

Financial Report 2007



Songwon Industrial Co., Ltd.

BRIEF FINANCIAL STATEMENT

For the Years Ended December 31, 2007

Unit : Million Won, Thousand Dollar

Section	Year 2007		Year 2006	
	KRW	USD	KRW	USD
Sales	230,249	247,766	236,324	247,173
Gross Profit	-23,618	-25,415	17,637	18,447
Operating Income	-38,977	-41,942	3,464	3,623
Net Income	-58,888	-63,368	-10,973	-11,476
EBIT	-36,830	-39,632	4,693	4,908
EBITDA	-2,498	-2,688	29,315	30,661
Total Assets	389,030	414,656	384,566	413,689
Current Assets	115,960	123,599	115,018	123,728
Fixed Assets	273,070	291,058	269,548	289,961
Total Liabilities	328,801	350,459	265,068	285,142
Current Liabilities	184,345	196,488	145,639	156,668
Fixed Liabilities	144,455	153,971	119,429	128,473
Stockholder's Equity	60,229	64,197	119,498	128,548

Rate (Won : US Dollar) : Sales ; Average rate of reporting period

Year 2007: 929.30

Year 2006: 956.11

Others ; The basic rate on Dec. 31,

year 2007 : 938.20

Year 2006 : 929.60

BALANCE SHEET

For the Years Ended Dec. 31, 2007

Unit : KRW

DESCRIPTION	Year 2007		Year 2006	
ASSETS				
I . CURRENT ASSETS		115,960,149,130		115,017,977,325
(1) Quick Assets		60,960,143,742		62,942,254,897
1.Cash and cash equivalents		11,097,985,398		9,333,406,428
2.Short-term investment assets		1,484,306,130		3,567,122,438
3.Trade receivable		46,212,300,596		44,359,338,191
4.Other quick assets		2,165,551,618		5,682,387,840
(2) Inventories		55,000,005,388		52,075,722,428
II . NON-CURRENT ASSETS		273,070,219,957		269,547,628,358
(1) Investment Assets		6,217,442,165		7,329,227,763
1.Long-term deposit		1,189,539,063		943,026,610
2.Long-term investment in securities		2,341,704,539		3,628,788,239
3.Equity method securities		-		-
4.Other investments		2,686,198,563		2,757,412,914
(2) Property, Plant and Equipment		265,305,094,203		256,935,283,252
1.Land		62,783,461,589		62,758,461,589
2.Machinery	324,056,714,545		243,982,203,844	
Accumulated depreciation	222,769,100,218	101,287,614,327	193,630,271,888	50,351,931,956
3.Other property plant equipment	124,364,354,643		162,729,534,778	
Accumulated depreciation	23,130,336,356	101,234,018,287	18,904,645,071	143,824,889,707
(3) Intangible Assets		1,308,652,754		1,720,292,903
(4) Other Non-current Assets		239,030,835		3,562,824,440
1.Deferred income taxes assets non-current		-		3,523,793,605
2.Deposits provided		239,030,835		39,030,835
Total Assets		389,030,369,087		384,565,605,683
LIABILITIES				
I . CURRENT LIABILITIES		184,345,428,410		145,638,979,670
1.Trade payable		15,188,324,307		17,230,872,128
2.Short-term borrowings		115,172,176,454		76,123,737,614
3.Other payables		5,585,575,077		22,392,450,790
4.Income taxes payable		-		-
5.Current portion of long-term liabilities		35,582,764,000		1,635,960,000
6.Current portion of Debentures		-		24,978,310,259
7.Exchangeable bonds		8,650,527,676		
8.Other current liabilities		4,166,060,896		3,277,648,879
II . Non-current Liabilities		144,455,472,753		119,428,600,004
1.Bonds		30,000,000,000		30,000,000,000
2.Long-term borrowings		103,158,923,000		79,735,687,000
3.Provisions for retirement and severance benefits		9,322,549,753		7,730,913,004
4.Long-term leasehold deposits received		1,974,000,000		1,962,000,000
Total Liabilities		328,800,901,163		265,067,579,674
STOCKHOLDER'S EQUITY				
I . CAPITAL STOCK		12,000,000,000		12,000,000,000
II . CAPITAL SURPLUS		84,094,365,607		83,505,294,052
III . CAPITAL ADJUSTMENTS		-11,181,412,070		-11,181,412,070
IV . Accumulated Other Comprehensive Income		-273,533,085		14,469,320
1.Loss on valuation of equity method securities		-279,939,691		-
2.Gain on valuation of available for sale securities in capital adjustments		6,406,606		14,469,320
V . Retained Earnings or Accumulated Deficit		-24,409,952,528		35,159,674,707

Total Stockholder's Equity	60,229,467,924	119,498,026,009
Total Liabilities and Stockholder's Equity	389,030,369,087	384,565,605,683

INCOME STATEMENT

For the Years Ended December 31, 2007

Unit : KRW

DESCRIPTION	Year 2007		Year 2006	
I .SALES REVENUE		230,248,676,876		236,324,475,147
II .COST OF GOODS and SERVICES SOLD		253,866,955,291		218,687,199,473
III .GROSS PROFIT or LOSS		-23,618,278,415		17,637,275,674
IV .SELLING and ADMINISTRATIVE EXPENSES		15,358,842,352		14,172,895,527
1.Salaries and wages	2,153,579,381		2,156,467,279	
2.Freight expenses	5,822,341,587		6,098,579,147	
3.Other expenses	7,382,921,384		5,917,849,101	
V .OPERATING INCOME or LOSS		-38,977,120,767		3,464,380,147
VI .NON-OPERATING REVENUES		5,261,495,879		5,710,277,870
1.Interest income	968,818,278		1,029,045,760	
2.Gains on foreign currency transactions	1,563,382,956		1,312,176,673	
3.Gains on foreign currency translation	960,277,486		150,225,471	
4.Rental income	1,495,786,510		1,504,509,510	
5.Other non-operating revenues	273,230,649		1,714,320,456	
VII .NON-OPERATING EXPENSES		21,491,596,415		14,192,696,032
1.Interest expenses	18,377,367,550		9,711,938,492	
2.Losses on foreign currency transactions	1,321,520,020		2,082,211,425	
3.Losses on foreign currency translation	443,418,230		543,184,826	
4.Losses on sale of trade receivable	445,692,064		455,126,169	
5.Losses on sale of property, plant and equipment	5,836,601		240,500,449	
6.Other non-operating expenses	897,761,950		1,159,734,671	
VIII .Income Loss Before Income Taxes Expenses		-55,207,221,303		-5,018,038,015
IX .INCOME TAXES EXPENSES		3,680,808,932		5,954,489,855
X .NET INCOME or LOSS		-58,888,030,235		-10,972,527,870

Financial Highlights

For the Years Ended Dec. 31, 2007

Unit : Million Won

Present Condition of Profit

Description	Year 2005	Year 2006	Year 2007
Operating Income	15,923	3,464	-38,977
Ordinary Income	8,421	-5,018	-55,207
Net Income	9,614	-10,973	-58,888
EBIT	15,952	4,693	-36,830
EBITDA	41,844	29,315	-2,498

Present Condition of Sales

Description	Year 2005	Year 2006	Year 2007
Sales	251,937	236,324	230,249
Gross Profit	30,350	17,637	-23,618

Comparison Index

Description	Year 2005	Year 2006	Year 2007
Assests	314,757	384,566	389,030
Liabilities	183,299	265,068	328,801
Stockholder's Equity	131,458	119,498	60,229

