



**Minh Phu Seafood Joint Stock Company  
and its subsidiaries**

Consolidated interim financial  
statements for the six-month period  
ended 30 June 2011

## **Minh Phu Seafood Joint Stock Company Corporate Information**

<b>Business Registration Certificate</b>	6103000072	12 May 2006
	6103000072 (1 <sup>st</sup> amendment)	25 May 2007
	6103000072 (2 <sup>nd</sup> amendment)	12 November 2007
	2000393273	23 June 2010

The Business Registration Certificate and its updates were issued by the Planning and Investment Department of Ca Mau Province.

<b>Board of Management</b>	Mr. Le Van Quang	Chairman
	Ms. Chu Thi Binh	Vice chairwoman
	Mr. Chu Van An	Member
	Ms. Dinh Anh Tuyet	Member
	Mr. Jean-Eric Jacquemin	Member
<b>Board of Directors</b>	Mr. Le Van Quang	General Director
	Ms. Chu Thi Binh	Deputy General Director
	Mr. Chu Van An	Deputy General Director
	Mr. Thai Hoang Hung	Deputy General Director
	Mr. Nguyen Tan Anh	Deputy General Director
	Mr. Le Van Diep	Deputy General Director
<b>Supervisory Board</b>	Mr. Phan Van Dung	Chairman
	Ms. Nguyen Viet Hong	Member
	Ms. Mai Thi Hoang Minh	Member
<b>Registered Office</b>	Ward 8 Industrial Zone Ca Mau City, Ca Mau Province Vietnam	
<b>Auditors</b>	KPMG Limited Vietnam	



**KPMG Limited**  
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## **INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**To the Shareholders**  
**Minh Phu Seafood Joint Stock Company and its subsidiaries**

### **Scope**

We have reviewed the accompanying consolidated balance sheet of Minh Phu Seafood Joint Stock Company ("the Company") and its subsidiaries (together referred to as "the Group") as of 30 June 2011, the related consolidated statements of income, changes in equity and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 30 August 2011. These consolidated interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated interim financial statements based on our review. The consolidated financial statements of the Company for the year ended 31 December 2010 were audited by another firm of auditors whose report dated 8 April 2011 expressed an unqualified opinion on those consolidated financial statements and the consolidated interim financial statements for the six-month period ended 30 June 2010 were reviewed by another firm of auditors whose report dated 30 August 2010 expressed an unqualified conclusion on those consolidated interim financial statements.

We conducted our review in accordance with Vietnamese Standard on Auditing applicable to review engagements. 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 company 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 consolidated interim financial statements do not give a true and fair view of the consolidated financial position of Minh Phu Seafood Joint Stock Company and its subsidiaries as of 30 June 2011 and their consolidated results of operations and cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 – *Interim Financial Reporting*, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements.

### **KPMG Limited**

Vietnam

Investment Certificate No: 011043000345

Review Report No: 11-01-174



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

Ho Chi Minh City, 30 August 2011

Nguyen Thanh Nghi  
CPA No. 0304/KTV



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2011**

	Code	Note	30/6/2011 VND	31/12/2010 VND
<b>ASSETS</b>				
<b>Current assets</b>	<b>100</b>		<b>2,501,937,318,977</b>	<b>2,615,396,325,822</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>314,202,343,380</b>	<b>741,370,744,436</b>
Cash	111		58,202,343,380	476,911,141,527
Cash equivalents	112		256,000,000,000	264,459,602,909
<b>Short-term investments</b>	<b>120</b>	<b>5</b>	<b>80,283,110,937</b>	<b>83,987,257,449</b>
Short-term investments	121		89,980,310,937	92,229,197,449
Allowance for diminution in the value of short-term investments	129		(9,697,200,000)	(8,241,940,000)
<b>Accounts receivable – short-term</b>	<b>130</b>	<b>6</b>	<b>444,111,047,883</b>	<b>456,681,518,464</b>
Accounts receivable - trade	131		335,580,812,668	376,295,574,584
Prepayments to suppliers	132		113,619,602,910	74,459,556,141
Other receivables	135		12,243,886,133	6,312,344,434
Allowance for doubtful debts	139		(17,333,253,828)	(385,956,695)
<b>Inventories</b>	<b>140</b>	<b>7</b>	<b>1,515,590,240,087</b>	<b>1,213,741,507,906</b>
Inventories	141		1,543,819,233,418	1,231,270,556,687
Allowance for inventories	149		(28,228,993,331)	(17,529,048,781)
<b>Other current assets</b>	<b>150</b>		<b>147,750,576,690</b>	<b>119,615,297,567</b>
Short-term prepayments	151		1,120,313,880	591,428,034
Deductible value added tax	152		103,114,360,119	90,880,970,099
Taxes receivable from State				
Treasury	154		79,896,683	20,556,777
Other current assets	158	<b>8</b>	43,436,006,008	28,122,342,657

*The accompanying notes form an integral part of these consolidated interim financial statements*



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2011 (continued)**

	Code	Note	30/6/2011 VND	31/12/2010 VND
<b>Long-term assets</b>	<b>200</b>		<b>1,614,413,203,659</b>	<b>1,279,408,110,524</b>
<b>Accounts receivable - long-term</b>	<b>210</b>	<b>9</b>	<b>36,154,157,832</b>	<b>50,244,906,671</b>
Other receivables	218		36,154,157,832	50,244,906,671
<b>Fixed assets</b>	<b>220</b>		<b>1,306,920,238,206</b>	<b>968,660,692,226</b>
Tangible fixed assets	221	10	440,374,857,191	351,438,774,720
<i>Cost</i>	222		622,338,097,081	510,259,440,814
<i>Accumulated depreciation</i>	223		(181,963,239,890)	(158,820,666,094)
Intangible fixed assets	227	11	21,689,703,726	22,025,935,776
<i>Cost</i>	228		25,665,161,450	25,665,161,450
<i>Accumulated amortisation</i>	229		(3,975,457,724)	(3,639,225,674)
Construction in progress	230	12	844,855,677,289	595,195,981,730
<b>Long-term investments</b>	<b>250</b>	<b>13</b>	<b>157,868,753,530</b>	<b>196,448,753,530</b>
Investments in associates	252		2,180,000,000	1,580,000,000
Other long-term investments	258		207,000,000,000	207,000,000,000
Allowance for diminution in the value of long-term investments	259		(51,311,246,470)	(12,131,246,470)
<b>Other long-term assets</b>	<b>260</b>		<b>113,470,054,091</b>	<b>64,053,758,097</b>
Long-term prepayments	261	14	71,011,377,483	8,173,815,294
Deferred tax assets	262	31	16,537,657,217	16,537,657,217
Other long-term assets	268	15	4,556,157,655	16,432,976,000
Goodwill	269	16	21,364,861,736	22,909,309,586
<b>TOTAL ASSETS</b>	<b>270</b>		<b>4,116,350,522,636</b>	<b>3,894,804,436,346</b>

*The accompanying notes form an integral part of these consolidated interim financial statements*

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2011 (continued)**

	Code	Note	30/6/2011 VND	31/12/2010 VND
<b>RESOURCES</b>				
<b>LIABILITIES</b>	<b>300</b>		<b>2,698,660,267,678</b>	<b>2,489,526,775,302</b>
<b>Current liabilities</b>	<b>310</b>		<b>1,415,877,860,861</b>	<b>1,738,464,458,787</b>
Short-term borrowings	311	17	1,044,917,059,029	1,490,714,997,316
Accounts payable – trade	312	18	180,923,075,934	104,387,991,344
Advances from customers	313		3,728,203,280	7,601,769,511
Taxes payable to State Treasury	314	19	9,519,406,146	21,376,402,425
Payables to employees	315		31,826,342,725	24,605,491,777
Accrued expenses	316	20	35,851,650,536	71,360,232,059
Other payables	319	21	41,396,550,666	6,486,123,587
Bonus and welfare fund	323	22	67,715,572,545	11,931,450,768
<b>Long-term liabilities</b>	<b>330</b>		<b>1,282,782,406,817</b>	<b>751,062,316,515</b>
Long-term borrowings	334	23	1,279,060,404,246	747,236,965,554
Provision for severance allowance	336	24	3,722,002,571	3,825,350,961
<b>EQUITY</b>	<b>400</b>		<b>1,344,211,509,355</b>	<b>1,337,967,110,693</b>
<b>Equity</b>	<b>410</b>		<b>1,344,211,509,355</b>	<b>1,337,967,110,693</b>
Share capital	411	25	700,000,000,000	700,000,000,000
Capital surplus	412		177,876,869,236	177,876,869,236
Foreign exchange differences	416		64,965,861,439	54,301,347,051
Investment and development fund	417		48,127,752,682	19,700,529,953
Retained profits	420		353,241,025,998	386,088,364,453
<b>MINORITY INTEREST</b>	<b>410</b>	<b>26</b>	<b>73,478,745,603</b>	<b>67,310,550,351</b>
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>4,116,350,522,636</b>	<b>3,894,804,436,346</b>

Prepared by:

Luu Minh Trung  
Chief Accountant

Approved by:

Le Van Diep  
Deputy General Director



30 August 2011

*The accompanying notes form an integral part of these consolidated interim financial statements*



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Consolidated statement of income for the six-month period ended 30 June 2011**

	Code	Note	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
<b>Total revenue</b>	<b>01</b>	<b>27</b>	<b>2,899,011,993,560</b>	<b>1,657,137,742,524</b>
<b>Less sales deductions</b>	<b>02</b>	<b>27</b>	<b>(18,764,930,836)</b>	<b>(28,681,719,112)</b>
<b>Net sales</b>	<b>10</b>		<b>2,880,247,062,724</b>	<b>1,628,456,023,412</b>
<b>Cost of sales</b>	<b>11</b>	<b>28</b>	<b>(2,468,886,517,068)</b>	<b>(1,346,058,271,612)</b>
<b>Gross profit</b>	<b>20</b>		<b>411,360,545,656</b>	<b>282,397,751,800</b>
Financial income	21	29	59,509,179,318	29,819,633,568
Financial expenses	22	30	(175,936,581,574)	(74,013,762,297)
Selling expenses	24		(139,364,215,798)	(97,744,680,452)
General and administration expenses	25		(46,486,808,577)	(17,964,391,926)
<b>Net operating profit</b>	<b>30</b>		<b>109,082,119,025</b>	<b>122,494,550,693</b>
<b>Results of other activities</b>	<b>40</b>			
Other income	31		1,866,202,233	3,152,276,512
Other expenses	32		(193,103,396)	(1,206,611,069)
<b>Profit before tax</b>	<b>50</b>		<b>110,755,217,862</b>	<b>124,440,216,136</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>31</b>	<b>(21,476,875,696)</b>	<b>(22,007,562,513)</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>31</b>	<b>-</b>	<b>-</b>
<b>Net profit</b>	<b>60</b>		<b>89,278,342,166</b>	<b>102,432,653,623</b>

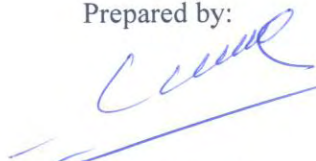
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**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Consolidated statement of income for the six-month period ended 30 June 2011 (continued)**

	Code	Note	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
<b>Attributable to:</b>				
Minority interest	61	26	2,498,626,786	2,991,628,263
Equity holders of the Company	62		86,779,715,380	99,441,025,360
Net profit	60		89,278,342,166	102,432,653,623
Basic earnings per share	70	32	1,240	1,421

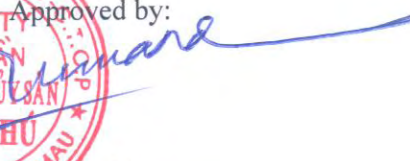
Prepared by:



Luu Minh Trung  
Chief Accountant



Approved by:



Le Van Diep  
Deputy General Director


30 August 2011

*The accompanying notes form an integral part of these consolidated interim financial statements*

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Consolidated statement of changes in equity for the six-month period ended 30 June 2011**

	Share capital VND	Capital surplus VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Total VND
<b>Balance at 1 January 2010</b>	700,000,000,000	177,876,869,236	52,534,526,623	39,893,962,999	105,216,257,459	1,075,521,616,317
Net profit for the period	-	-	-	-	99,441,025,360	99,441,025,360
Transfer to bonus and welfare fund	-	-	-	-	(25,705,202,125)	(25,705,202,125)
Utilisation of fund	-	-	-	(16,211,690,167)	-	(16,211,690,167)
Other increase	-	-	-	40,000,000	271,589,519	311,589,519
Other decrease	-	-	(3,467,013,314)	-	(6,319,359)	(3,473,332,673)
<b>Balance at 30 June 2010</b>	700,000,000,000	177,876,869,236	49,067,513,309	23,722,272,832	179,217,350,854	1,129,884,006,231
Net profit for the period	-	-	-	-	206,851,893,714	206,851,893,714
Foreign exchange differences	-	-	(3,335,259,838)	-	-	(3,335,259,838)
Currency translation differences	-	-	8,569,093,580	-	-	8,569,093,580
Utilisation of fund	-	-	-	(4,021,742,879)	-	(4,021,742,879)
Other increase	-	-	-	-	19,119,885	19,119,885
<b>Balance at 31 December 2010</b>	700,000,000,000	177,876,869,236	54,301,347,051	19,700,529,953	386,088,364,453	1,337,967,110,693
Net profit for the period	-	-	-	-	86,779,715,380	86,779,715,380
Appropriation to equity fund	-	-	-	37,979,312,473	(37,979,312,473)	-
Transfer to bonus and welfare fund	-	-	-	-	(81,577,741,362)	(81,577,741,362)
Foreign exchange differences	-	-	(16,455,289,829)	-	-	(16,455,289,829)
Currency translation differences	-	-	27,119,804,217	-	-	27,119,804,217
Utilisation of fund	-	-	-	(9,552,089,744)	-	(9,552,089,744)
Other decrease	-	-	-	-	(70,000,000)	(70,000,000)
<b>Balance at 30 June 2011</b>	700,000,000,000	177,876,869,236	64,965,861,439	48,127,752,682	353,241,025,998	1,344,211,509,355

Prepared by:



Luu Minh Trung  
 Chief Accountant

Approved by:



Le Van Diep  
 Deputy General Director

30 August 2011

The accompanying notes form an integral part of these consolidated interim financial statements



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2011**

	Code	Note	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>01</b>		<b>110,755,217,862</b>	<b>124,440,216,136</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		26,353,155,302	17,653,685,387
Allowances and provisions	03		68,198,799,775	17,883,448,015
Unrealised foreign exchange losses	04		803,703,762	2,204,994,320
Interest income	05		(16,708,346,952)	(9,786,196,784)
Interest expense	06		121,209,942,826	59,802,821,141
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>310,612,472,575</b>	<b>212,198,968,215</b>
Change in receivables and other current assets	09		(45,471,736,742)	465,540,417,228
Change in inventories	10		(268,922,296,493)	(214,041,573,396)
Change in payables and other liabilities	11		61,928,072,848	(465,883,972,503)
Change in prepayments	12		-	160,352,590
			<b>58,146,512,188</b>	<b>(2,025,807,866)</b>
Interest paid	13		(88,896,365,661)	(50,053,511,141)
Corporate income tax paid	14		(30,146,358,937)	(8,663,913,773)
Other receipts for operating activities	15		-	90,000,000
Other payments for operating activities	16		(36,337,966,002)	(56,220,820,187)
<b>Net cash used in operating activities</b>	<b>20</b>		<b>(97,234,178,412)</b>	<b>(116,874,052,967)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(432,528,672,989)	(83,120,823,097)
Payments for purchase of debt instruments of other entities	24		-	(8,076,961,288)
Proceeds from sales of debt instruments of other entities			-	15,989,613,333
Payments for investments in other entities	26		(600,000,000)	(950,000,000)
Collections on investments in other entities	27		-	29,836,850,000
Receipts of interests	28		17,213,493,400	18,539,679,240
Receipts of long-term deposits	29		18,460,766,743	-
<b>Net cash used in investing activities</b>	<b>30</b>		<b>(397,454,412,846)</b>	<b>(27,781,641,812)</b>

*The accompanying notes form an integral part of these consolidated interim financial statements*



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2011**  
**(continued)**

	Code	Note	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from capital contribution by minority interest	31		748,822,809	-
Proceeds from borrowings	33		4,027,766,121,496	2,024,186,809,587
Payments to settle debts	34		(3,956,615,678,917)	(1,803,878,840,116)
Payments of dividends to minority interest	35		(4,942,438,160)	-
<b>Net cash generated from financing activities</b>	<b>40</b>		<b>66,956,827,228</b>	<b>220,307,969,471</b>
<b>Net cash flows during the period</b>	<b>50</b>		<b>(427,731,764,030)</b>	<b>75,652,274,692</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>		<b>741,370,744,436</b>	<b>151,115,119,814</b>
<b>Impact of exchange rate fluctuation</b>	<b>61</b>		<b>563,362,974</b>	<b>1,539,785,050</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>70</b>	<b>4</b>	<b>314,202,343,380</b>	<b>228,307,179,556</b>

Prepared by:

*Luu Minh Trung*  
 Luu Minh Trung  
 Chief Accountant



Approved by:

*Le Van Diep*  
 Le Van Diep  
 Deputy General Director

30 August 2011

*The accompanying notes form an integral part of these consolidated interim financial statements*

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2011**

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

**1. Reporting Entity**

Minh Phu Seafood Joint Stock Company (“the Company”) was incorporated as a joint-stock company under Business Registration Certificate No. 2000393273 issued by the Planning and Investment Department of Ca Mau Province on 23 June 2010. The principal activities of the Company are to process and trade in aquatic products; to trade in aquatic breeds and aquatic foods; and to trade in machinery and equipment for aquaculture.

The Company’s shares are listed on the Ho Chi Minh Stock Exchange.

The consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associate.

The details of the subsidiaries are as follows:

Name	Principal activity	Business Registration Certificate	% of ownership	
			30/6/2011	31/12/2010
Mseafood Corporation	Trade in aquatic products.	2370515 issued by the State of California, the United States of America on 27 December 2001.	90.0%	90.0%
Minh Phu - Hau Giang Seafood Processing Co., Ltd	Process and trade in fish powder, aquatic products, bio-diesel fuel from fish oil, aquatic products; trade in goods, materials, machinery and equipment for aquaculture; invest and trade in infrastructure; conduct construction of civil and industrial works.	642041000003 issued by the Management Board of Hau Giang Industrial Zone on 29 December 2006.	97.0%	97.0%
Minh Qui Seafood Co., Ltd	Process and trade in aquatic products, import materials, machinery and equipment for aquaculture.	6102000008 issued by the Planning and Investment Department of Ca Mau Province on 19 September 2000.	97.5%	97.5%



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

Name	Principal activity	Business Registration Certificate	% of ownership	
			30/6/2011	31/12/2010
Minh Phat Seafood Co., Ltd	Process and trade in aquatic products, import materials, machinery and equipment for aquaculture.	6102000035 issued by the Planning and Investment Department of Ca Mau Province on 30 October 2001.	95.0%	95.0%
Minh Phu – Kien Giang Seafood Co., Ltd	Breed aquaculture products; process, preserve aquatic products; produce aquatic breeds; trade in machinery and equipment for aquaculture.	56-02-000417 issued by the Planning and Investment Department of Kien Giang Province on 16 January 2006.	99.1%	99.1%
Minh Phu Aquatic Larvae Co., Ltd	Produce, supply and trade in aquatic breeds; process, preserve aquatic products; trade in foods and materials for livestock, poultry and aquaculture.	4302000139 issued by the Planning and Investment Department of Ninh Thuan Province on 9 February 2006.	98.5%	98.5%
Minh Phu – Loc An Aquaculture Co., Ltd	Breed aquacultural products; produce and trade in aquatic foods, trade in machinery and equipment for aquaculture.	2000393273 issued by the Planning and Investment Department of Ba Ria - Vung Tau Province on 11 November 2010.	100%	-
Minh Phu Bio Co., Ltd	Produce biological products and fertilizer for agriculture.	6104000049 issued by the Planning and Investment Department of Ca Mau Province on 8 July 2008.	100%	100%
Minh Phu Organic Shrimp Farming Co., Ltd	Breed and process aquatic products; produce and trade in aquatic breeds, aquatic foods; trade in machinery and equipment for aquaculture.	2000971566 issued by the Planning and Investment Department of Ca Mau Province on 26 May 2010.	100%	100%

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As at 30 June 2011 the Group had 8,570 employees (31 December 2010: 6,787 employees).



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**2. Summary of significant accounting policies**

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

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

The consolidated interim financial statements, expressed in Vietnam Dong (“VND”), have been prepared in accordance with Vietnamese Accounting Standard 27 - *Interim Financial Reporting*, the Vietnamese Accounting System and the relevant statutory requirement applicable to interim financial statements. These consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2010

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

**(b) Basis of consolidation**

**(i) Subsidiaries**

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. 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) Associates**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Group’s share of the income and expenses of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group’s share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

**(iii) Transactions eliminated on consolidation**

Intra-group balances and any unrealised gains or losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group’s interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**(iv) Goodwill**

Goodwill represents the excess of the cost of a third party acquisition over the fair value of the Group's share of the net assets of the acquired subsidiaries and associates at the date of acquisition. Goodwill is amortised over 10 years.

If the fair value of the Group's share of the net assets of the acquired subsidiaries and associates exceeds the cost of its acquisition, the excess is recognised in the statement of income immediately.

**(c) Annual accounting period**

The annual accounting period of the Group is from 1 January to 31 December.

**(d) Adoption of Circular No. 210/2009/TT-BTC of the Ministry of Finance on presentation and disclosures of financial instruments**

Effective from 1 January 2011, the Group adopted the requirements of Circular No. 210/2009/TT-BTC of the Ministry of Finance on presentation and disclosures of financial instruments ("Circular 210") prospectively. The adoption of Circular 210 did not have a material effect on the measurement or presentation of financial instruments in the Group's financial statements. The financial statements disclosures specified in Circular 210 are not required for corresponding figures due to the prospective application

**(e) Foreign currency transactions**

**(i) 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.

All foreign exchange differences are recorded in the statement of income, except when they relate to the construction of tangible fixed assets or the translation of foreign currency monetary items during entity's pre-operating stage, in which case they are recorded in the foreign exchange difference account in equity until the subsidiary commences operations and the tangible fixed assets are put into use. Once the entity commences operations and the tangible fixed assets are put into use, the related foreign exchange gains are transferred to the unearned revenue account and foreign exchange losses are transferred to the long-term prepayment account. The gains and losses are then amortised on a straight line basis over 5 years.



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**(ii) Foreign operations**

The assets and liabilities of the foreign operation are translated into VND rates of exchange ruling at the balance sheet date. The income and expenses of the foreign operation are translated into VND at rates approximating those ruling at the transaction dates.

Foreign currency differences are recognised directly in the foreign exchange differences in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign exchange differences is transferred to profit or loss.

**(f) 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 amount 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.

**(g) Investments**

Investments in term deposits and debt instruments; investments in 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 if the market value of the investment falls below cost or if the investee has suffered a loss. 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.

**(h) Accounts receivable**

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

**(i) 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 Group applies the perpetual method of accounting for inventory.



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**(j) 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. 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 period 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
▪ machinery and equipment	4 – 10 years
▪ motor vehicles	5 – 10 years
▪ office equipment	3 – 10 years

**(k) Intangible fixed assets**

**(i) Indefinite land use rights**

Indefinite 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) Definite land use rights**

Definite land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over 50 years.

**(iii) 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 a period of 5 to 10 years.

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**(l) 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.

**(m) Long-term prepayments**

**(i) Pre-operating expenses**

Pre-operating expenses are recorded in the statement of income, except for establishment costs and expenditures on training, advertising and promotional activities incurred from the incorporation date to the commercial operation date. These expenses are recognised as long-term prepayments, initially stated at cost, and are amortised on a straight line basis over 3 years starting from the date of commercial operation.

**(ii) Prepaid land costs**

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease of 20 years.

**(iii) Tools and supplies**

Tools and supplies which do not qualify for recognition of tangible fixed assets under Vietnamese regulation as their cost is less than VND10 million are classified as long-term prepayments and are amortised on a straight line basis over 2 years.

**(n) Trade and other payables**

Trade and other payables are stated at their cost.

**(o) 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.



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**(p) Taxation**

Income tax on the profit or loss for the period 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 period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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.

**(q) Revenue**

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.

**(r) 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.

**(s) Borrowing costs**

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

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**(t) Earnings per share**

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. The Company does not have any potentially dilutive ordinary shares.

**(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 of other segments. The Group's primary format for segment reporting is based on business segments.

**(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.



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2011 (continued)**

**3. Segment reporting**

**(a) Business segments**

The Group comprise the following main business segments:

- Aquaculture products breeding
- Aquatic products processing
- Aquatic products trading
- Others

<b>For six-month period ended 30 June 2011</b>	<b>Aquaculture products breeding VND</b>	<b>Aquatic products processing VND</b>	<b>Aquatic products trading VND</b>	<b>Others VND</b>	<b>Elimination VND</b>	<b>Consolidated VND</b>
External revenue	-	2,029,063,374,389	845,084,239,138	6,099,449,197	-	2,880,247,062,724
Inter-segment revenue	123,582,197,573	736,402,552,416	-	18,683,035,698	(878,667,785,687)	-
Intra-segment revenue	-	3,746,821,582,622	-	-	(3,746,821,582,622)	-
<b>Total segment revenue</b>	<b>123,582,197,573</b>	<b>6,512,287,509,427</b>	<b>845,084,239,138</b>	<b>24,782,484,895</b>	<b>(4,625,489,368,309)</b>	<b>2,880,247,062,724</b>
<b>Segment result</b>	<b>52,454,616,390</b>	<b>166,188,494,530</b>	<b>17,635,386,114</b>	<b>7,889,339,001</b>	<b>(18,658,314,754)</b>	<b>225,509,521,281</b>
<b>Financial income</b>						<b>59,509,179,318</b>
<b>Financial expenses</b>						<b>(175,936,581,574)</b>
<b>Result from operating activities</b>						<b>109,082,119,025</b>
<b>Other income</b>						<b>1,866,202,233</b>
<b>Other expenses</b>						<b>(193,103,396)</b>
<b>Income tax</b>						<b>(21,476,875,696)</b>
<b>Net profit after tax</b>						<b>89,278,342,166</b>

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2011 (continued)**

<i>For six-month period ended 30 June 2010</i>	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
External revenue	-	986,168,893,145	606,025,276,961	7,364,279,546	28,897,573,760	1,628,456,023,412
Inter-segment revenue	87,723,543,160	502,517,973,990	-	4,623,247,528	(594,864,764,678)	-
Intra-segment revenue	-	2,170,566,219,063	-	-	(2,170,566,219,063)	-
<b>Total segment revenue</b>	<b>87,723,543,160</b>	<b>3,659,253,086,198</b>	<b>606,025,276,961</b>	<b>11,987,527,074</b>	<b>(2,736,533,409,981)</b>	<b>1,628,456,023,412</b>
<b>Segment result</b>	<b>36,138,166,936</b>	<b>118,761,289,793</b>	<b>17,913,355,714</b>	<b>(3,037,931,149)</b>	<b>(3,086,201,872)</b>	<b>166,688,679,422</b>
Financial income						29,819,633,568
Financial expenses						(74,013,762,297)
<b>Result from operating activities</b>						<b>122,494,550,693</b>
Other income						3,152,276,512
Other expenses						(1,206,611,069)
Income tax						(22,007,562,513)
<b>Net profit after tax</b>						<b>102,432,653,623</b>



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2011 (continued)**

<i>As of 30 June 2011</i>	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	376,217,198,835	4,985,589,354,168	630,301,393,774	42,448,970,593	(2,428,895,916,418)	3,605,661,000,952
Investment in equity accounted associate						2,180,000,000
Unallocated assets						508,509,521,684
<b>Total assets</b>						<b>4,116,350,522,636</b>
Segment liabilities	62,409,022,690	2,709,675,162,016	221,670,427,108	2,696,317,131	(997,790,661,267)	1,998,660,267,678
Unallocated liabilities						700,000,000,000
<b>Total liabilities</b>						<b>2,698,660,267,678</b>
<b>For the period ended 30 June 2011</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Capital expenditure	107,786,563,014	324,136,088,607	-	606,021,368	-	432,528,672,989
Depreciation of tangible fixed assets	2,383,661,691	19,063,883,374	180,132,350	1,383,098,723	-	23,010,776,138
Amortisation of intangible fixed assets	2,249,100	223,878,006	-	110,104,944	-	336,232,050

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2011 (continued)**

<i>As of 30 June 2010</i>	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	154,190,467,609	2,432,809,426,041	842,601,339,366	710,336,363,815	(766,566,431,591)	3,373,371,165,240
Investment in equity accounted associate						1,580,000,000
Unallocated assets						519,853,271,106
<b>Total assets</b>						<b>3,894,804,436,346</b>
Segment liabilities	2,524,925,100	2,386,266,783,241	260,078,315,902	348,639,051,805	(707,982,300,746)	2,289,526,775,302
Unallocated liabilities						200,000,000,000
<b>Total liabilities</b>						<b>2,489,526,775,302</b>
<b>For the period ended 30 June 2010</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Capital expenditure	861,144,000	81,925,478,194	39,506,694	294,694,209	-	83,120,823,097
Depreciation of tangible fixed assets	1,311,535,340	14,875,873,042	197,506,704	954,789,763	-	17,339,704,849
Amortisation of intangible fixed assets	2,249,100	163,907,998	-	110,104,944	-	276,262,042



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**(b) Geographical segments**

	<b>External revenue</b>	
	<b>2011</b>	<b>2010</b>
	<b>VND</b>	<b>VND</b>
Vietnam	132,736,088,980	141,090,389,043
North America	1,464,917,510,489	855,846,780,870
Europe	331,947,479,404	136,061,279,097
Japan	398,605,790,018	219,056,305,226
Korea	319,896,427,440	204,185,063,546
Others	232,143,766,393	72,216,205,630
	2,880,247,062,724	1,628,456,023,412

**4. Cash and cash equivalents**

	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	4,886,129,757	4,137,588,924
Cash in bank	53,316,213,623	472,773,552,603
Cash equivalents	256,000,000,000	264,459,602,909
	314,202,343,380	741,370,744,436

Cash and cash equivalents at 30 June 2011 included amounts denominated in currencies other than VND amounting to VND4,537 million (31 December 2010: VND16,326 million).

Cash on hand and cash in bank at 30 June 2011 included VND272 million and VND27,326 million respectively (31 December 2010: VND412 million and VND380,116 million respectively) pledged with banks as security for loans granted to the Group.

Cash equivalents at 30 June 2011 included VND41,000 million (31 December 2010: VND38,000 million) which is subject to restriction in use according to payment guarantee agreement with Vietnam Joint Stock Commercial Bank for Industry and Trade – Ca Mau Branch.

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**5. Short-term investments**

	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND</b>	<b>VND</b>
<b>Short-term investments in shares</b>		
▪ No.8 Investment & Construction JSC	5,263,000,000	5,263,000,000
▪ PetrolVietnam Transportation Corporation	6,004,500,000	6,004,500,000
▪ REE Corporation	80,000	80,000
<b>Other short-term investments</b>		
▪ Loan receivables (*)	8,538,770,957	8,538,770,957
▪ Term deposits (**)	70,173,959,980	72,422,846,492
	<hr/>	<hr/>
	89,980,310,937	92,229,197,449
	<hr/>	<hr/>

(\*) These loans represented loans to a shrimp farmer for operational support and were unsecured, interest free and payable on demand. According to loan agreements, the shrimp farmer has the commitment to sell all shrimps to the Group. Management assessed that the Group can recover the loans through future shrimp purchase.

(\*\*) This represented term deposits with maturity of less than a year and bore interest rate from 13.2% to 14.0% per annum during the period. Term deposits were with reputable banks with low credit risk.

Term deposits at 30 June 2011 included VND22,874 million (31 December 2010: VND22,874 million) pledged with the banks as security for loans granted to the Group.

Movements in the allowance for diminution in value of short-term investments during the period were as follows:

	<b>1/1/2011 to</b>	<b>1/1/2010 to</b>
	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>VND</b>	<b>VND</b>
Opening balance	8,241,940,000	11,137,200,000
Increase in allowance during the period	1,455,260,000	-
Written back	-	(3,173,420,000)
	<hr/>	<hr/>
Closing balance	9,697,200,000	7,963,780,000
	<hr/>	<hr/>



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**6. Accounts receivable – short-term**

Accounts receivable - trade represented the amount due from third parties which were unsecured, interest free and are receivable within 30 - 60 days from invoice date.

Included in the prepayments to suppliers at 30 June 2011 were VND44,530 million (31 December 2010: VND35,953 million) of prepayments for acquisition of machinery and construction services.

Accounts receivable – trade and prepayments to suppliers at 30 June 2011 included VND202,356 million and VND8,050 million respectively (31 December 2010: VND242,381 million and VND37,386 million respectively) pledged with banks as security for loans granted to the Group.

Other short-term receivables comprised:

	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND</b>	<b>VND</b>
Interest receivable	3,682,569,600	4,187,716,048
Receivables from employees	5,360,084,653	-
Others	3,201,231,880	2,124,628,386
	<hr/>	<hr/>
	12,243,886,133	6,312,344,434
	<hr/>	<hr/>

Movements in the allowance for doubtful debts during the period were as follow:

	<b>1/1/2011 to</b>	<b>1/1/2010 to</b>
	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>VND</b>	<b>VND</b>
Opening balance	385,956,695	-
Increase in allowance during the period	16,947,297,133	-
	<hr/>	<hr/>
Closing balance	17,333,253,828	-
	<hr/>	<hr/>

The carrying amount of receivables represented the maximum credit risk pertaining to receivables.

The Group's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer. In response to the risk, management of the Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. In addition, the Group always asks for collateral from customers for each sale order, normally in the form of letter of credit. Receivables are due within 30 days from the date of billing. Debtors with balances that are more than 30 days outstanding are requested to settle the balances before further credit is granted.

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

Based on historic default rates, the Group believes that, apart from the amount provided for above, no further allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables as of 30 June 2011. The ageing analysis of the receivables that did not require allowance is as follows:

	<b>30/6/2011</b> <b>VND</b>
Not past due	330,491,444,973

At 30 June 2011, an allowance for doubtful debts of VND16,947 million relates to a customer that was declared bankrupt during the period.

**7. Inventories**

	<b>30/6/2011</b> <b>VND</b>	<b>31/12/2010</b> <b>VND</b>
Goods in transit	-	4,561,541,150
Raw materials	107,150,259,147	48,079,396,402
Tools and materials	15,989,961,548	5,851,893,913
Work in progress	36,475,836,021	2,352,905,191
Finished goods	889,233,349,062	709,039,549,629
Merchandise inventory	494,969,827,640	461,385,270,402
	<hr/>	<hr/>
	1,543,819,233,418	1,231,270,556,687
Allowance for inventories	(28,228,993,331)	(17,529,048,781)
	<hr/>	<hr/>
	1,515,590,240,087	1,213,741,507,906

Movements in the allowance for inventories during the period were as follows:

	<b>1/1/2011 to</b> <b>30/6/2011</b> <b>VND</b>	<b>1/1/2010 to</b> <b>30/6/2010</b> <b>VND</b>
Opening balance	17,529,048,781	7,329,195,819
Increase in allowance during the period	14,087,885,018	8,776,868,015
Written back	(3,471,642,376)	-
Translation differences	83,701,908	-
	<hr/>	<hr/>
Closing balance	28,228,993,331	16,106,063,834



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

At 30 June 2011 inventories with a carrying value of VND562,979 million (31 December 2010: VND386,699 million) were pledged with banks as security for loans granted to the Group.

Included in finished goods at 30 June 2011 was VND222,361 million (31 December 2010: VND133,527 million) of inventories carried at net realisable value.

**8. Other current assets**

Included in other current assets at 30 June 2011 was the advance to an employee of VND37,853 million (31 December 2010: VND23,701 million) to purchase land use right on behalf of the Group.

Other current assets at 30 June 2011 included VND40,342 million (31 December 2010: VND24,369 million) pledged with banks as security for loans granted to the Group.

**9. Accounts receivable – long-term**

Pursuant to the United States of America’s Antidumping Law, Mseafood Corporation (“Mseafood”), a subsidiary is required to pay antidumping tax based on the annual decision of the United States of America’s Department of Commerce (“DOC”). For each annual period, Mseafood is required to make a provisional payment based on the specific tax rate stipulated by DOC. Subsequently the antidumping tax will be finalized and settled based on the final annual decision.

Accounts receivable – long-term which belonged to Mseafood represented the antidumping tax to be refunded from the authorities. Details of this receivable were as follow:

	<b>30/6/2011</b>	<b>31/12/2010</b>
	<b>VND</b>	<b>VND</b>
Period from 1 February 2008 to 31 August 2008	-	37,304,364,041
Period from 1 February 2010 to 31 December 2010	14,092,980,304	12,940,542,630
Period from 1 January 2011 to 30 June 2011	22,061,177,528	-
	<hr/>	<hr/>
	36,154,157,832	50,244,906,671
	<hr/>	<hr/>

As at 30 June 2011, the fair value of accounts receivable - long-term, based on present value of future principal and interest cash flows, discounted at the market rate of interest at 30 June 2011, was not significantly different from the carrying value.

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2011 (continued)**

**10. Tangible fixed assets**

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Cost</b>					
Opening balance	153,084,080,254	321,348,395,463	29,898,449,868	5,928,515,229	510,259,440,814
Additions	11,174,217,678	72,561,207,451	13,697,576,821	2,584,210,899	100,017,212,849
Transfers from construction in progress	5,303,510,416	94,809,742	4,577,368,288	-	9,975,688,446
Translation differences	2,037,291,895	41,418,880	-	7,044,197	2,085,754,972
Closing balance	171,599,100,243	394,045,831,536	48,173,394,977	8,519,770,325	622,338,097,081
<b>Accumulated depreciation</b>					
Opening balance	33,273,783,981	112,707,530,509	8,929,774,514	3,909,577,090	158,820,666,094
Charge for the period	4,953,636,463	15,501,412,125	2,150,332,280	405,395,270	23,010,776,138
Translation differences	92,117,607	32,635,854	-	7,044,197	131,797,658
Closing balance	38,319,538,051	128,241,578,488	11,080,106,794	4,322,016,557	181,963,239,890
<b>Net book value</b>					
Opening balance	119,810,296,273	208,640,864,954	20,968,675,354	2,018,938,139	351,438,774,720
Closing balance	133,279,562,192	265,804,253,048	37,093,288,183	4,197,753,768	440,374,857,191

Included in the cost of tangible fixed assets were assets costing VND50,220 million which were fully depreciated as of 30 June 2011 (31 December 2010: VND38,578 million), but which are still in active use.

At 30 June 2011 tangible fixed assets with a carrying value of VND161,460 million (31 December 2010: VND145,618 million) were pledged with banks as security for loans granted to the Group.



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**11. Intangible fixed assets**

	Indefinite land use rights VND	Definite land use rights VND	Software VND	Total VND
<b>Cost</b>				
Opening and closing balance	4,052,200,000	19,956,614,159	1,656,347,291	25,665,161,450
<b>Accumulated amortisation</b>				
Opening balance	-	3,129,591,816	509,633,858	3,639,225,674
Charge for the period	-	244,536,450	91,695,600	336,232,050
Closing balance	-	3,374,128,266	601,329,458	3,975,457,724
<b>Net book value</b>				
Opening balance	4,052,200,000	16,827,022,343	1,146,713,433	22,025,935,776
Closing balance	4,052,200,000	16,582,485,893	1,055,017,833	21,689,703,726

Included in the cost of intangible fixed assets were assets costing VND2,027 million which were fully amortised as of 30 June 2011 (31 December 2010: VND1,982 million), but which are still in use.

At 30 June 2011 intangible fixed assets with a carrying value of VND5,162 million (31 December 2010: VND5,198 million) were pledged with banks as security for loans granted to the Group.

**12. Construction in progress**

	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
Opening balance	595,195,981,730	121,546,180,814
Additions during the period	259,635,384,005	82,854,454,564
Transfers to tangible fixed assets	(9,975,688,446)	(23,360,975,243)
Transfers to intangible fixed assets	-	(12,296,852,773)
Closing balance	844,855,677,289	168,742,807,362

At 30 June 2011 construction in progress with a carrying value of VND838,204 million (31 December 2010: VND591,873 million) were pledged with banks as security for loans granted to the Group.

For the six-month period ended 30 June 2011, borrowing costs capitalised into construction in progress amounted to VND21,268 million (six-month period ended 30 June 2010: VND1,428 million).

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**13. Long-term investments**

	30/6/2011 VND	31/12/2010 VND
<b>Investment in an associate</b>		
▪ Minh Phu Hau Giang Port Corporation	2,180,000,000	1,580,000,000
<b>Other long-term investments</b>		
▪ SSI Vision Fund	200,000,000,000	200,000,000,000
▪ Saigon – Camau Infrastructure Corporation	7,000,000,000	7,000,000,000
	207,000,000,000	207,000,000,000

Movements in the allowance for diminution in value of long-term investments during the period were as follows:

	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
Opening balance	12,131,246,470	-
Increase in allowance during the period	39,180,000,000	12,280,000,000
Closing balance	51,311,246,470	12,280,000,000

Details of the investments in associate were as follows:

Name	Principal activity	Business Registration Certificate	% of ownership	
			30/6/2011	31/12/2010
<b>Associate</b>				
Minh Phu Hau Giang Port Corporation.	Construct seaport for container and goods transportation, warehouses, seaport for petrol, gas and oil transportation; trade in petrol, oil, gas, materials and machineries for manufacturing.	6300108975 issued by the Planning and Investment Department of Hau Giang Province on 24 February 2010.	40%	40%



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**14. Long-term prepayments**

	Pre-operating expenses VND	Prepaid land costs VND	Tools and supplies VND	Total VND
Opening balance	2,009,147,914	-	6,164,667,380	8,173,815,294
Additions	3,684,273,705	57,664,188,498	2,950,799,250	64,299,261,453
Amortisation for the period	-	-	(1,461,699,264)	(1,461,699,264)
Closing balance	5,693,421,619	57,664,188,498	7,653,767,366	71,011,377,483

At 30 June 2011 long-term prepayments with a carrying value of VND64,051 million (31 December 2010: VND4,872 million) were pledged with banks as security for loans granted to the Group.

**15. Other long-term assets**

This represented 10% cash deposits for payment guarantee agreement of USD2,200,000 at Vietnam Joint Stock Commercial Bank for Industry and Trade, Ca Mau Branch and bore interest at 0.1% per annum. According to the agreement, the Group has to maintain term deposit account of USD1,980,000 at Vietnam Joint Stock Commercial Bank for Industry and Trade, Ca Mau Branch as security and the Bank has obligation to guarantee payments for taxes and legal fees relating to the antidumping lawsuit for Mseafood.

As at 30 June 2011, the fair value of other long-term assets, based on present value of future principal and interest cash flows, discounted at the market rate of interest at 30 June 2011, was not significantly different from the carrying value.

**16. Goodwill**

	VND
<b>Cost</b>	
Opening and closing balance	30,888,957,000
<b>Accumulated amortisation</b>	
Opening balance	7,979,647,414
Charge for the period	1,544,447,850
Closing balance	9,524,095,264
<b>Net book value</b>	
Opening balance	22,909,309,586
Closing balance	21,364,861,736

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**17. Short-term borrowings**

	<b>30/6/2011</b> <b>VND</b>	<b>31/12/2010</b> <b>VND</b>
Short-term borrowings	967,635,094,637	1,490,714,997,316
Current portion of long-term borrowings (Note 23)	77,281,964,392	-
	<hr/> 1,044,917,059,029	<hr/> 1,490,714,997,316

Terms and conditions of outstanding short-term borrowings were as follows:

	<b>Currency</b>	<b>Interest rate</b>	<b>30/6/2011</b> <b>VND</b>	<b>31/12/2010</b> <b>VND</b>
<b>Bank for Investment and Development of Vietnam – Ca Mau Branch</b>				
Loan 1	VND	17.5% pa.	7,572,093,533	109,663,512,828
Loan 2	VND	17.5% pa.	40,300,000,000	74,313,700,000
Loan 3	USD	5.5% pa.	50,425,421,982	-
<b>Vietnam Joint Stock Commercial Bank for Industry and Trade – Ca Mau Branch (“Vietinbank”)</b>				
Loan 4	VND	17.0% - 18.0% pa.	82,024,274,242	1,063,243,259,102
Loan 5	VND	17.5% - 19.0% pa.	9,852,385,730	38,731,032,164
Loan 6	VND	17.5% - 18.0% pa.	20,843,596,129	72,136,648,793
Loan 7	USD	5.5% - 6.0% pa.	381,625,221,614	-
Loan 8	USD	5.5% pa.	34,966,849,684	-
Loan 9	USD	5.0% pa.	1,889,165,486	-
<b>The Vietnam Development Bank – Minh Hai Branch (“VDB Minh Hai”)</b>				
Loan 10	VND	11.9% - 15.0% pa.	186,164,354,533	96,453,668,135
<b>Saigon Thuong Tin Commercial Joint Stock Bank – Ca Mau Branch (“Sacombank”)</b>				
Loan 11	VND	-	-	20,373,176,294
Loan 12	USD	5.5% pa.	64,780,580,774	-
Loan 13	USD	5.5% pa.	66,252,953,390	-
Loan 14	USD	5.5% pa.	20,938,197,540	15,800,000,000
			<hr/> 967,635,094,637	<hr/> 1,490,714,997,316



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

The bank loans are secured by the following assets of the Group:

	Carrying amount as at	
	30/6/2011	31/12/2010
	VND	VND
Cash in bank	25,461,499,651	376,122,502,724
Term deposits	22,874,000,000	22,874,000,000
Accounts receivable - trade	202,356,343,378	242,381,162,905
Inventories	483,061,149,377	375,838,474,436
Tangible fixed assets	32,992,099,133	32,760,236,232
Intangible fixed assets	1,082,702,062	1,117,144,233
	<hr/>	<hr/>
	767,827,793,601	1,051,093,520,530
	<hr/>	<hr/>

**18. Accounts payable - trade**

Accounts payable - trade represented the amount due to third parties which were unsecured, interest free and payable on demand.

**19. Taxes payable to State Treasury**

	30/6/2011	31/12/2010
	VND	VND
Value added tax	-	1,990,980,736
Corporate income tax	8,783,250,822	17,452,734,063
Personal income tax	736,155,324	1,912,130,849
Other	-	20,556,777
	<hr/>	<hr/>
	9,519,406,146	21,376,402,425
	<hr/>	<hr/>

**20. Accrued expenses**

	30/6/2011	31/12/2010
	VND	VND
External service payable	-	1,135,920,000
Anti-dumping tax payable for the period from 1 February 2008 to 31 January 2009	13,367,185,468	49,578,479,128
Anti-dumping tax payable for the period from 1 February 2009 to 31 January 2010	22,484,465,068	20,645,832,931
	<hr/>	<hr/>
	35,851,650,536	71,360,232,059
	<hr/>	<hr/>

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**21. Other payables**

	30/6/2011 VND	31/12/2010 VND
Social insurance, health insurance and trade union	819,539,873	576,441,479
Short-term deposits received	5,000,000,000	4,000,000,000
Interest payable	33,213,577,165	900,000,000
Commission payable	392,099,083	392,099,083
Others	1,971,334,545	617,583,025
	41,396,550,666	6,486,123,587

**22. Bonus and welfare fund**

The fund is established through appropriation from retained profits at the discretion of shareholders at the annual general meeting of shareholders. The fund is used to pay bonus and welfare to the Group's employees in accordance with the Group's bonus and welfare policies and Board of Management fee in accordance with the resolution of the shareholders in the annual general meeting.

Movements of bonus and welfare fund during the period were as follows:

	VND
Opening balance	11,931,450,768
Allocation to the fund	82,499,998,035
Utilisation of the fund	(26,715,876,258)
	67,715,572,545
Closing balance	67,715,572,545

**23. Long-term borrowings**

	30/6/2011 VND	31/12/2010 VND
Long-term borrowings	456,342,368,638	347,236,965,554
Long-term corporate bonds	900,000,000,000	400,000,000,000
	1,356,342,368,638	747,236,965,554
Repayable within twelve months (Note 17)	(77,281,964,392)	-
	1,279,060,404,246	747,236,965,554



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

Terms and conditions of outstanding long-term borrowings and long-term corporate bonds were as follows:

	Currency	Nominal interest rate	Year of maturity	30/6/2011 VND	31/12/2010 VND
<b>Long-term borrowings</b>					
<i>Vietinbank</i>					
		Cost of fund ("COF") plus 6.5% pa.			
Loan 1	VND		2017	196,932,078,784	135,985,430,540
Loan 2	USD	COF plus 3.4% pa.	2017	241,531,586,975	183,727,321,923
<i>VDB Minh Hai</i>					
Loan 3	VND	7.02% pa.	2011	2,149,800,000	4,849,800,000
<i>Sacombank</i>					
Loan 4	VND	COF plus 4.32% pa.	2012	3,953,472,652	5,778,154,180
Loan 5	VND	COF plus 4.32% pa.	2012	2,401,850,167	3,602,775,251
Loan 6	VND	COF plus 4.32% pa.	2012	1,704,716,060	2,557,074,060
Loan 7	VND	COF plus 4.32% pa.	2012	4,096,804,500	5,735,526,300
Loan 8	VND	COF plus 4.32% pa.	2012	3,572,059,500	5,000,883,300
<b>Long-term corporate bonds</b>					
Lot 1	VND	9.98% pa.	2012	200,000,000,000	200,000,000,000
Lot 2	VND	COF plus 4.0% pa.	2013	200,000,000,000	200,000,000,000
Lot 3	VND	COF plus 4.0% pa.	2014	500,000,000,000	-
				<b>1,356,342,368,638</b>	<b>747,236,965,554</b>

The bank loans and long-term corporate bonds are secured by the following assets of the Group:

	Carrying amount as at	
	30/6/2011 VND	31/12/2010 VND
Cash	2,136,848,290	4,405,167,616
Prepayments to suppliers	8,050,113,835	37,386,170,730
Inventories	79,918,232,056	10,860,420,039
Other current assets	40,341,653,173	24,368,880,521
Tangible fixed assets	128,468,394,972	112,858,215,460
Intangible fixed assets	4,078,814,350	4,081,063,450
Construction in progress	838,204,155,772	591,872,536,603
Long-term prepayments	64,051,131,767	4,872,088,183
	<b>1,165,249,344,215</b>	<b>790,704,542,602</b>

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2011 (continued)**

As at 30 June 2011, the financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

	Carrying amount		Contractual cash flows		Within 1 year		1 – 2 years		2 – 5 years	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<b>Short-term borrowings and liabilities</b>										
Short-term borrowings	967,635,094,637		997,534,605,028		997,534,605,028		-			-
Accounts payable-trade	180,923,075,934		180,923,075,934		180,923,075,934		-			-
Payables to employees	31,826,342,725		31,826,342,725		31,826,342,725		-			-
Other payables	41,396,550,666		41,396,550,666		41,396,550,666		-			-
<b>Long-term borrowings</b>	456,342,368,638		681,666,648,717		159,185,563,319		164,585,008,892			357,896,076,506
<b>Long-term corporate bonds</b>	900,000,000,000		1,274,940,000,000		145,960,000,000		335,980,000,000			793,000,000,000
	2,578,123,432,600		3,208,287,223,070		1,556,826,137,672		500,565,008,892			1,150,896,076,506

The Group manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in short term investments and maintaining several bank facilities.



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

As at 30 June 2011, the fair value of long-term borrowings and liabilities, based on present value of future principal and interest cash flows, discounted at the market rate of interest at 30 June 2011, were as follows:

	30/6/2011	
	Carrying amount VND	Fair value VND
<b>Long-term borrowings</b>	456,342,368,638	456,342,368,638
<b>Long-term bonds issued</b>		
Lot 1	200,000,000,000	167,719,620,798
Lot 2	200,000,000,000	200,000,000,000
Lot 3	500,000,000,000	500,000,000,000
	1,356,342,368,638	1,324,061,989,436

As at 30 June 2011, VND1,154,193 million of the long-term borrowings and liabilities obtained or issued by the Group was at variable interest rate. No policy was in place pertaining to the mitigation of any potential volatility of the interest rate. An increase of 100 basis points in interest rates would have decreased the net profit of the Group by VND2,698 million.

## **24. Provision for severance allowance**

Movements of provision for severance allowance during the period were as follows:

	VND
Opening balance	3,825,350,961
Utilised during the period	(103,348,390)
	3,722,002,571

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 employee 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.

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

Pursuant to Law on Social Insurance, effective from 1 January 2009 the Group 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. With the implementation of unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the 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.

For the six-month period ended 30 June 2011, the Group contributed VND508 million (six-month period ended 30 June 2010: VND349 million) to the unemployment insurance fund and the amount is recorded as part of labour and staff costs in the statement of income.

## 25. Share capital

The Company's authorised and issued share capital is:

	30/6/2011		31/12/2010	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital	70,000,000	700,000,000,000	70,000,000	700,000,000,000

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.

## 26. Minority interest

	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
Balance at the beginning of the period	67,310,550,351	46,469,180,502
Additional investments during the period	748,822,809	15,000,000,000
Net earnings attributable to minority interest during the period	2,498,626,786	2,991,628,263
Translation differences borne by minority interest	8,785,440,490	-
Bonus and welfare fund borne by minority interest	(922,256,673)	(271,589,519)
Dividends	(4,942,438,160)	(2,271,127,677)
Balance at the end of the period	73,478,745,603	61,918,091,569



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**27. Total revenue**

Total revenue represented the gross invoiced value of goods sold exclusive of value added tax.

Net sales comprised:

	<b>1/1/2011 to 30/6/2011 VND</b>	<b>1/1/2010 to 30/6/2010 VND</b>
Total revenue		
▪ Finished goods sold	1,323,617,326,771	287,051,809,589
▪ Merchandise goods sold	1,557,275,097,114	1,354,482,039,972
▪ Scraps sold	18,119,569,675	15,603,892,963
	<hr/>	<hr/>
	2,899,011,993,560	1,657,137,742,524
Less sales deductions		
▪ Sales returns	(18,764,930,836)	(28,681,719,112)
	<hr/>	<hr/>
Net sales	2,880,247,062,724	1,628,456,023,412
	<hr/>	<hr/>

**28. Cost of sales**

	<b>1/1/2011 to 30/6/2011 VND</b>	<b>1/1/2010 to 30/6/2010 VND</b>
Finished goods sold	965,261,057,860	656,275,084,467
Merchandise goods sold	1,493,009,216,566	689,783,187,145
Allowance for inventories	10,616,242,642	-
	<hr/>	<hr/>
	2,468,886,517,068	1,346,058,271,612
	<hr/>	<hr/>

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**29. Financial income**

	<b>1/1/2011 to 30/6/2011 VND</b>	<b>1/1/2010 to 30/6/2010 VND</b>
Interest income	16,708,346,952	11,158,971,997
Dividend income	-	67,200,000
Realised foreign exchange gains	36,510,978,802	18,291,239,423
Unrealised foreign exchange gains	6,289,853,564	-
Others	-	302,222,148
	<hr/> 59,509,179,318	<hr/> 29,819,633,568 <hr/>

**30. Financial expenses**

	<b>1/1/2011 to 30/6/2011 VND</b>	<b>1/1/2010 to 30/6/2010 VND</b>
Interest expense	121,209,942,826	59,802,821,141
Losses from trading of securities	-	2,574,500,000
Realised foreign exchange losses	96,621,422	324,866,836
Unrealised foreign exchange losses	7,093,557,326	2,204,994,320
Allowance for investments	40,635,260,000	9,106,580,000
Others	6,901,200,000	-
	<hr/> 175,936,581,574	<hr/> 74,013,762,297 <hr/>



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**31. Income tax**

**(a) Deferred tax assets**

Deferred tax assets were attributable to the following:

	<b>30/6/2011</b> <b>VND</b>	<b>31/12/2010</b> <b>VND</b>
Unrealised foreign exchange differences	1,891,624,506	1,891,624,506
Unrealised profits arising from intra-group transactions	14,646,032,711	14,646,032,711
	<hr/> 16,537,657,217	<hr/> 16,537,657,217

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

	<b>1/1/2011 to</b> <b>30/6/2011</b> <b>VND</b>	<b>1/1/2010 to</b> <b>30/6/2010</b> <b>VND</b>
Current tax expense	21,476,875,696	22,007,562,513

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

	<b>1/1/2011 to</b> <b>30/6/2011</b> <b>VND</b>	<b>1/1/2010 to</b> <b>30/6/2010</b> <b>VND</b>
Profit before tax	110,755,217,862	124,440,216,136
Tax at the Company's tax rate	27,688,804,466	31,110,054,034
Non-deductible expenses	-	646,566,109
Tax exempt income	-	(33,600,000)
Tax incentives	(8,878,288,180)	(12,592,197,900)
Effect of different tax rates in subsidiaries	2,666,359,410	2,876,740,270
Income tax expense	<hr/> 21,476,875,696	<hr/> 22,007,562,513

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**(d) Applicable tax rates**

*The Company*

Under the terms of its Business Registration Certificate, the Company has an obligation to pay the government corporate income tax at the rate of 25% of taxable profits.

*The Subsidiaries*

*Mseafood Corporation (“Mseafood”)*

Under the regulations of United States of America, Mseafood has the obligation to pay two types of corporate income taxes:

- State corporate income tax: at the rate of 8.84% on the taxable income. In case of losses, Mseafood still has to pay the minimum tax of USD800.
- Federal corporate income tax: at the higher rate of assessable income multiplying the progressive tax rate or 20% on taxable income.

*Minh Phu - Hau Giang Seafood Processing Co., Ltd (“Minh Phu – Hau Giang”)*

Under the terms of its Business Registration Certificate, Minh Phu – Hau Giang has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits for fifteen years starting from the first year of operation and 25% thereafter. The provisions of Minh Phu – Hau Giang’s Business Registration Certificate allow it to be exempted from income tax for four years starting from the first year it generates a taxable profit and receive a 50% reduction in income tax for nine succeeding years. The income tax regulations also specify that if the Company does not generate any taxable profit in three consecutive years from the first year it generate revenue, the above tax exemption period will start in the fourth year despite the fact that no taxable profit has been made. As at 30 June 2011, Minh Phu – Hau Giang is still in the pre-operation stage.

*Minh Qui Seafood Co., Ltd (“Minh Qui”)*

Under the terms of its Business Registration Certificate, Minh Qui has an obligation to pay the government corporate income tax at the rate of 20% of taxable profit from 2003 to 2012 and 25% thereafter. The provisions of Minh Qui’s Business Registration Certificate allow it to be exempted from income tax from 2003 to 2004 and receive a 50% reduction in income tax from 2005 to 2009.

*Minh Phat Seafood Co., Ltd (“Minh Phat”)*

Under the terms of its Business Registration Certificate, Minh Phat has an obligation to pay the government corporate income tax at the rate of 20% of taxable profits from 2006 to 2015 and 25% thereafter. The provisions of Minh Phat’s Business Registration Certificate allow it to be exempted from income tax from 2006 to 2007 and receive a 50% reduction in income tax from 2008 to 2012.



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

***Minh Phu – Kien Giang Seafood Co., Ltd (“Minh Phu – Kien Giang”)***

Under the terms of its Business Registration Certificate, Minh Phu – Kien Giang has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2006 to 2020 and 25% thereafter. The provisions of Minh Phu – Kien Giang’s Business Registration Certificate allow it to be exempted from income tax from 2007 to 2010 and receive a 50% reduction in income tax from 2011 to 2019.

***Minh Phu Aquatic Larvae Co., Ltd (“Minh Phu Larvae”)***

Under the terms of its Business Registration Certificate, Minh Phu Larvae has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2006 to 2020 and 25% thereafter. The provisions of Minh Phu Larvae’s Business Registration Certificate allow it to be exempted from income tax from 2008 to 2011 and receive a 50% reduction in income tax from 2012 to 2018.

***Minh Phu – Loc An Aquaculture Co., Ltd (“Minh Phu - Loc An”)***

Under the terms of its Business Registration Certificate, Minh Phu – Loc An has an obligation to pay the government corporate income tax at the rate of 20% of taxable profits for ten years starting from the first year of operation and 25% thereafter. The provisions of Minh Phu – Loc An’s Business Registration Certificate allow it to be exempted from income tax for two years starting from the first year it generates a taxable profit and receive a 50% reduction in income tax for three succeeding years. The income tax regulations also specify that if the Company does not generate any taxable profit in three consecutive years from the first year it generate revenue, the above tax exemption period will start in the fourth year despite the fact that no taxable profit has been made. As at 30 June 2011, Minh Phu – Loc An is still in the pre-operation stage.

***Minh Phu Bio Co., Ltd (“Minh Phu Bio”)***

Under the terms of its Business Registration Certificate, Minh Phu Bio has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2009 to 2023 and 25% thereafter. The provisions of Minh Phu Bio’s Business Registration Certificate allow it to be exempted from income tax from 2009 to 2012 and receive a 50% reduction in income tax from 2013 to 2021.

***Minh Phu Organic Shrimp Farming Co., Ltd (“Minh Phu Organic Shrimp”)***

Under the terms of its Business Registration Certificate, Minh Phu Organic Shrimp has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2010 to 2024 and 25% thereafter. The provisions of Minh Phu Organic Shrimp’s Business Registration Certificate allow it to be exempted from income tax from 2012 to 2015 and receive a 50% reduction in income tax from 2016 to 2024.

All the above tax incentives are not applicable to other income which is taxed at rate of 25%.

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**32. Basic earnings per share**

The calculation of basic earnings per share at 30 June 2011 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

*(i) Net profit attributable to ordinary shareholders*

	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
Net profit attributable to ordinary shareholders	86,779,715,380	99,441,025,360

*(ii) Weighted average number of ordinary shares*

	1/1/2011 to 30/6/2011	1/1/2010 to 30/6/2010
Weighted average number of ordinary shares at the beginning and the end of the period	70,000,000	70,000,000

**33. Significant transactions with related parties**

**Identity of related parties**

The Group has related party relationship with associates, shareholders, directors and executive officers and the entity owned by its major shareholders.

**Significant transactions with related companies**

In additions to balances with related companies disclosed in other notes to the financial statements, there were the following significant transactions with related companies during the period:

	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
<b>Minh Phu Hau Giang Port Corporation</b> Capital Contribution	600,000,000	950,000,000
<b>Minh Phu Investment Corporation</b> Office rental	1,490,838,750	866,141,400



**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**Transactions with key management personnel**

Total remuneration and business allowances to key management personnel were as follows:

	<b>1/1/2011 to 30/6/2011 VND</b>	<b>1/1/2010 to 30/6/2010 VND</b>
Board of Management	2,665,758,295	935,885,253

**34. Commitments**

**(a) Capital expenditure**

At 30 June 2011, the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	<b>30/6/2011 VND</b>	<b>31/12/2010 VND</b>
Approved and contracted	266,778,905,324	399,666,681,328

**(b) Leases**

The future minimum lease payments under non-cancellable operating leases were:

	<b>30/6/2011 VND</b>	<b>31/12/2010 VND</b>
Within one year	2,196,440,400	1,851,549,600
From two to five years	5,153,414,143	5,091,761,400
	<b>7,349,854,543</b>	<b>6,943,311,000</b>

**Minh Phu Seafood Joint Stock Company and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2011 (continued)**

**35. Net liabilities in foreign currencies**

At 30 June 2011, the Group had the following net exposed liability position:

	<b>USD</b>
Cash and cash equivalents	219,890
Accounts receivable – trade	12,813,330
Other monetary assets	402,366
Accounts payable – trade	(89,438)
Short-term borrowings	(25,275,534)
	<hr/>
	(11,929,386)
	<hr/> <hr/>

The followings are the significant exchange rates applied by the Group:

	<b>Exchange rate as at 30/6/2011</b>
USD	20,618
	<hr/>

Below is an analysis of the possible impact on the net profit of the Group as at 30 June 2011 after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 30 June 2011:

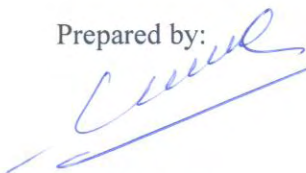
	<b>Effect to net profits as at 30/6/2011 VND</b>
USD (8% strengthening) – reduction of net profit	(14,627,512,936)
	<hr/>



### 36. Production and business costs by element

	1/1/2011 to 30/6/2011 VND	1/1/2010 to 30/6/2010 VND
Raw material costs included in production costs	2,526,417,450,459	1,486,844,640,629
Labour costs and staff costs	154,503,548,789	94,764,893,165
Depreciation and amortisation	26,353,155,302	17,653,685,387
Outside services	143,615,074,678	77,463,920,263
Other expenses	52,494,725,850	44,521,431,324

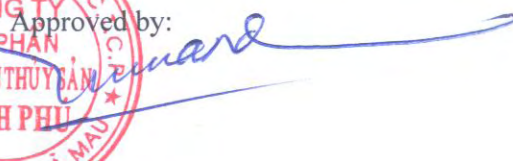
Prepared by:



Luu Minh Trung  
Chief Accountant



Approved by:



Le Van Diep  
Deputy General Director

30 August 2011