

Interim separate financial statements and
independent review report

Interfood Shareholding Company

Period from 1 January 2011 to 30 June 2011

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Report of the Board of Directors

The Board of Directors submits its report together with the reviewed separate financial statements of Interfood Shareholding Company (“the Company”) for the six months ended 30 June 2011 (“the period”).

Results

The results of the Company’s operations for the six months ended 30 June 2011 are set out in the interim separate statement of income.

Financial indicators of the business

	Unit	For the six months ended 30 June 2011	For the year ended 31 December 2010
Assets structure and capital structure			
Assets structure			
Fixed assets/total assets	%	54.14	56.09
Current assets/total assets	%	45.86	43.91
Capital structure			
Liabilities/total resources	%	69.57	66.88
Owners' equity/total resources	%	30.43	33.12
Liquidity			
Total assets/liabilities	Times	1.44	1.50
Current ratio	Times	0.77	0.77
Quick ratio	Times	0.03	0.01
Profitability			
Profit (loss)/net sales			
Profit (loss) before tax/net sales	%	(3.37)	1.50
Net profit (loss)/net sales	%	(3.37)	1.13
Profit (loss)/total assets			
Profit (loss) before tax/total assets	%	(2.27)	2.31
Net profit (loss)/total assets	%	(2.27)	1.73
Net profit (loss)/owners' equity	%	(7.48)	5.24

Auditors

The interim separate financial statements for the six months ended 30 June 2011 (“the period”) have been reviewed by Grant Thornton (Vietnam) Ltd.

Boards of Management and Directors

The members of the Boards of Management and Directors during the period and to the date of this report were:

Board of Management:		Appointed/Resigned on
Pang Tee Chiang	Chairman	15 August 2006/23 May 2011
Michio Nagabayashi	Chairman	23 May 2011
Ryoichi Yonemura	Member	14 March 2011
Hiroshi Fujikawa	Member	14 March 2011
Nguyen Thi Kim Lien	Member	15 August 2006
Pang Tze Yi	Member	15 August 2006/14 March 2011
Teng Po Wen	Member	15 August 2006/14 March 2011
Pang Tze Wei	Member	28 August 2010
Board of Directors:		
Pang Tee Chiang	General Director	15 August 2006/23 May 2011
Michio Nagabayashi	General Director	23 May 2011
Hajime Kobayashi	Director	23 May 2011
Kazufumi Nagashima	Director	23 May 2011
Pang Tze Yi	1st Deputy General Director	11 January 2010/14 March 2011
Nguyen Thi Kim Lien	Director	15 August 2006
Hidefumi Matsuo	Director	23 May 2011
Pang Tze Wei	2nd Deputy General Director	29 August 2010/23 May 2011

Statement of responsibility by the Board of Directors

The Board of Directors is responsible for ensuring that the interim separate financial statements are properly drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2011 and of the results of its operations and its cash flows for the six months then ended, in accordance with the Vietnamese Accounting Standards and System and in compliance with the relevant statutory requirements. When preparing the financial statements, the Board of Directors is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- comply with the disclosure requirements of the Vietnamese Accounting Standards and System;
- maintain adequate accounting records and an effective system of internal control;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

Approval of the financial statements

The Board of Directors hereby approved the accompanying interim separate financial statements of the Company for the six months ended 30 June 2011, which include the balance sheet, statement of income and statement of cash flows, together with the notes thereto. In the opinion of the Board of Directors these interim separate financial statements have been properly drawn up and give a true and fair view of the financial position of the Company as at 30 June 2011 and of its results of operations and cash flows for the six months ended 30 June 2011 in accordance with the Vietnamese Accounting Standards and System and in compliance with relevant statutory requirements.

On behalf of the Board of Directors

Michio Nagabayashi
General Director

Dong Nai Province, Vietnam

Date _____

Independent review report

On the interim separate financial statements of Interfood Shareholding Company
for the six months ended 30 June 2011

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No. HCM/11/081

To the Board of Management of Interfood Shareholding Company

We have reviewed the accompanying interim separate financial statements of Interfood Shareholding Company (“the Company”), which comprise the separate balance sheet as at 30 June 2011 and the interim separate statement of income and separate statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes, prepared on 5 September 2011, as set out from page 6 to 28.

Management’s Responsibility for the separate financial statements

Management is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with the Vietnamese Accounting Standards and System.

Auditor’s responsibility

Our responsibility is to express a conclusion on these interim separate financial statements based on our review.

Basis of opinion

We conducted our review in accordance with the Vietnamese Standard on Auditing No.910 – Engagements to review financial statements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company’s personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the financial position of Interfood Shareholding Company as at 30 June 2011, and of the results of its operations and its cash flows for the six months ended 30 June 2011, in accordance with the Vietnamese Accounting Standards and System and in compliance with relevant statutory requirements.

GRANT THORNTON (VIETNAM) LTD

Melvyn George Crowle
Auditor's Certificate No. N0297/KTV
General Director

Tran Vuong Vu
Auditor's Certificate No. 1210/KTV
Auditor

Ho Chi Minh City, Vietnam
Date: _____

Interim separate balance sheet

	Notes	Code	30 June 2011		31 December 2010	
			USD	VND million	USD	VND million
ASSETS						
Current assets						
Cash and cash equivalents						
Cash	7	111	570,637	11,765	117,731	2,229
		110				
Accounts receivable						
Trade accounts receivable		131	290,182	5,983	434,257	8,221
Prepayments to suppliers		132	430,586	8,878	833,701	15,784
Receivables from related parties	31	133	7,169,024	147,811	6,330,174	119,843
Other receivables		135	88,889	1,833	132,933	2,517
Provision for short term doubtful debts		139	(24,405)	(503)	(24,405)	(462)
		130	7,954,276	164,002	7,706,660	145,903
Inventories						
Inventories	8	141	7,844,043	161,728	7,628,807	144,429
Provision for decline in inventory value	8	149	(305,902)	(6,307)	(146,582)	(2,775)
		140	7,538,141	155,421	7,482,225	141,654
Other current assets						
Short term prepaid expenses		151	45,669	942	6,663	126
Value added tax to be reclaimed		152	64,057	1,321	-	-
Taxes and amounts receivable from the State Budget	9	154	106,907	2,204	106,907	2,024
Other current assets		158	114,217	2,355	77,128	1,460
		150	330,850	6,822	190,698	3,610
		100	16,393,904	338,010	15,497,314	293,396
Non-current assets						
Fixed assets						
Tangible fixed assets	10	221	12,231,892	252,197	12,973,526	245,615
- Historical cost		222	23,609,425	486,780	23,588,797	446,583
- Accumulated depreciation		223	(11,377,533)	(234,583)	(10,615,271)	(200,968)
Construction in progress	11	230	488,809	10,078	188,896	3,576
		210	12,720,701	262,275	13,162,422	249,191
Long term investments						
Investments in subsidiaries	12	251	4,500,000	92,781	4,500,000	85,194
Other non-current assets						
Deferred income tax assets	13	262	2,135,050	44,020	2,135,050	40,421
		200	19,355,751	399,076	19,797,472	374,806
		270	35,749,655	737,086	35,294,786	668,202

	Notes	Code	30 June 2011		31 December 2010	
			USD	VND million	USD	VND million
RESOURCES						
Liabilities						
Current liabilities						
Short term borrowings and debts	14	311	16,407,280	338,285	13,477,096	255,148
Trade accounts payable	15	312	4,012,872	82,737	4,985,611	94,388
Advances from customers		313	124,966	2,577	249,998	4,733
Taxes and amounts payable to State						
Budget	16	314	72,915	1,503	370,098	7,007
Payable to employees		315	341,768	7,047	387,348	7,333
Accrued expenses payable	17	316	279,718	5,767	436,093	8,256
Other payables	18	319	84,394	1,740	155,717	2,948
		310	21,323,913	439,656	20,061,961	379,813
Long term liabilities						
Long term deposits		331	1,255	26	1,255	24
Long term borrowings and debts	19	334	3,430,928	70,739	3,430,928	64,954
Provision for severance allowance		336	115,806	2,388	109,751	2,078
		330	3,547,989	73,153	3,541,934	67,056
		300	24,871,902	512,809	23,603,895	446,869
Owners' equity						
Capital sources and funds						
Share capital	20,21	411	18,313,995	377,598	18,313,995	346,721
Share premium	20	412	4,082,759	84,178	4,082,759	77,295
Accumulated losses	20	420	(11,519,001)	(237,499)	(10,705,863)	(202,683)
		400	10,877,753	224,277	11,690,891	221,333
		440	35,749,655	737,086	35,294,786	668,202

Off balance sheet items

		31 December 2010	31 December 2009
Foreign currencies			
Vietnamese dong (million)		10,021	1,335
Euro		388	369

Date: _____

 Michio Nagabayashi
 General Director

 Nguyen Hong Phong
 Chief Accountant

Interim separate statement of income

	Notes	Code	Six months ended 30 June 2011		Six months ended 30 June 2010	
			USD	VND million	USD	VND million
Gross sales	22	01	24,777,211	510,857	30,087,934	557,951
Sales deductions:	22	02	(633,556)	(13,063)	(1,467,438)	(27,212)
Net sales		10	24,143,655	497,794	28,620,496	530,739
Cost of sales	23	11	(19,885,546)	(410,000)	(22,358,210)	(414,611)
Gross profit		20	4,258,109	87,794	6,262,286	116,128
Income from financial activities	24	21	1,736,594	35,805	949,659	17,610
Expenses for financial activities	25	22	(1,853,494)	(38,215)	(1,412,387)	(26,191)
<i>Including: interest expense</i>		23	(794,304)	(16,377)	(557,288)	(10,334)
Selling expenses	26	24	(3,998,495)	(82,441)	(3,659,291)	(67,858)
General and administration expenses	27	25	(890,711)	(18,365)	(1,073,462)	(19,906)
Operating profit/(loss)		30	(747,997)	(15,422)	1,066,805	19,783
Other income		31	54,820	1,130	253,163	4,695
Other expenses	28	32	(119,961)	(2,473)	(197,031)	(3,654)
Profit (loss) before income tax		50	(813,138)	(16,765)	1,122,937	20,824
Corporate income tax for the year	30	51	-	-	-	-
Deferred corporate income tax expenses	30	52	-	-	(261,070)	(4,841)
Net profit/(loss)		60	(813,138)	(16,765)	861,867	15,983
Basic earnings/(loss) per share (USD/ VND million)	34	70	(0.028)	(0.001)	0.030	0.001

Date: _____

Michio Nagabayashi
General Director

Nguyen Hong Phong
Chief Accountant

Interim separate statement of cash flows

	Code	Six months ended		Six months ended	
		30 June 2011		30 June 2010	
		USD	VND million	USD	VND million
Cash flows from operating activities					
Profit(loss) before income tax	01	(813,138)	(16,765)	1,122,937	20,824
<i>Adjustments for:</i>					
Depreciation and amortisation	02	762,262	15,716	764,148	14,170
Increase in provisions	03	159,320	3,285	-	-
Unrealised loss from foreign currency translations	04	561,796	11,583	51,414	953
Gain from investing activities	05	-	-	(300,000)	(5,563)
Interest expense	06	794,304	16,377	557,288	10,334
Interest income	07	(457,491)	(9,433)	(5,524)	(102)
Operating profit before adjustments to working capital					
	08	1,007,053	20,763	2,190,263	40,616
Changes in accounts receivable	09	(582,157)	(12,003)	(901,767)	(16,722)
Changes in inventories	10	(215,236)	(4,438)	674,617	12,510
Changes in accounts payable	11	(1,727,442)	(35,616)	(335,331)	(6,218)
Changes in prepaid expenses	12	(39,006)	(804)	(52,360)	(971)
Interest paid	13	(784,179)	(16,168)	(557,288)	(10,334)
Cash generated from (used in) operating activities	20	(2,340,967)	(48,266)	1,018,134	18,881
Cash flows from investing activities					
Acquisition of fixed assets and additions to construction in progress	21	(143,212)	(2,953)	(159,261)	(2,953)
Interest income received	27	6,901	142	5,524	102
Net cash outflows from investing activities	30	(136,311)	(2,811)	(153,737)	(2,851)

	Code	Six months ended		Six months ended	
		30 June 2011		30 June 2010	
		USD	VND million	USD	VND million
Cash flows from financing activities					
Loan proceeds	33	24,190,387	498,757	11,127,849	206,355
Debt repayments	34	(21,260,203)	(438,343)	(11,639,871)	(215,850)
Net cash inflows/(outflows) from financing activities	40	2,930,184	60,414	(512,022)	(9,495)
Net increase in cash and cash equivalents	50	452,906	9,337	352,375	6,535
Cash and cash equivalents at beginning of the year	60	117,731	2,229	227,922	4,089
Effects of changes in foreign exchange rates	61	-	199	-	137
Cash and cash equivalents at end of the year	70	570,637	11,765	580,297	10,761

Date: _____

 Michio Nagabayashi
 General Director

 Nguyen Hong Phong
 Chief Accountant

Notes to the interim separate financial statements

1 Nature of operations

Interfood Shareholding Company, formerly Interfood Processing Industry Ltd. (“the Company”) was established in the Socialist Republic of Vietnam as a majority owned subsidiary of Trade Ocean Holdings Sdn. Bhd., a company incorporated in Malaysia for a period of 50 years pursuant to Investment Licence No. 270/GP, dated 16 November 1991.

After the initial investment license, there were a series of amendments. Recently on 11 March 2011, Trade Ocean Holdings Sdn Bhd which holds approximately 57.25% of the total outstanding shares of the Company was acquired by Kirin Holdings Company Limited (“Kirin”). Kirin, a public company listed on the Tokyo Exchange, is one of the largest beverage companies in the region. Kirin is now the ultimate parent company.

In accordance to the Amended Investment Certificate No. 472033000328 dated 22 April 2011 issued by the Board of Management of Dong Nai Industrial Zone, Mr. Pang Tee Chiang, former General Director, has been allowed to transfer 5,499,840 unlisted shares (equivalent to 18.87% of equity interest) to Indochina Beverage Holdings Ltd. which was established in the British Virgin Island. The Company is in the process of getting approval from Vietnam Securities Depository.

As approved by the General Shareholders Assembly on 31 July 2011, The Company will submit a letter to the Hochiminh Stock Exchange to delist its shares from the Exchange.

The principal activities of the Company are to process agricultural and aquatic products into canned, dried, frozen, salted, and pickled products and the production of biscuits and snack food, carbonated fruit juice and fruit juice with 5% alcohol content, bottled filtered water and PET bottle; to manufacture packaging for foods and beverages.

As at 30 June 2011, the Company had 1,089 employees (2010: 1,284 employees).

2 Reporting currency and foreign exchange

As approved by the Ministry of Finance in its Official Letter No. 550 TC/CDKT dated 5 September 1998, the Company uses the United States Dollar (USD) as its reporting currency in the preparation and presentation of its interim separate financial statements.

Transactions arising in currencies other than the reporting currency are translated at exchange rates in effect on the transaction dates. Monetary assets and liabilities denominated in currencies other than the reporting currency are translated at the exchange rates in effect at the balance sheet date. Translation gains and losses and expenses relating to foreign exchange transactions arising thereafter are recorded in the statement of income.

According to the Official letter No.627/UBCK-QLPH dated 16 April 2008 of the State Securities Commission of Vietnam, the interim separate financial statements of the Company must also be presented in Vietnamese Dong for statutory filing purposes. Consequently, the Company converted the financial statements in USD to Vietnamese Dong using the exchange rate published by the State Bank of Vietnam of VND20,618/USD (31 December 2010: VND18,932/USD and 30 June 2010: VND18,544/USD) as at the balance sheet date. All resulting foreign currency translation differences are dealt with through equity.

3 Basis of preparation of interim separate financial statements

Basis of preparation financial statements

The financial statements have been prepared in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System, and relevant statutory requirements of the Ministry of Finance, which may differ in some material respects from International Financial Reporting Standards and the generally accepted accounting principles and standards of the country of the reader. Accordingly, the interim separate financial statements are not intended to present the financial position and results of operations and cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than The Socialist Republic of Vietnam. Furthermore, their use is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices.

Accounting system and form of records

The Company uses the general journal method to record its transactions.

Interim separate financial statements

This set of financial statements is the interim separate financial statements of Interfood Shareholding Company. The consolidated financial statements of the Company and its subsidiaries are to be prepared by the management in accordance with the requirements of the Vietnamese Accounting Standards and System and presented separately.

4 Accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash in banks and cash on hand as well as short term highly liquid investments such as bank deposits with original maturity terms equal to or less than 3 months.

Inventory

Inventory is accounted for using the perpetual method and valued at the lower of cost and net realizable value. Cost of finished goods and work in progress, calculated on a weighted average basis, is composed of materials, direct labour and production overhead. Cost of raw material, tools and supplies is valued at purchase and related costs. Net realizable value comprises estimated sales proceeds less selling expenses. A provision for decline is recorded where cost exceeds net realizable value.

Accounts receivable

Accounts receivable are carried at invoice value less a provision for doubtful debts in an amount that reflects the extent to which it is estimated that the accounts will not be collected in full.

Tangible fixed assets

Tangible fixed assets are valued at historical cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Machinery and equipment	10 – 15 years
Motor vehicles	6 years
Office equipment	10 years

The Company obtained permission from the Ministry of Finance to depreciate its assets over the useful life periods as mentioned above through official letter No.2536/TC-TCDN dated 20 March 2003 although they are not consistent with the guidelines under Decision 203/2009/TT-BTC dated 20 October 2009.

Gains or losses from disposals are determined by comparing the net proceeds from disposal with the carrying amounts of the assets sold and are recognised as income or expense in the income statement.

Depreciation of assets which are not in used was recognised as part of “Other expenses”.

Construction in progress

Construction in progress represents the costs of new the ERP software and cost of plant incurred under development. No depreciation is recognized until the project is complete and until the asset is available for its intended use at which time the related costs are transferred to its rightful accounts.

Investment in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

In the Company’s interim separate financial statements, investments in subsidiaries are accounted for at cost. The results of the subsidiaries are accounted for on the basis of dividend received or receivables as at the balance sheet date.

Borrowing costs

Borrowing costs comprising interest and related costs are recognised as an expense in the period in which they are incurred, except for borrowing costs relating to the acquisition of tangible fixed assets that are incurred during the period of construction and installation of the assets, which are capitalised as a cost of the related assets.

Revenue

Revenue from 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 recognized if there are significant uncertainties regarding the ultimate receipt of the proceeds, the reasonable estimation of the associated costs of the sale or the possibility of the return of the goods.

Interest income is recognised in the statement of income on a time-proportion basis using the effective interest method.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Operating leases

Leases wherein substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payments applicable to such leases are recorded in the results of operations as incurred.

Income taxes

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the statement of income.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the separate financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Earnings/loss per share

The Company presents basic earnings/loss per share (EPS) for its ordinary shares and this is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Related parties

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.

Segment report

The Company identifies its operating segments based on market segments where the risks and returns are different in each of the markets. For all periods presented, the Company operated in two segments: domestic sales and export sales. In addition, there are 2 main kinds of product: Drinks and Biscuits.

5 Going concern assumption

The separate financial statements have been prepared assuming that the Company will continue as a going concern notwithstanding the fact that as at 30 June 2011 the Company's current liabilities exceeded current assets by USD4,930,009 as at 30 June 2011 (31 December 2010: USD4,564,647)

The Company's continued existence as a going concern is dependent on the continued financial support of its ultimate parent company and ultimately on its ability to operate profitably. The ultimate parent company issued a formal undertaking to provide financial support in connection with third party undertakings and relief from related party financial obligations. Accordingly, the interim separate financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classifications of liabilities that may be necessary if the Company is unable to continue as a going concern.

6 Comparative figures

The figures for the six months ended 30 June 2010, which are included in this period's financial statements for comparative purposes, have been adjusted to reflect accounting errors noted after the date of issuance of the said financial statements for the period ended 30 June 2010. Said adjustments resulted in a decrease of the Company's net worth amounting to USD49,500. Details of the adjustments and the effect to each item on the financial statements are as follow:

Balance sheet- 30 June 2010

	Notes	As previously reported USD	Adjustments USD	As restated USD
ASSETS				
Other non-current assets				
Deferred tax assets	5	2,158,495	(82,500)	2,075,995
		21,126,065	(82,500)	21,043,565
		31,908,591	(82,500)	31,826,091
RESOURCES				
Liabilities				
Current liabilities				
Taxes and amounts payable to State budget	4	304,549	(33,000)	271,549
		16,411,040	(33,000)	16,378,040
Owners' equity				
Capital sources and funds				
Accumulated loss	4,5	(10,406,853)	(49,500)	(10,456,353)
		11,989,901	(49,500)	11,940,401
		31,908,591	(82,500)	31,826,091

Statement of income - Six months ended 30 June 2010

	Notes	As previously reported USD	Adjustments USD	As restated USD
Gross sales	6	29,307,338	780,596	30,087,934
Net sales		27,839,899	780,596	28,620,495
Cost of sales	2,3	(22,361,185)	2,975	(22,358,210)
Gross profit		6,259,311	2,975	6,262,286
Selling expenses	1	(2,623,690)	(1,035,601)	(3,659,291)
General and administration expenses	1,2,3,6	(1,325,491)	252,030	(1,073,461)
Operating profit		1,847,401	(780,596)	1,066,805
Profit before tax		1,122,937	-	1,122,937
Corporate income tax for the current year	4	(33,000)	33,000	-
Deferred corporate income tax	5	(178,570)	(82,500)	(261,070)
Net profit		911,367	(49,500)	861,867

Adjustments were made for the followings:

Notes	Description	Net effect on profit for the six months ended 30 June 2010 USD
1	Reclassification of salary expenses of sales staff from general and administrative expenses to selling expenses amounting to USD255,005	-
2	Reclassification of tool, supplies expenses from cost of goods sold to general and administrative expenses amounting to USD26,998	-
3	Reclassification of tool, supplies expenses from general and administrative expenses to cost of goods sold amounting to USD24,023	-
4	Reversion of tax on disposal of investment in Crown Dong Nai	33,000
5	Record of the additional utilization of tax loss carried forward from prior year	(82,500)
6	Record of the sale and promotion expenses for internal consumption	-
		(49,500)

7 Cash

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Cash on hand	8,832	182	28,943	548
Cash in banks	561,805	11,583	88,788	1,681
	570,637	11,765	117,731	2,229

8 Inventories

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Goods in transit	-	-	336,401	6,369
Raw materials	2,722,703	56,137	2,562,539	48,515
Tool and supplies	291,267	6,005	277,095	5,246
Work in process	1,336,503	27,556	1,173,964	22,225
Finished goods	3,493,570	72,030	3,278,808	62,074
	7,844,043	161,728	7,628,807	144,429
Provision for decline in inventory value	(305,902)	(6,307)	(146,582)	(2,775)
	7,538,141	155,421	7,482,225	141,654

9 Taxes and amounts receivable from the State Budget

The amount of USD106,907 (equivalent to VND2,204 million) represents overpayment of the Company's corporate income tax for the year 2007. This amount will be net off with tax liabilities in the succeeding years.

10 Tangible fixed assets

	Machinery and Equipment USD	Motor vehicles USD	Office equipment USD	Total USD
Historical cost				
1 January 2011	22,836,629	505,662	246,506	23,588,797
Acquisitions	18,827	-	1,801	20,628
30 June 2011	22,855,456	505,662	248,307	23,609,425
<i>Fully depreciated</i>	<i>1,144,371</i>	<i>262,559</i>	<i>54,416</i>	<i>1,461,346</i>
<i>Fixed assets not in use(*)</i>	<i>3,883,518</i>	<i>134,013</i>	<i>87,405</i>	<i>4,104,936</i>
Accumulated depreciation				
1 January 2011	(10,059,644)	(409,355)	(146,272)	(10,615,271)
Charge for the period	(731,956)	(20,277)	(10,029)	(762,262)
30 June 2011	<i>(10,791,600)</i>	<i>(429,632)</i>	<i>(156,301)</i>	<i>(11,377,533)</i>
<i>Fixed assets not in use</i>	<i>(2,477,913)</i>	<i>(133,277)</i>	<i>(83,256)</i>	<i>(2,694,446)</i>
Net book value				
1 January 2011	12,776,985	96,307	100,234	12,973,526
30 June 2011	12,063,856	76,030	92,006	12,231,892
<i>Fixed assets not in use (*)</i>	<i>1,405,605</i>	<i>736</i>	<i>4,149</i>	<i>1,410,490</i>

In VND:

	Machinery and Equipment VND million	Motor vehicles VND million	Office equipment VND million	Total VND million
Historical cost				
1 January 2011	432,343	9,573	4,667	446,583
Acquisitions	388	-	37	425
Translation differences	38,503	853	416	39,772
30 June 2011	471,234	10,426	5,120	486,780
<i>Fully depreciated</i>	23,595	5,413	1,122	30,130
<i>Fixed assets not in use</i>	80,070	2,763	1,802	84,635
Accumulated depreciation				
1 January 2011	(190,449)	(7,750)	(2,769)	(200,968)
Charge for the year	(15,091)	(418)	(207)	(15,716)
Translation differences	(16,961)	(690)	(248)	(17,899)
30 June 2011	(222,501)	(8,858)	(3,224)	(234,583)
<i>Fixed assets not in use</i>	(51,090)	(2,748)	(1,717)	(55,555)
Net book value				
1 January 2011	241,894	1,823	1,898	245,615
30 June 2011	248,733	1,568	1,896	252,197
<i>Fixed assets not in use (*)</i>	28,980	15	85	29,080

As at 30 June 2011, certain fixed assets with an aggregate carrying value of USD3,798,305 (31 December 2010: USD9,803,601) have been pledged with Vietcombank as security for the short-term borrowings (Note 14).

(*) These assets had been moved from the old factory located in the centre of Bien Hoa City to the new one located in Tam Phuoc Industrial Park, Long Thanh District. The Company has insufficient demand to justify their re-commissioning and bringing back these assets into its production lines at the present time.

11 Construction in progress ("CIP")

	Period ended 30 June 2011		Year ended 31 December 2010	
	USD	VND million	USD	VND million
Opening balance	188,896	3,576	293,956	5,274
Additions during the year/period	299,913	6,184	98,824	1,871
Transferred to tangible fixed assets	-	-	(203,884)	(3,860)
Translation differences	-	318	-	291
Closing balance	488,809	10,078	188,896	3,576
<i>Including:</i>				
ERP software	191,060	3,939	179,060	3,390
Waste water treatment	287,913	5,936		
Others	9,836	203	9,836	186
	488,809	10,078	188,896	3,576

12 Investments in subsidiaries

	Amount		% equity held	
	31 December		31 December	
	30 June 2011	2010	30 June 2011	2010
	USD	USD	%	%
AvaFood Shareholding Company ("Avafood")	4,500,000	4,500,000	90	90
VND million	92,781	85,194		

13 Deferred tax assets

	Period ended 30 June 2011		Year ended 31 December 2010	
	USD	VND million	USD	VND million
Opening balance	2,135,050	40,421	2,337,066	41,929
Utilized tax loss carried forward	-	-	(202,016)	(3,825)
Foreign exchange difference	-	3,599	-	2,317
Closing balance	2,135,050	44,020	2,135,050	40,421

This pertains mostly to the deferred income tax recognized in 2008 relative to the net loss reported for that year.

14 Short term borrowings and debts

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Loans from Vietcombank, Dong Nai Branch(1)	9,407,280	193,959	10,496,785	198,725
Loans from Viet A Bank (2)	-	-	2,980,311	56,423
Loans from Kirin (3)	7,000,000	144,326	-	-
	16,407,280	338,285	13,477,096	255,148

(1) Loans from Vietcombank, Dong Nai Branch

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Denominated in USD	1,371,685	28,281	1,484,741	28,109
Denominated in EUR	-	-	50,322	953
Denominated in VND	8,035,595	165,678	8,961,722	169,663
	9,407,280	193,959	10,496,785	198,725

Loan from Vietcombank, Dong Nai Branch – Agreement No 2010031/KHDN/NHNT dated 20 August 2010 pertains to a working capital credit facility with a credit limit of VND200 billion (equivalent to USD9,700,262 as at 30 June 2011). The loan is due within 60 months from the date of the execution of the above mentioned contract and each promissory note should be settled no more 6 months from the date loan availment. The credit facility is subject to interest based on the actual rates at the time each loan is drawn and such interest is payable on the 26th day of each month.

The applicable interest rates of these loans for the first 6 months of 2011 for dollar denominated loans were 6% to 7.5% while it was 13.0% to 19% for VND denominated loans. (In 2010 for dollar denominated loans were 6% to 7% while it was 12.0% to 15.5% for VND denominated loans).

The loans are secured by the aggregated values of certain machinery amounting to USD1,500,000 under contract No.016/QHKH/NHNT dated 24 September 2004. As at 30 June 2011, the carrying value of these pledged assets amounted to USD3,798,305 (Note 10).

In addition, certain fixed assets and prepaid land rentals of Avafood Shareholding Company's, its subsidiary, were used to secure the loan by the Company from Vietcombank, Dong Nai Branch. As at 30 June 2011, the carrying value of Avafood's assets pledged to secure the Company's loans amounts to USD8,907,328.

(2) Loans from Viet A Bank

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Denominated in USD	-	-	2,980,311	56,423

The loan from Viet A Bank under Contract No. 131/10/VAB/HDTHH dated 26 March 2010 pertains to a working capital credit facility with a credit limit of USD3,000,000. The applicable interest rate for the first six months of 2011 was at rates ranging from 0.63% to 0.84% per month (In 2010, interest rates were from 0.55% to 0.63% per month). The loans were secured by certain machineries. The Company has settled all principal and interest to Viet A Bank in June 2011 and Viet A bank has released all secured assets to the Company at the same time.

(3) Loan from Kirin, a related party (Note 31)

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Denominated in USD	7,000,000	144,326	-	-

On 25 May 2011, the Company entered into a USD7,000,000 revolving loan agreement with Kirin Holdings Company Ltd, the ultimate parent company. The credit facility is subject to interest based on the base rate plus 1% per annum. The base interest rate is equal to the London Inter-Bank Offered Rate for U.S. Dollars published and released to the market at approximately 11:00 AM London time two London Banking Days before the commencement of the Interest period. The applicable interest rate of this loan for the first 6 months of 2011 is 1.731% per annum. The loan matures on 30 May 2012.

In June 2011, the Company entered into another revolving loan agreement with Kirin Holdings Company Ltd, the ultimate parent company, amounting to USD3,000,000. The facility is subject to interest based on the same base rate above plus 1% per annum. Its maturity date is on 01 June 2012. This loan was released to the Company in July 2011.

15 Trade accounts payable

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Payable to suppliers	3,623,918	74,718	3,590,165	67,969
Payable to related parties (Note 31)	388,954	8,019	1,395,446	26,419
	4,012,872	82,737	4,985,611	94,388

16 Taxes and amounts payable to State budget

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Value added tax	-	-	242,514	4,591
Personal income tax	40,395	833	122,254	2,315
Import, export tax	23,944	494	2,076	39
Other taxes	8,576	176	3,254	62
	72,915	1,503	370,098	7,007

17 Accrued expenses payables

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Transportation	187,215	3,860	205,841	3,897
Trade discounts	71,254	1,469	83,659	1,584
Others	21,249	438	146,593	2,775
	279,718	5,767	436,093	8,256

18 Other payables

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Dividends payable (Note 34)	24,265	500	24,265	459
Trade union, social and health insurance	29,885	616	13,002	246
Other payables to BOM	30,177	622	106,851	2,023
Other payables	67	2	11,599	220
	84,394	1,740	155,717	2,948

19 Long term borrowings and debts

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Loan from the Chairman	-	-	3,430,928	64,954
Loan from the Parent Company (Note 31)	3,430,928	70,739	-	-
	3,430,928	70,739	3,430,928	64,954

Previously it was a converted five year shareholder loan under a loan agreement dated 30 July 2009. The loan bears interest at SIBOR three months less 1%. On February 28, 2011, Trade Ocean Holdings Sdn Bhd (“TOH”), parent company, and The Company and Mr Pang Tee Chiang (“PTC”) entered into a Loan Novation Agreement whereby TOH has agreed to assume the rights and obligations of the USD3,430,928 loan PTC had extended to the Company.

20 Owner's equity

	Share capital	Share premium	Accumulated Profit (Losses)	Total
	USD	USD	USD	USD
Balance, 1 January 2010	18,313,995	4,082,759	(11,318,220)	11,078,534
Prior period's net profit	-	-	861,867	861,867
Balance, 30 June 2010	18,313,995	4,082,759	(10,456,353)	11,940,401
Balance, 1 January 2011	18,313,995	4,082,759	(10,705,863)	11,690,891
Current period's net loss	-	-	(813,138)	(813,138)
Balance, 30 June 2011	18,313,995	4,082,759	(11,519,001)	10,877,753

In VND:

	Share capital	Share premium	Accumulated Losses	Total
	VND million	VND million	VND million	VND million
Balance, 1 January 2010	328,571	73,249	(203,060)	198,760
Prior period's net profit	-	-	15,983	15,983
Translation differences	11,044	2,462	(6,826)	6,680
Balance, 30 June 2010	339,615	75,711	(193,903)	221,423
Balance, 1 January 2011	346,721	77,295	(202,683)	221,333
Current period's net loss	-	-	(16,765)	(16,765)
Translation differences	30,877	6,883	(18,051)	19,709
Balance, 30 June 2011	377,598	84,178	(237,499)	224,277

21 Share capital

The Company's charter capital is VND291,409,840 thousand (equivalent USD18,313,995), which is divided into 29,140,984 ordinary shares with par value of VND10,000 each.

	30 June 2011		
	Number of shares	VND'000	USD equivalent
Authorized	29,140,992	291,409,920	18,314,000
Issued and fully paid	29,140,984	291,409,840	18,313,995

Details of shareholders as at 30 June 2011 are as follows:

	Number of shares			Equivalent capital amount	
	Listed shares	Unlisted shares	Total	VND'000	%
Trade Ocean Holding SDN BHD	-	16,684,646	16,684,646	166,846,460	57.25%
Pang Tee Chiang (*)	1,237,469	5,499,840	6,737,309	67,373,090	23.12%
Yau Hau Jan	-	81,139	81,139	811,390	0.28%
Ng Eng Huat	800,403	-	800,403	8,004,030	2.75%
Public shareholders	4,837,487	-	4,837,487	48,374,870	16.60%
	6,875,359	22,265,625	29,140,984	291,409,840	100.00%

(*)The Board of Management of Dong Nai Industrial Zone has approved the amended Investment Certificate dated 22 April 2011 to allow Mr. Pang Tee Chiang, the former General Director, to transfer 5,499,840 unlisted shares (equivalent to 18.87% of equity interest) to Indochina Beverage Holdings Ltd., a company established in British Virgin Island. The Company is in the progress of getting approval from Vietnam Securities Depository.

22 Net sales

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
				Restated
Revenue				
Domestic sales	23,205,597	478,453	28,972,224	537,261
Export sales	1,571,614	32,404	1,115,710	20,690
	24,777,211	510,857	30,087,934	557,951
Sales deduction:				
Sales allowance	(622,828)	(12,841)	(1,447,526)	(26,842)
Sales returns	(10,728)	(222)	(19,912)	(370)
	(633,556)	(13,063)	(1,467,438)	(27,212)
Net sales	24,143,655	497,794	28,620,496	530,739

23 Cost of goods sold

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
				Reclassified
Cost of goods sold for domestic sales	18,495,973	381,350	21,483,594	398,392
Cost of goods sold for export sales	1,389,573	28,650	874,616	16,219
	19,885,546	410,000	22,358,210	414,611

24 Income from financial activities

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
Interest income from bank deposits	6,901	142	5,524	102
Interest income from loan to related parties (Note 31)	450,591	9,290	-	-
Gain from disposal of investment in associate	-	-	300,000	5,563
Realised gains from foreign exchange	1,279,102	26,373	592,721	10,991
Unrealised gains from foreign exchange	-	-	51,414	954
	1,736,594	35,805	949,659	17,610

25 Expenses for financial activities

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
Interest expense	794,304	16,377	557,288	10,334
Realised foreign exchange losses	489,516	10,093	841,262	15,600
Unrealised foreign exchange losses	561,796	11,583	-	-
Other finance expenses	7,878	162	13,837	257
	1,853,494	38,215	1,412,387	26,191

26 Selling expenses

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
Transportation expense	1,256,010	25,896	1,144,091	21,216
Salary	890,117	18,352	1,077,577	19,983
Commission for salesmen and promotional expenses	1,612,392	33,244	1,150,752	21,340
Depreciation	16,870	348	24,888	462
Other expenses	223,106	4,601	261,983	4,857
	3,998,495	82,441	3,659,291	67,858

27 General and administration expenses

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
Salary	416,978	8,597	403,895	7,490
Depreciation	8,380	173	8,831	164
Office expenses	306,598	6,321	363,390	6,739
Bank charges	19,741	407	16,280	302
Other expenses	139,014	2,867	281,066	5,211
	890,711	18,365	1,073,462	19,906

28 Other expenses

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
Depreciation of idle assets	119,094	2,455	149,185	2,766
Others	867	18	47,846	888
	119,961	2,473	197,031	3,654

29 Cost by element

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
Raw materials	17,144,678	353,489	18,135,000	336,295
Labour cost	2,002,796	41,294	2,162,601	40,103
Depreciation and amortisation	643,168	13,261	763,813	14,164
Outside service costs	3,080,144	63,506	2,952,766	54,756
Other costs	2,062,633	42,527	1,524,131	28,263
	24,933,419	514,077	25,538,311	473,581

30 Corporate income tax

The Company is liable to corporate income tax at the rate of 15% for a period of 12 years from 1994, the year it commenced commercial operations. Thereafter, from 2006 onwards the Company is subject to income tax at the rate of 25%.

According to Decree No. 24/2007/NĐ-CP dated 14 February 2007 (which replaced Decree No. 164/2003/NĐ-CP dated 22 December 2003), the Company is entitled to tax incentives in relation to the relocation of its business activities out of an urban area. In 2006, the Company relocated one of its production lines from Bien Hoa City to Tam Phuoc Industrial Zone, Long Thanh District. As a result, profit derived from this line is exempt from corporate income tax for two years and a reduction of 50% for the following six years. Also as stated in this Decree, the Company is entitled to tax incentives in relation to investments made in new production lines that are qualified under this Decree. The tax incentives include one year of exemption from corporate income tax and a reduction of 50% for the following four years applied to profit derived from the new production lines.

In 2008, Decree No. 124/2008/ND-CP dated 11 December 2008 (which replaced Decree No. Decree No. 24/2007/NĐ-CP dated 14 February 2007), the Company will continue to enjoy its tax incentives under Decree No. 24/2007/NĐ-CP dated 14 February 2007.

In accordance to Letter No. 11924/TC-CST dated 20 October 2004 issued by the Ministry of Finance, the Company is entitled to a 50% reduction for two years after listing its shares in Ho Chi Minh City Securities Trading Centre. The Company has completed the registration with the tax authority to apply the incentives commencing from 2007.

The reconciliation between the profit (loss) before income tax and taxable profit (loss) is shown below:

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
Accounting profit (loss) before tax	(813,138)	(16,765)	1,122,937	20,824
<i>Adjusted for:</i>				
Permanent difference				
- Expenses without appropriate supporting document	4,206	87	24,799	460
- Fee for the Board of Management	6,111	126	-	-
- Depreciation of idle assets	119,094	2,455	149,185	2,766
- Administration Penalty	317	7	-	-
Temporary difference				
- Accrued expenses	339,202	6,994	615,152	11,407
- Unrealized loss/(gain) from foreign exchange difference	533,302	10,996	(51,414)	(953)
Less: Adjustments for decreasing profit before tax				
- Accrued expenses recognized from prior years	(436,093)	(8,991)	(560,040)	(10,385)

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
- Severance allowance paid during the period	(17,803)	(367)	-	-
- Unrealised loss on foreign exchange difference in the prior year is realized in the current year	(5,019)	(103)	-	-
Taxable profit /(loss) from normal business	(269,821)	(5,561)	1,300,619	24,119
Less: Gain on capital assignment	-	-	(300,000)	(5,563)
Taxable profit for normal operating activities	-	-	1,000,619	18,556
Income tax expenses at tax rate of 25%	-	-	250,154	4,639
Tax incentive on income from incremental investment and relocation	-	-	(64,084)	(1,188)
Income tax expense from normal operating activities	-	-	186,070	3,451
Corporate income tax expenses from disposal of capital assignment	-	-	75,000	1,390
Corporate income tax expense	-	-	261,070	4,841
Utilization of taxable loss carried forward	-	-	(261,070)	(4,841)
Total corporate income tax expenses for the current year	-	-	-	-

Tax losses can be carried forward to offset future years' taxable income up to five years from the year in which they were incurred. The actual amount of accumulated losses that can be carried forward is subject to the result of a tax audit which will be carried out by the local tax authorities. Tax losses available for offset against future taxable income are as follows:

Year	Status of tax audit	Tax losses	
		USD	VND million
2008	Not yet performed	13,074,272	221,962
2009	Not yet performed	29,892	536
For the six months of 2011	Not yet performed	269,821	5,561
		13,373,985	228,059

Deferred corporate income tax

The details of deferred tax asset recognised by the Company, and the movements thereon are as shown below:

	Balance sheet		Recognised in the statement of income	
	30 June 2011	31 December 2010	Six months ended 30 June 2011	Six months ended 30 June 2010
	USD	USD	USD	USD
Utilization of deferred income tax assets	-	-	-	(261,070)
	2,135,050	2,135,050	-	(261,070)
VND million	44,020	40,421	-	(4,841)

31 Related party transaction and balances

During the six months ended 30 June 2011, the following transactions with related parties were recorded:

Related party	Relation	Transaction	USD	VND million
Chuan Li Can Manufacturing (Vietnam) Co., Ltd	Ex-Affiliate	Purchases of materials by the Company	687,095	14,167
Avafood Shareholding Company	Subsidiary	Loans granted by the Company (1)	2,483,286	51,200
		Interest income earned by the Company	450,591	9,290
		Processing fees charged to the Company (2)	1,393,586	28,733
		Sales of drink products by the Company	14,680	303
		Office and factory rentals fee charged to the Company	162,200	3,344
		Carrying value of assets pledged by Avafood for the Company's loans	8,907,328	183,651
Mr. Pang Tee Chiang	Ex-Chairman/ Ex - General Director	Transfer loan to Trade Ocean Holding SDN BHD	3,430,928	70,739
		Paid interest for other payable	7,485	154
Trade Ocean Holding SDN BHD	Parent Company	Loan extend to the Company	3,430,928	70,739
Kirin Holding Company Limited	Ultimate parent company	Loans to the Company	7,000,000	144,326
		Interest expense charged to the Company	10,125	209

Transactions with Avafood Shareholding Company ("Avafood")

(1) In 2010, the Company signed a loan agreement with Avafood in which the Company granted a loan facility of USD7,000,000 to Avafood. The VND denominated loan was subject to interest at the rates ranging from 14.72% to 16.91% which is consistent with published by Vietcombank Dong Nai from January 2011 to May 2011. In June 2011, interest rate changed into interest rate on loan that the Company received from Kirin in May 2011 (equal to 1.731% per annual for the USD denominated loan) for the period from 1 June 2011 until 30 May 2012.

Any outstanding balance will be net-off with any inter-company balances between the two parties such as the processing agreement (2), sale of finished goods or any other debt settlement.

(2) Processing agreement:

The Company and Avafood signed a renewed processing agreement dated 2 January 2010 in which Avafood will process canned/bottled fruit juice products and biscuits& confectionery products. Processing fees for both of canning products and biscuit products will be determined based on margin 7% of monthly production cost of the Company for each kind of product produced in the factory located at the address of Avafood.

At 30 June 2011 the following balances were outstanding with related parties:

Related party	Relation	Transaction	Receivables	Trade	Other	Loans
			USD	payables	payables	
Avafood Shareholding Company	Subsidiary	Loan	6,905,261	-	-	-
		Sales of products	263,763	-	-	-
Kirin Holding Company Limited	Ultimate parent company	Loan	-	-	-	7,000,000
		Payable interest	-	-	10,125	-
Trade Ocean Holding SDN BHD	Parent Company	Loan	-	-	-	3,430,928
Chuan Li Can Manufacturing	Ex-Affiliate	Purchases of materials	-	388,954	-	-
			7,169,024	388,954	10,125	10,430,928
VND million			147,811	8,019	209	215,065

32 Segmental information

At 30 June 2011, management determined the following reportable segments by categories of sales: (1) domestic sales and (2) export sales. The Company analyses segment revenue and cost of sales.

The segment results for the six months ended 30 June 2011 are as follows:

	Domestic	Export	Total
	USD	USD	USD
Sales revenue – net	22,575,228	1,568,427	24,143,655
Cost of sales	(18,495,973)	(1,389,573)	(19,885,546)
Gross profit	4,079,255	178,854	4,258,109
Gross profit - VND Million	84,106	3,688	87,794

The segment results for the six months ended 30 June 2010 are as follows:

	Domestic	Export	Total
	USD	USD	USD
Sales revenue – net	27,504,786	1,115,710	28,620,496
Cost of sales	(21,483,594)	(874,616)	(22,358,210)
Gross profit	6,021,192	241,094	6,262,286
Gross profit - VND Million	111,657	4,471	116,128

Management also determined the following reportable segments by categories of products: (1) drinks, (2) biscuits and (3) others. The Company analyses segment revenue and cost of revenue.

The segment results for the six months ended 30 June 2011 are as follows:

	Drinks	Biscuits	Other	Total
	USD	USD	USD	USD
Sales revenue – net	21,357,040	670,399	2,116,216	24,143,655
Cost of sales	(16,740,839)	(748,327)	(2,396,380)	(19,885,546)
Gross profit	4,616,201	(77,928)	(280,164)	4,258,109
Gross profit - VND Million	95,177	(1,607)	(5,776)	87,794

The segment results for the six months ended 30 June 2010 are as follows:

	Drinks	Biscuits	Other	Total
	USD	USD	USD	USD
Sales revenue – net	26,158,752	556,970	1,904,773	28,620,495
Cost of sales	(20,427,870)	(436,740)	(1,493,600)	(22,358,210)
Gross profit	5,730,882	120,230	411,173	6,262,285
Gross profit - VND Million	106,273	2,230	7,625	116,128

33 Non cash transactions

Non-cash transaction occurred during the period which has impact on the statement of cash flows include:

	30 June 2011	
	USD	VND million
Interest income from loan to Avafood, offsetting with processing fee payable (Note 31)	450,591	9,290

34 Basic earnings/(loss) per share and dividends

Basic earnings/loss per share is shown below

	Six months ended 30 June 2011		Six months ended 30 June 2010	
	USD	VND million	USD	VND million
Profit/(loss) attributable to shareholders of the Company (USD)	(813,138)	(16,765)	861,867	15,982
Weighted average number of ordinary shares on issue	29,140,984	29,140,984	29,140,984	29,140,984
Basic earnings/(loss) per share (USD/ VND million per share)	(0.028)	(0.001)	0.030	0.001

No dividend was declared for the six months ended 30 June 2011. As at 30 June 2011, the 2007 dividends of USD24,265 is still outstanding and this is included in the other payables (Note 17).

35 Board of Director and Management's remuneration

During the period, the members of Board of Director and Management received remuneration as follows:

	30 June 2011		30 June 2010	
	USD	VND million	USD	VND million
Board of Management fees	7,275	150	6,544	121
Salary	268,300	5,532	188,575	3,497
	275,575	5,682	195,119	3,618

36 Commitments

As at 30 June 2011, the Company was committed under operating lease agreements in the following amounts:

	30 June 2011		31 December 2010	
	USD	VND million	USD	VND million
Within the next year	395,710	8,159	184,574	3,423
Within two to five years	1,139,229	23,489	273,483	5,071
Over five years	939,066	19,362	3,168	59
	2,474,005	51,010	461,225	8,553

On 2 January 2011, the Company entered into additional warehouse and workshop leasing of 19,208 m² with Avafood for 10 years up to 31 December 2020.

37 Approval for issuance of the financial statements

The separate financial statements for the period ended 30 June 2011 were approved by the Board of Directors on _____

Michio Nagabayashi
General Director

Nguyen Hong Phong
Chief Accountant



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