. No.: 0345/KTV

TRUNG TÂM THIÊN CHÍ
BALANCE SHEET

As at December 31, 2008



| Code | ITEMS | Unit: VND | |
|------------|----------------------------------|----------------------|----------------------|
| | | 31/12/2008 | 31/12/2007 |
| | ASSETS | - | - |
| | Fixed Assets | - | - |
| 010 | Intangible assets- shop | - | - |
| 014 | Intangible assets- Others | - | - |
| 028 | Tangible assets | 550.748.134 | 167.222.000 |
| 040 | Financial Assets | 2.765.155.100 | 1.274.580.100 |
| 044 | Total assets (I) | 3.315.903.234 | 1.441.802.190 |
| | Current assets (II) | - | - |
| 050 | Stock of raw materials | - | - |
| 060 | Stock of goods | - | - |
| 064 | Advances, repayment under orders | - | - |
| 068 | Repayment under order | - | - |
| 072 | Other payables | 188.681.000 | 101.878.100 |
| 084 | Cash in bank | 3.592.271.541 | 1.659.410.636 |
| 088 | Cash on hand | 36.343.247 | 21.574.221 |
| 092 | Prepaid expenses | - | - |
| 096 | Total II | 3.817.295.788 | 1.782.862.957 |
| 110 | TOTAL (I+II) | 7.133.199.022 | 3.224.665.057 |
| | LIABILITIES & EQUITY | - | - |
| | Ownership | - | - |
| 120 | Social or individual capital | 2.228.829.713 | 1.409.837.847 |
| 124 | Difference from revaluation | - | - |
| 126 | Legal provisions | - | - |
| 130 | Regulated provisions | - | - |
| 132 | Other provisions | - | - |
| 134 | Carried to new accounting year | 1.274.590.844 | 495.865.995 |
| 136 | Current year result | 998.985.684 | 778.724.849 |
| 140 | Regulated provisions | - | - |
| 142 | Total ownership (I) | 4.502.406.241 | 2.684.428.691 |

TRUNG TÂM NGHIÊN CỨU VÀ THỰC HIỆN
OPERATION REPORT

D:08
 CÔNG
 RÁCHNH
 ẨM TỌA
 H TÀI CH
 HUY C
 T.P.H

Unit: VND

| Code | ITEMS | 31/12/2008 | 31/12/2007 |
|------|--|----------------------|----------------------|
| | DEBTS | | |
| 154 | Provision for risks and expenses | - | - |
| 156 | Loan and debt | 89.165.000 | 64.005.000 |
| 164 | Advances and repayment under order in progress | - | - |
| 166 | Suppliers and related accounts | - | - |
| 172 | Other debts | 2.541.627.781 | 476.231.366 |
| 174 | Prepaid profit | - | - |
| 176 | Total II | 2.630.792.781 | 540.236.366 |
| 180 | Total (I+II) | 7.133.199.022 | 3.224.665.057 |

Phan Thiet 19 February 2009



DIRECTOR

Trần Văn Tốt

| | | | |
|----|---------------------------------------|----------------------|----------------------|
| 01 | External services purchased | 2.301.983.374 | 2.141.141.141 |
| 02 | Leases | 65.401.500 | 25.000.000 |
| 03 | Depreciation expenses | 531.120.810 | 487.500.000 |
| 04 | Training, advisory & related expenses | 2.407.958.150 | 730.000.000 |
| 05 | Other External services purchased | 16.211.500 | 2.000.000 |
| 06 | Other moving & services | 145.300.000 | 70.000.000 |
| 07 | Staff expenses | 2.530.241.630 | 31.700.000 |
| 08 | Other management expenses | | |
| 09 | Financial expenses | 1.381.500 | 300.000 |
| 10 | Difference of exchange rate expenses | 228.808.000 | |
| 11 | Special expenses | 213.000.000 | 100.000.000 |
| | Total of expenses | 6.072.594.020 | 2.970.000.000 |
| | RESULT OF OPERATION | 1.060.605.002 | 254.665.057 |
| | PROFITS/LOSS | 308.500.000 | 728.721.000 |
| | Total of profit/loss | | |

Phan Thiet 19 February 2009



DIRECTOR

Trần Văn Tốt

TRUNG TÂM THIÊN CHÍ

OPERATION RESULT

From January 1 to December 31, 2008

| | | Unit: VND | |
|------|--|----------------------|----------------------|
| Code | Description | Year 2008 | Year 2007 |
| | INCOME | | |
| 70 | Sale of product | 1.196.107.164 | 842.485.815 |
| 701 | Sales of product | 1.191.577.164 | 838.485.815 |
| 703 | Sales of assets | 4.530.000 | 4.000.000 |
| 71 | Sales of services | 1.300.000 | 2.500.000 |
| 72 | Difference in re-assessment of assets | - | 215.000 |
| 74 | Subsidy | 5.829.220.525 | 2.697.925.713 |
| 741 | Subsidy from Sponsor | 5.804.377.525 | 2.679.546.713 |
| 778 | Other subsidy | 24.843.000 | 18.379.000 |
| 76 | Financial profits | 44.962.015 | 63.598.704 |
| 766 | Difference of exchange rate | 6.138.230 | 48.249.722 |
| 768 | Interest from bank | 38.823.785 | 15.348.982 |
| | Interest from credit activities | - | - |
| 232 | Total of income | 7.071.589.704 | 3.606.725.232 |
| | EXPENSES | | |
| 60 | Purchase of material and provision | 923.152.930 | 842.195.346 |
| 601 | Purchase of material | 813.305.428 | 807.552.826 |
| (*) | Purchase of other material, fuel | 84.063.900 | 25.471.500 |
| 606 | Purchase of energy | 25.783.602 | 9.171.020 |
| 61 | External services purchase | 2.901.083.578 | 854.520.596 |
| 613 | Location | 65.804.500 | 29.463.000 |
| 615 | Reparation expenses | 251.129.945 | 84.097.816 |
| 617 | Training, stationary & research expenses | 2.487.838.150 | 734.993.399 |
| 618 | Other External services purchase | 96.310.983 | 5.966.381 |
| 62 | Other moving & services | 145.429.556 | 72.481.925 |
| 64 | Staff expenses | 1.549.241.530 | 617.995.350 |
| 65 | Other management expenses | - | - |
| 66 | Financial expenses | 1.283.544 | 806.900 |
| 69 | Difference of exchange rate expenses | 338.808.909 | - |
| 67 | Special expenses | 213.603.973 | 440.000.266 |
| | Total of expenses | 6.072.604.020 | 2.828.000.383 |
| | RESULT OF OPERATION | 998.985.684 | 778.724.849 |
| | profit taxes | - | - |
| | PROFITS/LOSS | 998.985.684 | 778.724.849 |

(*) Total of code 602;605



Trần Văn Tốt



UNION OF SCIENCE & TECHNOLOGY ASSOCIATIONS BINH THUAN PROVINCE (VUSTA)

THIEN CHI CENTER

COMMUNITY SUPPORT & DEVELOPMENT (TCC)

194 Bui thi Xuan - Phan Thiet - Viet Nam

Tel/Fax:(062).839147 Email:thichico@vnn.vn www.thienchi.org

NOTES OF FINANCIAL STATEMENT
From 01/01/2008 to 31/12/2008

1. Organization characteristics

Structure of ownership: Thien Chi Center for community support and development (Thien Chi Center in short) is a local non-profit organization, directly under The Union of Science and Technology Associations of Binh Thuan province according to decision No.165 QĐ/LHH dated 8 Dec, 2005.

Scope of operation: consultancy, training, support and community development in rural areas.

Place of operation : Binh Thuan province.

2. Forms of filling :

Using accounting software of WBILAN of COTE QUESTE-FRANCE to check the use of sponsored fund and operations stipulated in the Decision No.165QĐ/LHH dated 12/08/2005.

3. Financial indicators :

The below financial indicators have been performed in Binh Thuan province :

3.1 Operating assets

Assets include all working equipments whose values are over 1.000.000 VNĐ. Annual depreciation is not allocated. The reported value is the original value.

| | Beginning balance | Increasing | Decreasing | Unit : VNĐ Ending balance |
|-------------------------------|--------------------|--------------------|------------|------------------------------|
| Assets and tools | 167.222.000 | 383.526.134 | - | 550.748.134 |
| At Thien Chi office | 7.580.000 | 3.412.000 | - | 10.992.000 |
| At Duc Linh project | 108.367.000 | 104.899.000 | - | 213.266.000 |
| At Computer Centers Duc Linh | 51.275.000 | 43.310.000 | - | 94.585.000 |
| At Tanh Linh project | - | 108.973.134 | - | 108.973.134 |
| At Computer Centers Tanh Linh | - | 122.932.000 | - | 122.932.000 |

3.2 Employee status

| | Year 2008 | Year 2007 |
|---|---------------|-------------|
| Total number of employees | 37 | 14 |
| Total salary | 1.189.184.000 | 523.297.000 |
| Monthly average salary per person (VNĐ) | 2.678.342 | 3.964.371 |

The policy of annual salary increase is unchanged. However, the average income of year 2008 decrease to 32% due to the transfer of employees of Tanh Linh project from VN Plus to Thien Chi and the recruitment of new employees.

In 2008, Thien Chi Center has registered the social insurance to all employees.

3.3 Credit operation

Groups carry out loan operation. The credit loan granted to economic support has increased up to 4,000,000 without interest. Besides, in job creation program, the project continues to lend money to individuals up to 15,000,000 VNĐ to support them to pay salary to the poor workers or purchase materials with the monthly interest 1%. In 2008, the project concentrates on the credit loan program without interest supporting the poor households in raising livestock, cultivating or small trading.

At present, there still remains the bad debts in saving credit program in certain communes :

3.3.1 Supplying credit :

| | Turn of phase | Total Vnd | Economic program Vnd | Social program Vnd |
|--------------------------|---------------|---------------|----------------------|--------------------|
| At 31/12/2008 | | 2.116.450.000 | 2.116.450.000 | |
| a) Loan for job creation | | 37.000.000 | 37.000.000 | |
| - Đức Linh | | 20.000.000 | 20.000.000 | |
| - Tánh Linh | | 17.000.000 | 17.000.000 | |
| b) Poor families : | | 2.079.450.000 | 2.079.450.000 | |
| - Đức Linh | | 1.378.450.000 | 1.378.450.000 | |
| - Tánh Linh | | 701.000.000 | 701.000.000 | |

3.3.2 Credit loan

| | Total vnd | Economic program Vnd | Social program vnd |
|---------------|-------------|----------------------|--------------------|
| At 31/12/2008 | 348.705.100 | 289.748.100 | 58.957.000 |
| - Đức Linh | 290.630.100 | 231.673.100 | 58.957.000 |
| - Tánh Linh | 58.075.000 | 58.075.000 | |

In which bad debts of credit and social loan are amounted to : **348.705.100 VNĐ** as follows :

| | Credit debts | Social debts |
|----------------------|--------------------|-------------------|
| I- Đức Linh: | 231.673.100 | 58.957.000 |
| - Tân Hà | 80.185.500 | 16.373.000 |
| - Đức Hạnh | 10.273.000 | 2.014.000 |
| - Đức Tín | 13.796.000 | 1.201.000 |
| - Nam Chính | 114.788.600 | 39.184.000 |
| - Vũ Hòa | 9.030.000 | |
| - Dakai | 3.600.000 | 185.000 |
| II- Tánh Linh | 58.075.000 | |
| - Đồng Kho | 45.995.000 | |
| - Gia Huỳnh | 12.080.000 | |

3.3.3 Transfer of credit funds to the communes :

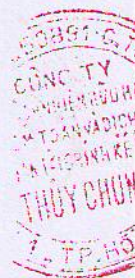
| | Total vnd | Economic program Vnd | Social program vnd |
|---------------|-------------|----------------------|--------------------|
| At 31/12/2008 | 300.000.000 | 300.000.000 | |
| Đức Linh | 300.000.000 | 300.000.000 | |

3.3.4 Income from credit operation in the year 2008 : No

3.4 Operating expenses

The operating expenses occurred in the year 2008 to perform all the programmes activities of Thiện Chí Center amounted to 6.072.604.020 VNĐ. Details as follows :

| Items | Amount (VNĐ) |
|--|----------------------|
| TOTAL EXPENSES : | 6.072.604.020 |
| 1. Cost of material : | 813.305.428 |
| 1.1 Cost of handicrafts | 813.305.428 |
| 2. Cost of other materials, fuel | 84.063.900 |
| 2.1 Stationery | 24.866.100 |
| 2.2 Equipments and tools | 45.598.800 |
| 2.3 School computer expenses | 13.599.000 |
| 3. Energy expenses : | 25.783.602 |
| 3.1 Gas, electricity, water | 25.783.602 |
| 4. Location expenses: | 65.804.500 |
| 4.1 Rental, office supplies | 65.804.500 |
| 5. Repairs & petrol expenses : | 251.129.945 |
| 5.1 Repair motorbike, gasoline for staffs in mission | 251.129.945 |
| 6. Training & tools, stationery expenses : | 2.780.800.106 |
| 6.1 Non smoking day 31/5 | 48.344.500 |
| 6.2 Training to saving credit groups | 7.497.850 |
| 6.3 Training to village workers ?? cộng tác viên | 21.170.500 |
| 6.4 Training to agricultural and veterinary classes | 171.766.350 |
| 6.5 Cost of education materials | 64.247.800 |
| 6.6 Cost of training in health education | 178.170.975 |
| 6.7 Purchase of equipment for schools | 70.810.000 |
| 6.8 Medicines and vermifuges for schools | 818.504.000 |
| 6.9 Scholaships | 70.277.500 |
| 6.10 Counterparts | 95.607.320 |
| 6.11 Staffs training | 223.675.000 |
| 6.12 Theaters expenses | 70.191.000 |
| 6.13 Training of theatre's teams | 27.178.000 |
| 6.14 Purchase of respiratory medicines | 184.050.000 |
| 6.15 Purchase of medicines for mosquitoes impregnation | 364.304.125 |
| 6.16 Cost of community wells | 8.697.000 |
| 6.17 Waste recycling expenses | 14.771.500 |
| 6.18 Audit's fees | 22.358.600 |
| 6.19 Evaluation fees to extend the project | 79.357.983 |
| 6.20 Training to women group | 210.184.223 |
| 6.21 Poor households expenses | 3.419.750 |
| 6.22 Cost of planting trees | 15.964.000 |
| 6.23 Collection of plastic bags expenses | 6.152.000 |
| 6.24 Training to patchwork quilts women | 4.100.000 |
| 6.25 English teacher fees | |
| 6.26 Computer center training expenses | |
| 7. Other expenses | 16.953.000 |



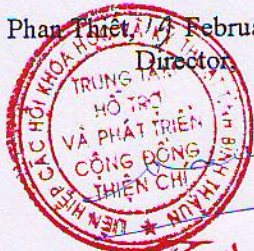
| Items | | Amount (VNĐ) |
|--|---------------|----------------------|
| 7.1 Miscellaneous | 16.953.000 | |
| 8. Cost of moving and other services | | 145.429.556 |
| 8.1 Transportation charges | 15.876.000 | |
| 8.2 Staff mission expenses | 62.760.800 | |
| 8.3 Telephone, fax, sending letter fees | 66.792.756 | |
| 9. Staff expenses : | | 1.549.241.530 |
| 9.1 Staff salary | 1.181.778.000 | |
| 9.2 Salary and other allowances to village workers | 302.766.000 | |
| 9.3 Accident insurance to staffs | 7.406.000 | |
| 9.4 Social insurance to staffs | 57.291.530 | |
| 10. Financial expenses : | | 340.092.453 |
| 10.1 Bank charges 93 | 202.000 | |
| 10.2 Bank charges 94 | 246.262 | |
| 10.3 Bank charges 95 | 329.222 | |
| 10.4 Bank charges 96 | 126.060 | |
| 10.5 Bank charges 16 | | |
| 10.6 Miscellaneous financial expenses | 380.000 | |
| 10.7 Difference of change | 338.808.909 | |

4. Sponsorships :

4.1. The sponsored sources received in 2008 :

| Name of funders | Amount VNĐ |
|------------------------------|----------------------|
| 1- Private donations | 927.465.000 |
| 2- Maria Janssens Foundation | 343.856.342 |
| 3- Mekong Plus | 2.300.000.000 |
| 4- Lucile de Brabandere | 590.404.745 |
| 5- The Netherland Embassy | 35.407.872 |
| 6- The Embassy of Australia | 78.597.988 |
| 7- Como Hotel | 228.645.578 |
| 8- Vietnam Plus | 1.300.000.000 |
| Total | 5.804.377.525 |

Phan Thiêt, 17 February 2009



Trần Văn Tốt