



Minh Phu Seafood Joint Stock Company

Separate financial statements for the
year ended 31 December 2012

Minh Phu Seafood Joint Stock Company Corporate Information

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

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

Board of Management	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
Board of Directors	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
	Mr. Bui Anh Dung	Deputy General Director
	Mr. Le Ngoc Anh	Deputy General Director
Supervisory Board	Mr. Phan Van Dung	Head of Board
	Ms. Nguyen Viet Hong	Member (until 14 December 2012)
	Mr. Nguyen Xuan Toan	Member (from 14 December 2012)
	Ms. Mai Thi Hoang Minh	Member
Registered Office	Ward 8 Industrial Zone Ca Mau City, Ca Mau Province Vietnam	
Auditors	KPMG Limited Vietnam	

Minh Phu Seafood Joint Stock Company
Statement of the Board of Directors

The Board of Directors is responsible for the preparation and presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements. In the opinion of the Board of Directors:

- (a) the separate financial statements set out on pages 4 to 47 are prepared and presented so as to give a true and fair view of the unconsolidated financial position of Minh Phu Seafood Joint Stock Company (“the Company”) as at 31 December 2012, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these separate financial statements for issue.



On behalf of the Board of Directors

Le Van Quang
General Director

Ca Mau City, 26 March 2013



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street
District 1, Ho Chi Minh City
The Socialist Republic of Vietnam

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INDEPENDENT AUDITORS' REPORT

To the Shareholders Minh Phu Seafood Joint Stock Company

Scope

We have audited the accompanying unconsolidated balance sheet of Minh Phu Seafood Joint Stock Company ("the Company") as of 31 December 2012, the related unconsolidated statements of income, and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 26 March 2013, as set out on pages 4 to 47. These separate financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these separate financial statements based on our audit.

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

Audit opinion

In our opinion, the separate financial statements give a true and fair view of the unconsolidated financial position of Minh Phu Seafood Joint Stock Company as of 31 December 2012 and of its unconsolidated results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

KPMG Limited

Vietnam

Investment Certificate No: 011043000345

Audit Report No : 11-01-174



Chông Kwang Duay
CPA No. 010864/KTV
Deputy General Director

Ho Chi Minh City, 26 March 2013

Nguyen Thanh Nghi
CPA No. 0304/KTV

Minh Phu Seafood Joint Stock Company
Unconsolidated balance sheet as at 31 December 2012

Form B 01 – DN

	Code	Note	31/12/2012 VND	31/12/2011 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		3,185,466,000,523	3,168,585,662,112
Cash and cash equivalents	110	4	1,262,727,092,679	996,468,970,858
Cash	111		5,593,207,329	83,816,362,008
Cash equivalents	112		1,257,133,885,350	912,652,608,850
Short-term investments	120	5	108,061,576,778	31,963,776,778
Short-term investments	121		117,843,856,778	41,887,856,778
Allowance for diminution in the value of short-term investments	129		(9,782,280,000)	(9,924,080,000)
Accounts receivable	130	6	561,544,758,845	453,157,209,481
Accounts receivable - trade	131		497,118,928,850	451,503,258,574
Prepayments to suppliers	132		16,533,756,025	7,628,118,003
Other receivables	135		55,992,921,904	6,463,265,606
Allowance for doubtful debts	139		(8,100,847,934)	(12,437,432,702)
Inventories	140	7	1,178,003,406,216	1,531,678,347,180
Inventories	141		1,214,508,634,330	1,588,430,261,119
Allowance for inventories	149		(36,505,228,114)	(56,751,913,939)
Other current assets	150		75,129,166,005	155,317,357,815
Short-term prepayments	151		144,621,577	31,925,538
Deductible value added tax	152		73,542,394,224	151,666,114,244
Other current assets	158		1,442,150,204	3,619,318,033

The accompanying notes form an integral part of these separate financial statements

Minh Phu Seafood Joint Stock Company
Unconsolidated balance sheet as at 31 December 2012 (continued)

Form B 01 – DN

	Code	Note	31/12/2012 VND	31/12/2011 VND
Long-term assets (200 = 220 + 250 + 260)	200		1,789,258,050,027	1,895,329,267,621
Fixed assets	220		202,032,206,168	196,454,403,315
Tangible fixed assets	221	8	178,796,831,912	164,286,348,500
<i>Cost</i>	222		269,011,810,118	231,372,248,442
<i>Accumulated depreciation</i>	223		(90,214,978,206)	(67,085,899,942)
Intangible fixed assets	227	9	16,331,164,820	16,822,187,362
<i>Cost</i>	228		20,325,564,603	20,325,564,603
<i>Accumulated amortisation</i>	229		(3,994,399,783)	(3,503,377,241)
Construction in progress	230	10	6,904,209,436	15,345,867,453
Long-term investments	250	11	1,586,521,342,692	1,693,660,541,944
Investments in subsidiaries	251		1,577,452,589,162	1,533,491,788,414
Investments in associates	252		2,180,000,000	2,180,000,000
Other long-term investments	258		7,000,000,000	207,000,000,000
Allowance for diminution in the value of long-term investments	259		(111,246,470)	(49,011,246,470)
Other long-term assets	260		704,501,167	5,214,322,362
Long-term prepayments	261	12	189,243,826	658,164,707
Deferred tax assets	262	28	515,257,341	-
Other long-term assets	268		-	4,556,157,655
TOTAL ASSETS (270 = 100 + 200)	270		4,974,724,050,550	5,063,914,929,733

The accompanying notes form an integral part of these separate financial statements

Minh Phu Seafood Joint Stock Company
Unconsolidated balance sheet as at 31 December 2012 (continued)

Form B 01 – DN

	Code	Note	31/12/2012 VND	31/12/2011 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		3,665,194,886,436	3,804,763,961,486
Current liabilities	310		3,163,133,857,072	3,101,252,556,023
Short-term borrowings	311	13	2,291,893,188,343	1,847,416,790,639
Accounts payable – trade	312	14	561,540,870,531	1,152,414,911,142
Advances from customers	313		6,411,973,205	7,584,888,515
Taxes payable to State Treasury	314	15	4,316,424,979	4,984,797,521
Payables to employees	315		21,433,112,453	6,672,862,807
Accrued expenses	316		-	2,622,363,636
Other payables	319	16	203,207,539,920	26,397,851,960
Bonus and welfare fund	323	17	74,330,747,641	53,158,089,803
Long-term liabilities	330		502,061,029,364	703,511,405,463
Long-term borrowings	334	18	500,000,000,000	700,000,000,000
Deferred tax liabilities	335	28	-	1,376,499,148
Provision for severance allowance	336	19	2,061,029,364	2,134,906,315
EQUITY (400 = 410)	400		1,309,529,164,114	1,259,150,968,247
Equity	410	20	1,309,529,164,114	1,259,150,968,247
Share capital	411	21	700,000,000,000	700,000,000,000
Capital surplus	412		177,876,869,236	177,876,869,236
Investment and development fund	416		42,568,431,702	33,947,754,291
Financial reserves	418		13,769,908,805	-
Retained profits	420		375,313,954,371	347,326,344,720
TOTAL RESOURCES (440 = 300 + 400)	440		4,974,724,050,550	5,063,914,929,733

The accompanying notes form an integral part of these separate financial statements

Minh Phu Seafood Joint Stock Company
Unconsolidated balance sheet as at 31 December 2012 (continued)

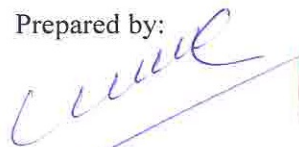
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OFF BALANCE SHEET ITEMS

	Note	31/12/2012	31/12/2011
Foreign currency included in cash:			
USD		124,836	1,248,082

26 March 2013

Prepared by:



Luu Minh Trung
Chief Accountant

Approved by:




Le Van Quang
General Director

The accompanying notes form an integral part of these separate financial statements

Minh Phu Seafood Joint Stock Company
Unconsolidated statement of income for the year ended 31 December 2012

Form B 02 – DN

	Code	Note	2012 VND	2011 VND
Total revenue	01	22	7,389,878,285,870	9,643,559,483,529
Less sales deductions	02	22	(21,896,806,164)	(32,345,811,470)
Net sales (10 = 01 + 02)	10	22	7,367,981,479,706	9,611,213,672,059
Cost of sales	11	23	(6,843,260,163,655)	(9,149,228,238,553)
Gross profit (20 = 10 + 11)	20		524,721,316,051	461,985,433,506
Financial income	21	24	283,098,086,250	282,722,752,609
Financial expenses	22	25	(275,728,468,147)	(300,684,926,757)
<i>In which: Interest expense</i>	23		(274,318,591,252)	(260,003,150,061)
Selling expenses	24		(220,379,130,529)	(134,613,805,415)
General and administration expenses	25		(35,536,210,846)	(42,434,142,053)
Net operating profit (30 = 20 + 21 + 22 + 24 + 25)	30		276,175,592,779	266,975,311,890
Other income	31	26	3,184,992,042	26,415,995,585
Other expenses	32	27	(4,532,156,212)	(21,721,345,143)
Results of other activities (40 = 31 + 32)	40		(1,347,164,170)	4,694,650,442
Profit before tax (50 = 30 + 40)	50		274,828,428,609	271,669,962,332
Income tax expense – current	51	28	(4,883,031,422)	(16,517,324,885)
Income tax benefit/(expense) – deferred	52	28	1,891,756,489	(3,268,123,654)
Net profit after tax (60 = 50 + 51 + 52)	60		271,837,153,676	251,884,513,793
Basic earnings per share	70	29	3,883	3,598

Prepared by:


Luu Minh Trung
Chief Accountant

26 March 2013

Approved by:


Le Van Quang
General Director



The accompanying notes form an integral part of these separate financial statements

Minh Phu Seafood Joint Stock Company
Unconsolidated statement of cash flows for the year ended 31 December 2012
(Indirect method)

Form B 03 - DN

	Code	Note	2012 VND	2011 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		274,828,428,609	271,669,962,332
Adjustments for				
Depreciation and amortisation	02		23,620,100,806	18,820,030,632
Allowances and provisions	03		(27,405,070,593)	94,714,304,464
Unrealised foreign exchange gains	04		(2,491,714,584)	(4,719,288,786)
Gains on disposals of fixed assets	05		-	(3,091,068,040)
Dividends and interest income	06		(274,206,094,559)	(248,481,788,644)
Losses on disposal of an investment			3,758,527,264	-
Interest expense	07		274,318,591,252	260,003,150,061
Operating profit before changes in working capital	08		272,422,768,195	388,915,302,019
Change in receivables and other current assets	09		5,913,234,551	144,656,640,238
Change in inventories	10		373,921,626,789	(1,395,454,472,320)
Change in payables and other liabilities	11		(576,922,863,848)	1,026,352,879,560
Change in prepayments	12		356,224,842	-
			75,690,990,529	164,470,349,497
Interest paid	13		(272,723,591,249)	(245,904,017,345)
Corporate income tax paid	14		(5,771,345,326)	(20,191,209,343)
Other payments for operating activities	16		(25,286,299,971)	(28,749,209,927)
Net cash flows from operating activities	20		(228,090,246,017)	(130,374,087,118)

The accompanying notes form an integral part of these separate financial statements

Minh Phu Seafood Joint Stock Company
Separate statement of cash flows for the year ended 31 December 2012
(Indirect method - continued)

Form B 03 - DN

	Code	Note	2012 VND	2011 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(33,780,410,507)	(116,519,575,024)
Proceeds from disposals of fixed assets	22		-	24,387,228,062
Payments for term deposits	23		(98,830,000,000)	-
Term deposits received	24		22,874,000,000	792,494,179
Payments for investments in other entities	25		(43,960,800,748)	(514,045,898,214)
Collections on investments in other entities	26		144,235,294,118	-
Receipts of interest and dividends	27		252,577,920,109	246,454,111,203
Receipts of long-term deposits	28		4,556,157,655	11,876,818,345
Net cash flows from investing activities	30		247,672,160,627	(347,054,821,449)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		6,961,975,353,907	6,432,812,660,795
Payments to settle debts	34		(6,715,015,272,619)	(5,561,330,436,096)
Net cash flows from financing activities	40		246,960,081,288	871,482,224,699
Net cash flows during the year (50 = 20 + 30 + 40)	50		266,541,995,898	394,053,316,132
Cash and cash equivalents at the beginning of the year	60		996,468,970,858	602,559,957,732
Impact of exchange rate fluctuation	61		(283,874,077)	(144,303,006)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	4	1,262,727,092,679	996,468,970,858

The accompanying notes form an integral part of these separate financial statements

Minh Phu Seafood Joint Stock Company
Separate statement of cash flows for the year ended 31 December 2012
(Indirect method - continued)

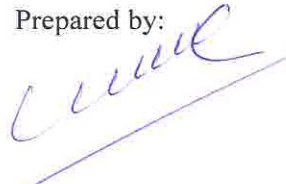
Form B 03 - DN

NON-CASH INVESTING ACTIVITIES


	2012	2011
	VND	VND
Cost of construction in progress that has not been paid	-	2,622,363,636
Proceeds from sale of investment not received	5,786,178,618	-
	<hr/>	<hr/>

26 March 2013

Prepared by:


 Luu Minh Trung
 Chief Accountant

Approved by:


 Le Van Quang
 General Director



The accompanying notes form an integral part of these separate financial statements

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012

Form B 09 – DN

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

1. Reporting Entity

Minh Phu Seafood Joint Stock Company (“the Company”) is incorporated as a joint-stock company under Business Registration Certificate No. 2000393273 issued by Ca Mau Province’s Department of Planning and Investment. 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.

As at 31 December 2012 the Company had 5,979 employees (31 December 2011: 1,447 employees).

2. Basis of preparation

(a) Statement of compliance

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

(b) Basis of measurement

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

These financial statements are the Company’s separate financial statements and do not include financial statements of its subsidiaries. Investments in subsidiaries and associates are stated at cost less allowance for diminution in value of long-term investments, if necessary, in these financial statements. The Company has prepared its consolidated financial statements that include the Company and its subsidiaries and issued them separately.

(c) Annual accounting period

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

(d) Accounting currency

The separate financial statements are prepared and presented in Vietnam Dong (“VND”).

3. Summary of significant accounting policies

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

(a) 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.

(b) 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.

(c) Investments

Investments in term deposits and debt instruments; investments in equity instruments of entities over which the Company has no control or significant influence; and investments in subsidiaries and associates 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.

(d) Accounts receivable

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

(e) Inventories

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

The Company applies the perpetual method of accounting for inventory.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
(continued)

Form B 09 – DN

(f) 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, maintenance and overhaul costs, is normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

▪ buildings	5 – 25 years
▪ machinery and equipment	4 – 10 years
▪ motor vehicles	5 – 10 years
▪ office equipment	3 – 10 years

(g) Intangible fixed assets

(i) 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.

(ii) Software

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over a period of 5 to 10 years.

(h) 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.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
(continued)

Form B 09 – DN

(i) Long-term prepayments

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.

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company 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.

Severance allowance

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.

Pursuant to Law on Social Insurance, effective from 1 January 2009 the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as of 31 December 2012 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.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
(continued)

Form B 09 – DN

(l) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Company classifies its financial instruments as follow:

(i) Financial assets

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
 - acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as financial assets at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company has the positive intention and ability to hold to maturity, other than:

- those that the Company on initial recognition designates as at fair value through profit or loss;
- those that the Company designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Company intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Company on initial recognition designates as available-for-sale; or
- for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
(continued)

Form B 09 – DN

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that is not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

Cash equivalents and term deposits are under the category of held-to-maturity investments. Equity investments are under the category of available for sale financial assets. All other financial assets are under the category of loans and receivables.

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held for trading. A financial liability is considered as held for trading if:
 - acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as financial assets liability at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised costs.

All financial liabilities on the balance sheet are under the category of financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
(continued)

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(m) Taxation

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

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

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 the 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.

(n) 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.

(o) Dividend income

Dividends are recognised as income when the right to receive the dividends is established.

(p) 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.

(q) Borrowing costs

Borrowing costs are recognised as an expense in the year 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.

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Notes to the separate financial statements for the year ended 31 December 2012
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(r) 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 year. The Company does not have any potentially dilutive ordinary shares.

4. Cash and cash equivalents

	31/12/2012 VND	31/12/2011 VND
Cash on hand	1,676,537,477	5,025,855,141
Cash in bank	3,916,669,852	78,790,506,867
Cash equivalents	1,257,133,885,350	912,652,608,850
	1,262,727,092,679	996,468,970,858

Cash equivalent at 31 December 2012 represented term deposits with the maturity of less than three months and bore interest at rate ranging from 8.0% to 9.0% (2011: from 12.0% to 14.0%) per annum.

5. Short-term investments

	31/12/2012 VND	31/12/2011 VND
Short-term investments in shares		
▪ PetrolVietnam Transportation Corporation	6,004,500,000	6,004,500,000
▪ No.8 Investment & Construction JSC	5,263,000,000	5,263,000,000
▪ REE Corporation	80,000	80,000
Other short-term investments		
▪ Loan receivables (*)	7,746,276,778	7,746,276,778
▪ Term deposits (**)	98,830,000,000	22,874,000,000
	117,843,856,778	41,887,856,778

(*) This represented loans to a shrimp farmer to support for the shrimp hatching which were unsecured, interest free and payable on demand. According to loan agreements, the shrimp farmer has the commitment to sell all shrimps to the Company.

(**) This represented term deposits with the maturity of less than a year and bore interest at rates ranging from 9.0% to 13.2% (2011: from 13.2% to 14.0%) per annum during the year.

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Notes to the separate financial statements for the year ended 31 December 2012
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Movements in the allowance for diminution in the value of short-term investments during the year were as follows:

	2012 VND	2011 VND
Opening balance	9,924,080,000	8,241,940,000
Increase in allowance during the year	-	1,738,860,000
Transfers from allowance for diminution in the value of long-term investments (Note 11)	48,900,000,000	-
Allowance utilised during the year	(46,220,000,000)	-
Written back	(2,821,800,000)	(56,720,000)
	<hr/>	<hr/>
Closing balance	9,782,280,000	9,924,080,000
	<hr/>	<hr/>

6. Accounts receivable

Accounts receivable – trade comprised:

	31/12/2012 VND	31/12/2011 VND
Trade receivables from subsidiaries	211,089,921,725	139,200,792,013
Trade receivables from third parties	286,029,007,125	312,302,466,561
	<hr/>	<hr/>
	497,118,928,850	451,503,258,574
	<hr/>	<hr/>

Accounts receivable - trade were unsecured, interest free and receivable within 15 - 60 days from invoice date.

Accounts receivable at 31 December 2012 included VND489,018 million (31 December 2011: VND439,066 million) pledged with banks as security for loans granted to the Company.

Included in the prepayments to suppliers at 31 December 2012 were VND5,691 million (31 December 2011: VND3,731 million) of prepayments for acquisition of machinery and construction services.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
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Other receivables comprised:

	31/12/2012	31/12/2011
	VND	VND
Interest receivable	4,430,530,163	6,215,393,489
Receivables from a subsidiary	21,639,788,414	-
Dividend receivable	23,413,037,776	-
Receivables from liquidation of invested entity	5,786,178,618	-
Others	723,386,933	247,872,117
	<hr/>	
	55,992,921,904	6,463,265,606
	<hr/>	

7. Inventories

	31/12/2012	31/12/2011
	VND	VND
Raw materials	41,234,621,613	38,215,161,485
Tools and materials	1,458,229,827	3,201,785,701
Finished goods	1,171,815,782,890	1,464,192,714,630
Merchandise inventory	-	82,820,599,303
	<hr/>	
	1,214,508,634,330	1,588,430,261,119
Allowance for inventories	(36,505,228,114)	(56,751,913,939)
	<hr/>	
	1,178,003,406,216	1,531,678,347,180
	<hr/>	

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

	2012	2011
	VND	VND
Opening balance	56,751,913,939	6,137,946,227
Increase in allowance during the year	-	54,085,610,088
Written back	(20,246,685,825)	(3,471,642,376)
	<hr/>	
Closing balance	36,505,228,114	56,751,913,939
	<hr/>	

At 31 December 2012 inventories with a carrying value of VND1,178,003 million (31 December 2011: VND1,531,678 million) were pledged with banks as security for loans granted to the Company.

Included in finished goods at 31 December 2012 was VND222,116 million (31 December 2011: VND515,078 million) of inventories carried at net realisable value.

Minh Phu Seafood Joint Stock Company

Notes to the separate financial statements for the year ended 31 December 2012 (continued)

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8. Tangible fixed assets

Cost	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Opening balance	61,942,849,397	140,411,881,434	23,002,088,904	6,015,428,707	231,372,248,442
Additions	1,448,074,282	3,301,079,673	2,843,694,300	3,835,640,000	11,428,488,255
Transfers from construction in progress	26,211,073,421	-	-	-	26,211,073,421
Closing balance	89,601,997,100	143,712,961,107	25,845,783,204	9,851,068,707	269,011,810,118
Accumulated depreciation					
Opening balance	17,961,361,329	40,706,392,551	4,787,396,915	3,630,749,147	67,085,899,942
Charge for the year	4,870,034,185	14,507,103,205	3,238,903,088	513,037,786	23,129,078,264
Closing balance	22,831,395,514	55,213,495,756	8,026,300,003	4,143,786,933	90,214,978,206
Net book value					
Opening balance	43,981,488,068	99,705,488,883	18,214,691,989	2,384,679,560	164,286,348,500
Closing balance	66,770,601,586	88,499,465,351	17,819,483,201	5,707,281,774	178,796,831,912

Included in the cost of tangible fixed assets were assets costing VND33,055 million which were fully depreciated as of 31 December 2012 (31 December 2011: VND32,061 million), but which are still in active use.

At 31 December 2012 tangible fixed assets with a carrying value of VND5,808 million (31 December 2011: VND43,462 million) were pledged with banks as security for loans granted to the Company.

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Notes to the separate financial statements for the year ended 31 December 2012
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9. Intangible fixed assets

	Definite land use rights VND	Software VND	Total VND
Cost			
Opening balance and closing balance	18,557,949,392	1,767,615,211	20,325,564,603
Accumulated amortisation			
Opening balance	2,944,568,329	558,808,912	3,503,377,241
Charge for the year	264,923,306	226,099,236	491,022,542
Closing balance	3,209,491,635	784,908,148	3,994,399,783
Net book value			
Opening balance	15,613,381,063	1,208,806,299	16,822,187,362
Closing balance	15,348,457,757	982,707,063	16,331,164,820

Included in the cost of intangible fixed assets were assets costing VND2,139 million which were fully amortised as of 31 December 2012 (31 December 2011: VND1,982 million), but which are still in use.

At 31 December 2012 intangible fixed assets with a carrying value of VND3,205 million (31 December 2011: VND1,057 million) were pledged with banks as security for loans granted to the Company.

10. Construction in progress

	2012 VND	2011 VND
Opening balance	15,345,867,453	855,505,636
Additions during the year	17,769,415,404	35,420,412,310
Transfers to tangible fixed assets	(26,211,073,421)	(20,216,250,293)
Written off	-	(713,800,200)
Closing balance	6,904,209,436	15,345,867,453

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
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11. Long-term investments

	31/12/2012 VND	31/12/2011 VND
Investments in subsidiaries		
▪ Mseafood Corporation	323,162,400,000	323,162,400,000
▪ Minh Phu - Hau Giang Seafood Processing Co., Ltd	585,000,000,000	585,000,000,000
▪ Minh Qui Seafood Co., Ltd	195,000,000,000	195,000,000,000
▪ Minh Phat Seafood Co., Ltd	95,000,000,000	95,000,000,000
▪ Minh Phu - Kien Giang Seafood Co., Ltd	148,650,000,000	148,650,000,000
▪ Minh Phu Aquatic Larvae Co., Ltd	29,550,000,000	29,550,000,000
▪ Minh Phu - Loc An Aquaculture Co., Ltd	150,000,000,000	132,629,388,414
▪ Minh Phu Bio Co., Ltd	4,500,000,000	4,500,000,000
▪ Minh Phu Organic Shrimp Farming Co., Ltd	20,000,000,000	20,000,000,000
▪ Minh Phu Hoa Dien Aquaculture One Member Company	26,590,189,162	-
	1,577,452,589,162	1,533,491,788,414
Investments in an associate		
▪ Minh Phu Hau Giang Port Corporation	2,180,000,000	2,180,000,000
Other long-term investments		
▪ SSI Vision Fund	-	200,000,000,000
▪ Saigon – Camau Infrastructure Corporation	7,000,000,000	7,000,000,000
	7,000,000,000	207,000,000,000

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

	2012 VND	2011 VND
Opening balance	49,011,246,470	19,030,482,420
Increase in allowance during the year	-	80,394,174,535
Transfers to allowance for diminution in the value of short-term investments (Note 5)	(48,900,000,000)	-
Written back	-	(50,413,410,485)
Closing balance	111,246,470	49,011,246,470

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
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Details of the investments in subsidiaries and associate were as follows:

Name	Principal activity	Business Registration Certificate	% of ownership	
			31/12/2012	31/12/2011
Subsidiaries				
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 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.	97.5%	97.5%
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 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 aquacultural 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%

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Notes to the separate financial statements for the year ended 31 December 2012
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Name	Principal activity	Business Registration Certificate	% of ownership	
			31/12/2012	31/12/2011
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%	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%
Minh Phu Hoa Dien Aquaculture One Member Company	Produce aquatic breed; breed, process, and preserve aquatic products; produce and trade in aquatic food, trade in machinery and equipment for aquaculture; trade in food and materials for livestock, poultry and aquaculture.	1701635962 issued by the Planning and Investment Department of Kien Giang Province on 22 December 2011.	100%	-

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Notes to the separate financial statements for the year ended 31 December 2012
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Name	Principal activity	Business Registration Certificate	% of ownership	
			31/12/2012	31/12/2011
Associate				
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%

12. Long-term prepayments

	2012 VND	2011 VND
Opening balance	658,164,707	901,033,675
Additions during the year	-	631,783,474
Amortisation for the year	(468,920,881)	(874,652,442)
Closing balance	189,243,826	658,164,707

13. Short-term borrowings

	31/12/2012 VND	31/12/2011 VND
Short-term borrowings	2,091,893,188,343	1,645,287,999,515
Current portion of long-term borrowings (Note 18)	200,000,000,000	202,128,791,124
	2,291,893,188,343	1,847,416,790,639

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
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Terms and conditions of short-term borrowings were as follows:

	Currency	Interest rate (per annum)	31/12/2012 VND	31/12/2011 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ca Mau Branch				
Loan 1	VND	9.0% - 17.0%	279,402,989,338	1,107,596,010,539
Loan 2	USD	3.5% - 7.0%	1,499,401,930,600	108,004,514,598
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ca Mau Branch				
Loan 3	VND	-	-	30,784,602,752
Loan 4	USD	3.0% - 4.0%	213,856,890,180	-
HSBC Bank (Vietnam) Ltd				
Loan 5	USD	3.0% - 4.5%	99,231,378,225	-
The Vietnam Development Bank - Minh Hai Branch				
Loan 6	VND	-	-	107,227,118,389
Bank for Investment and Development of Vietnam - Ca Mau Branch				
Loan 7	VND	-	-	291,675,753,237
			2,091,893,188,343	1,645,287,999,515

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

	Carrying amount as at	
	31/12/2012 VND	31/12/2011 VND
Cash in bank	-	78,790,506,867
Term deposits	-	22,874,000,000
Accounts receivable – trade	489,018,080,916	439,065,825,872
Inventories	1,178,003,406,216	1,531,678,347,180
Tangible fixed assets	5,807,736,260	30,554,578,797
Intangible fixed assets	3,205,264,572	1,057,378,618
		2,104,020,637,334
		1,676,034,487,964

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Notes to the separate financial statements for the year ended 31 December 2012
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14. Accounts payable - trade

	31/12/2012 VND	31/12/2011 VND
Trade payables to subsidiaries	483,752,409,303	977,707,231,964
Trade payables to third parties	77,788,461,228	174,707,679,178
	<hr/>	<hr/>
	561,540,870,531	1,152,414,911,142
	<hr/>	<hr/>

The amounts were unsecured, interest free and payable on demand.

15. Taxes payable to State Treasury

	31/12/2012 VND	31/12/2011 VND
Corporate income tax	3,581,320,042	4,469,633,946
Personal income tax	735,104,937	515,163,575
	<hr/>	<hr/>
	4,316,424,979	4,984,797,521
	<hr/>	<hr/>

16. Other payables

	31/12/2012 VND	31/12/2011 VND
Social insurance, health insurance and trade union	694,213,883	731,981,616
Dividends payable	175,000,000,000	-
Short-term deposits received	10,000,000,000	10,000,000,000
Interest payable	16,594,132,719	14,999,132,716
Commission payable	392,099,083	392,099,083
Others	527,094,235	274,638,545
	<hr/>	<hr/>
	203,207,539,920	26,397,851,960
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17. Bonus and welfare fund

The fund is established through appropriation from retained profits at the discretion of shareholders at annual general meeting of shareholders. The fund is used to pay bonus and welfare to the Company's employees in accordance with the Company'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 year were as follows:

	2012 VND
Opening balance	53,158,089,803
Allocation to the fund	27,539,817,610
Utilisation of the fund	(6,367,159,772)
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Closing balance	74,330,747,641
	<hr/> <hr/>

18. Long-term borrowings

	31/12/2012 VND	31/12/2011 VND
Long-term borrowings	-	2,128,791,124
Long-term corporate bonds	700,000,000,000	900,000,000,000
	<hr/>	<hr/>
	700,000,000,000	902,128,791,124
Repayable within twelve months (Note 13)	(200,000,000,000)	(202,128,791,124)
	<hr/>	<hr/>
Repayable after twelve months	500,000,000,000	700,000,000,000
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Notes to the separate financial statements for the year ended 31 December 2012
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Terms and conditions of long-term borrowings and long-term corporate bonds were as follows:

	Currency	Interest rate (per annum)	Year of maturity	31/12/2012 VND	31/12/2011 VND
Long-term borrowings from Saigon Thuong Tin Commercial Joint Stock Bank – Ca Mau Branch					
Loan 1	VND	-	-	-	2,128,791,124
Long-term corporate bonds					
Lot 1	VND	-	-	-	200,000,000,000
Lot 2	VND	14.0% - 19.0%	2013	200,000,000,000	200,000,000,000
Lot 3	VND	14.0% - 19.0%	2014	500,000,000,000	500,000,000,000
				700,000,000,000	902,128,791,124

Long-term corporate bonds were not convertible and were secured by assets of the following Company's subsidiaries:

	Carrying amount as at	
	31/12/2012 VND	31/12/2011 VND
Minh Phu – Loc An Aquaculture Co.,Ltd	178,900,399,718	159,293,524,637
Minh Phu – Kien Giang Seafood Co.,Ltd	171,780,988,408	274,211,603,172
		433,505,127,809
		350,681,388,126

19. Provision for severance allowance

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

	2012 VND
Opening balance	2,134,906,315
Utilised during the year	(73,876,951)
Closing balance	2,061,029,364

For the year ended 31 December 2012, the Company contributed VND1,477 million (2011: VND465 million) to the unemployment insurance fund and the amount is recorded as part of labour and staff costs in the statement of income.

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Notes to the separate financial statements for the year ended 31 December 2012 (continued)

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20. Changes in equity

	Share capital VND	Capital surplus VND	Investment and development fund VND	Financial reserve VND	Retained profits VND	Total VND
Balance at 1 January 2011	700,000,000,000	177,876,869,236	19,700,529,953	-	187,328,830,927	1,084,906,230,116
Net profit for the year	-	-	-	-	251,884,513,793	251,884,513,793
Appropriation to equity funds	-	-	30,629,000,000	-	(30,629,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	(61,258,000,000)	(61,258,000,000)
Utilisation of fund	-	-	(16,381,775,662)	-	-	(16,381,775,662)
Balance at 1 January 2012	700,000,000,000	177,876,869,236	33,947,754,291	-	347,326,344,720	1,259,150,968,247
Net profit for the year	-	-	-	-	271,837,153,676	271,837,153,676
Appropriation to equity funds	-	-	27,539,817,610	13,769,908,805	(41,309,726,415)	-
Dividends (Note 30)	-	-	-	-	(175,000,000,000)	(175,000,000,000)
Transfer to bonus and welfare fund	-	-	-	-	(27,539,817,610)	(27,539,817,610)
Utilisation of fund	-	-	(18,919,140,199)	-	-	(18,919,140,199)
Balance at 31 December 2012	700,000,000,000	177,876,869,236	42,568,431,702	13,769,908,805	375,313,954,371	1,309,529,164,114

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Notes to the separate financial statements for the year ended 31 December 2012
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21. Share capital

The Company's authorised and issued share capital is:

	31/12/2012		31/12/2011	
	Number of shares	VND	Number of shares	VND
Authorised and issued shares 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.

22. Total revenue

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

Net sales comprised:

	2012 VND	2011 VND
Total revenue		
▪ Finished goods sold	5,938,053,281,466	5,775,586,378,026
▪ Merchandise goods sold	1,423,073,183,274	3,821,834,087,274
▪ Raw materials sold	8,010,381,018	5,315,897,670
▪ Scraps sold	20,741,440,112	40,823,120,559
	<u>7,389,878,285,870</u>	<u>9,643,559,483,529</u>
Less sales deductions		
▪ Sales allowances	-	(383,039,706)
▪ Sales returns	(21,896,806,164)	(31,962,771,764)
	<u>(21,896,806,164)</u>	<u>(32,345,811,470)</u>
Net sales	<u>7,367,981,479,706</u>	<u>9,611,213,672,059</u>

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Notes to the separate financial statements for the year ended 31 December 2012
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23. Cost of sales

	2012 VND	2011 VND
Finished goods sold	5,467,624,162,882	5,375,916,931,102
Merchandise goods sold	1,389,158,449,131	3,717,188,787,983
Raw materials goods	6,724,237,467	5,508,551,756
Allowance for inventories	(20,246,685,825)	50,613,967,712
	<hr/> 6,843,260,163,655	<hr/> 9,149,228,238,553 <hr/>

24. Financial income

	2012 VND	2011 VND
Interest income	48,071,246,549	37,878,478,674
Dividend income	226,134,848,010	210,603,309,970
Realised foreign exchange gains	6,400,277,107	29,521,675,179
Unrealised foreign exchange gains	2,491,714,584	4,719,288,786
	<hr/> 283,098,086,250	<hr/> 282,722,752,609 <hr/>

25. Financial expenses

	2012 VND	2011 VND
Interest expense	274,318,591,252	260,003,150,061
Losses from investment activities	3,758,527,264	-
Allowance for investments	(2,821,800,000)	31,662,904,050
Realised foreign exchange losses	473,149,631	2,118,872,646
Others	-	6,900,000,000
	<hr/> 275,728,468,147	<hr/> 300,684,926,757 <hr/>

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
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26. Other income

	2012 VND	2011 VND
Proceeds from disposals of tangible fixed assets	-	24,387,228,062
Compensation income	1,336,649,176	-
Rental income	668,314,455	653,966,854
Others	1,180,028,411	1,374,800,669
	<hr/>	<hr/>
	3,184,992,042	26,415,995,585
	<hr/>	<hr/>

27. Other expenses

	2012 VND	2011 VND
Book value of tangible fixed assets disposed	-	20,582,359,822
Book value of construction in progress written off	-	713,800,200
Compensation expenses	3,044,371,742	-
Tax penalties	122,185,053	-
Others	1,365,599,417	425,185,121
	<hr/>	<hr/>
	4,532,156,212	21,721,345,143
	<hr/>	<hr/>

28. Income tax

(a) Deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) were attributable to the following:

	31/12/2012 VND	31/12/2011 VND
Unrealised foreign exchange gains	-	(1,376,499,148)
Provision for severance allowance	515,257,341	-
	<hr/>	<hr/>
	515,257,341	(1,376,499,148)
	<hr/>	<hr/>

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Notes to the separate financial statements for the year ended 31 December 2012
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(b) Recognised in the statement of income

	2012 VND	2011 VND
Current tax expenses		
Current year	10,000,183,350	9,141,073,763
(Over)/under provision in prior years	(5,117,151,928)	7,376,251,122
	<hr/> 4,883,031,422	<hr/> 16,517,324,885
Deferred tax (benefit)/expenses		
Origination and reversal of temporary differences	(1,891,756,489)	3,268,123,654
	<hr/> 2,991,274,933	<hr/> 19,785,448,539

(c) Reconciliation of effective tax rate

	2012 VND	2011 VND
Profit before tax	274,828,428,609	271,669,962,332
Tax at the Company's tax rate	68,707,107,152	67,917,490,583
Non-deductible expenses	-	435,104,965
Tax incentives	(4,064,968,288)	(3,292,570,638)
Non-taxable income	(56,533,712,003)	(52,650,827,493)
(Over)/under provision in prior years	(5,117,151,928)	7,376,251,122
Income tax expense	<hr/> 2,991,274,933	<hr/> 19,785,448,539

Pursuant to Decree No.60/2012/ND-CP ("Decree 60") issued by the government on 30 July 2012, the Company's operations meet the definition of labour intensive enterprises and co-operatives operating in seafood processing and the Company is therefore entitled to a 30% reduction of current income tax expense for the whole year of 2012.

(d) Applicable tax rates

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.

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Notes to the separate financial statements for the year ended 31 December 2012
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29. Basic earnings per share

The calculation of basic earnings per share at 31 December 2012 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

	2012 VND	2011 VND
Net profit attributable to ordinary shareholders	271,837,153,676	251,884,513,793

(ii) Weighted average number of ordinary shares

	2012	2011
Weighted average number of ordinary shares at the beginning and the end of the year	70,000,000	70,000,000

30. Dividends

The General Meeting of Shareholders of the Company on 14 December 2012 resolved to distribute interim dividends of 2012 by cash amounting to VND175,000 million (VND2,500 per share).

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2012
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31. Financial instruments

(a) Financial risk management

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents and term deposits, loans receivables, and trade and other receivables and other long-term assets

(i) Exposure to credit risk

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	31/12/2012 VND	31/12/2011 VND
Cash in bank and cash equivalents	(ii)	1,261,050,555,202	991,443,115,717
Term deposits	(ii)	98,830,000,000	22,874,000,000
Other long-term assets	(ii)	-	4,556,157,655
Loan receivables	(iii)	7,746,276,778	7,746,276,778
Trade and other receivables	(iii)	545,011,002,820	445,529,091,478
		1,912,637,834,800	1,472,148,641,628

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(ii) Cash in bank, cash equivalents, term deposits and other long-term assets

The Company's cash in bank, cash equivalents, term deposits and other long-term assets were held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

(iii) Loan receivables from shrimp farmer

Loans to shrimp farmer were 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 Company. Management assessed that the Company can recover the loans through future shrimp purchase.

(iv) Trade and other receivables

The Company'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 Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. In addition, the Company always asks for collateral from customers for each sale order, normally in the form of letter of credit. Receivables are due within 15 days to 60 days from the date of billing. Debtors with balances that are more than 60 days outstanding are requested to settle the balances before further credit is granted.

Based on historic default rates, the Company believes that, apart from the amount provided for below, no further allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables. The aging analysis of the receivables was as follows:

	Gross 31/12/2012 VND	Allowance for doubtful debts 31/12/2012 VND
Not past due	529,092,693,561	-
Past due 0 – 30 days	11,555,889,626	-
Past due 31 – 180 days	1,963,911,085	-
Past due more than 180 days	10,499,356,482	(8,100,847,934)
	<hr/> 553,111,850,754	<hr/> (8,100,847,934)

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	Gross 31/12/2011 VND	Allowance for doubtful debts 31/12/2011 VND
Not past due	413,044,942,981	-
Past due 0 – 30 days	22,677,453,362	-
Past due 31 – 180 days	9,806,695,135	-
Past due more than 180 days	12,437,432,702	(12,437,432,702)
	457,966,524,180	(12,437,432,702)

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

	31/12/2012 VND	31/12/2011 VND
Opening balance	12,437,432,702	-
Increase in allowance during the year	-	16,947,297,133
Written back	(4,336,584,768)	(4,509,864,431)
	8,100,847,934	12,437,432,702

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

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	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND	2 – 5 years VND
As at 31 December 2012					
Short-term borrowings	2,091,893,188,343	2,116,506,077,874	2,116,506,077,874	-	-
Accounts payable – trade	561,540,870,531	561,540,870,531	561,540,870,531	-	-
Payables to employees	21,433,112,453	21,433,112,453	21,433,112,453	-	-
Other payables	203,207,539,920	203,207,539,920	203,207,539,920	-	-
Long-term non-convertible corporate bonds	700,000,000,000	815,188,888,889	297,688,888,889	517,500,000,000	-
	3,578,074,711,247	3,717,876,489,667	3,200,376,489,667	517,500,000,000	-
As at 31 December 2011					
Short-term borrowings	1,645,287,999,515	1,709,103,685,109	1,709,103,685,109	-	-
Accounts payable - trade	1,152,414,911,142	1,152,414,911,142	1,152,414,911,142	-	-
Payables to employees	6,672,862,807	6,672,862,807	6,672,862,807	-	-
Accrued expenses	2,622,363,636	2,622,363,636	2,622,363,636	-	-
Other payables	26,397,851,960	26,397,851,960	26,397,851,960	-	-
Long-term borrowings	2,128,791,124	2,249,039,254	2,249,039,254	-	-
Long-term non-convertible corporate bonds	900,000,000,000	1,225,070,888,889	360,070,888,889	340,000,000,000	525,000,000,000
	3,735,524,780,184	4,124,531,602,797	3,259,531,602,797	340,000,000,000	525,000,000,000

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(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Company is exposed to currency risk on sales and borrowings that are denominated in a currency other than the VND.

Exposure to currency risk

The Company had the following net monetary (liability)/asset position exposed to currency risk:

	USD	
	31/12/2012	31/12/2011
Cash and cash equivalents	124,836	1,248,082
Accounts receivable – trade	21,760,146	20,464,772
Other monetary assets	33,971	333,861
Accounts payable – trade	(74,329)	(5,119,339)
Short-term borrowings	(87,076,157)	(5,185,544)
	(65,231,533)	11,741,832

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

	Exchange rate as at	
	31/12/2012	31/12/2011
	VND	VND
USD1	20,815	20,828

Below is an analysis of the possible impact on the net profit of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 31 December 2012. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases:

	Effect to net profit for the year ended	
	31/12/2012	31/12/2011
	VND	VND
USD (1% strengthening)	(10,183,457,539)	1,834,191,577

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The opposite movement of the currency would have the equal but opposite effect to the net profit of the Company.

(ii) Interest rate risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	31/12/2012 VND	31/12/2011 VND
Fixed rate instruments		
Cash equivalents	1,257,133,885,350	912,652,608,850
Term deposits	98,830,000,000	22,874,000,000
Other long-term assets	-	4,556,157,655
Long-term non-convertible corporate bond	-	(200,000,000,000)
	<hr/> 1,355,963,885,350	<hr/> 740,082,766,505
Variable rate instruments		
Cash in bank	3,916,669,852	78,790,506,867
Short-term borrowings	(2,091,893,188,343)	(1,647,416,790,639)
Long-term non-convertible corporate bond	(700,000,000,000)	(700,000,000,000)
	<hr/> (2,787,976,518,491)	<hr/> (2,268,626,283,772)

Variable rate instruments expose the Company to risk of changes in interest rate. No policy was in place pertaining to the mitigation of any potential volatility of the interest rate. An increased of 100 basic points in interest rate would have decreased the Company's net profit by VND8,437 million (31 December 2012: VND7,497 million).

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Notes to the separate financial statements for the year ended 31 December 2012
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(e) Fair value

The Company has not determined fair values of all financial instruments, except for short-term investments as shown in table below, for disclosure in accordance with Article 28 of Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance because (i) quoted prices in active market is not available for these financial liabilities; and (ii) Vietnamese Accounting Standards and the Vietnamese Accounting System do not provide guidance on measurement of fair values in the case where quoted prices in active market is not available. Fair values of these financial instruments may be different from their carrying values.

	31/12/2012	
	Fair value VND	Carrying value VND
Available-for-sale category - short-term investments in:		
▪ No.8 Investment & Construction JSC	336,000,000	5,263,000,000
▪ PetrolVietnam Transportation Corporation	609,740,000	6,004,500,000
▪ REE Corporation	136,000	80,000
	945,876,000	11,267,580,000

32. Significant transactions with related parties

Identity of related parties

The Company has related party relationship with its subsidiaries, associate, shareholders, directors, executive officers and the entity owned by its major shareholders.

Significant transactions with subsidiaries and an associate

In additions to balances with subsidiaries and an associate disclosed in other notes to these financial statements, during the year there were the following significant transactions with subsidiaries and associate:

	2012 VND	2011 VND
Minh Qui Seafood Co., Ltd		
Purchases of finished goods	17,161,907,730	2,533,778,388,031
Purchases of raw materials	-	7,343,791,141
Sales of raw materials	-	428,916,686,024
Sales of finished goods	659,705,014,058	3,038,170,501,634
Office rental	27,887,569,900	330,000,000
Dividends	58,811,936,263	57,019,748,256

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	2012 VND	2011 VND
Minh Phat Seafood Co., Ltd		
Purchases of raw materials	-	23,688,598,310
Purchases of finished goods	-	1,716,289,017,543
Sales of raw materials	-	2,068,708,860
Sales of finished goods	202,533,105,982	1,624,135,397,546
Office rental	30,646,124,468	80,000,000
Dividends	69,268,809,741	51,151,017,147
Minh Phu Hau Giang Seafood Processing Co., Ltd		
Purchases of raw materials	8,727,938,923	786,144,543
Purchases of finished goods	1,594,298,587,909	384,774,028,054
Sales of raw materials	6,597,665,335	498,973,810
Sales of finished goods	417,866,531,883	2,624,873,575
Sales of fixed assets	-	24,387,228,062
Processing fees	56,606,779,105	14,766,209,251
Warehouse rental	6,205,705,454	2,688,598,581
Capital contribution	-	275,442,509,800
Minh Phu Kien Giang Seafood Co., Ltd		
Purchases of raw materials	17,149,518,985	266,901,299,170
Sales of merchandise	16,412,422,476	110,960,997,360
Contributed capital	-	99,100,000,000
Dividends	89,859,243,992	86,793,380,567
Minh Phu Loc An Aquaculture Co., Ltd		
Sales of raw materials	9,855,572,572	6,226,480,000
Capital contribution	17,370,611,586	132,629,388,414
Minh Phu Organic Shrimp Farming Co., Ltd		
Purchases of raw materials	928,211,522	7,629,546,716
Sales of merchandise	1,331,021,300	6,311,557,900
Sales returns	-	1,643,479,026
Capital contribution	-	6,274,000,000
Mseafood Corporation		
Sales of finished goods	1,308,272,152,672	384,366,477,999
Purchases of raw materials	5,868,943,884	5,152,456,260
Dividends	-	15,639,164,000
Minh Phu Aquatic Larvae Co., Ltd		
Dividends	8,175,138,014	-

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	2012 VND	2011 VND
Minh Phu Hoa Dien Aquaculture One Member Company		
Purchases of raw materials	10,336,252,400	-
Sales of merchandise	3,040,855,400	-
Capital contribution	26,590,189,162	-
Minh Phu Hau Giang Port Corporation		
Capital contribution	-	600,000,000
Long Phung Investment Corporation		
Office rental	2,045,266,950	2,513,949,000

Transactions with key management personnel

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

	2012 VND	2011 VND
Remunerations and business allowances	6,229,519,994	2,487,311,668

33. Capital commitments

(a) Capital expenditure

At 31 December 2012, the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2012 VND	31/12/2011 VND
Approved and contracted	2,416,568,600	-

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(b) Leases

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

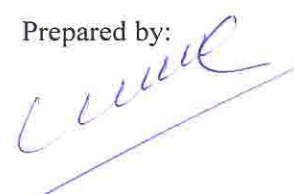
	31/12/2012 VND	31/12/2011 VND
Within one year	39,836,978,400	2,036,978,400
From two to five years	39,327,733,800	3,649,586,300
	79,164,712,200	5,686,564,700

34. Production and business costs by element

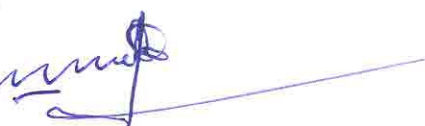
	2012 VND	2011 VND
Raw material costs included in production costs	6,306,394,029,466	10,363,750,011,519
Labour costs and staff costs	312,935,829,430	82,888,105,165
Depreciation and amortisation	23,620,100,806	18,820,030,632
Outside services	179,460,902,384	99,412,909,877
Other expenses	187,031,903,546	110,645,231,725

26 March 2013

Prepared by:


Luu Minh Trung
Chief Accountant

Approved by:


Le Van Quang
General Director

