



Minh Phu Seafood Joint Stock Company

Separate financial statements for the
year ended 31 December 2013

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
	Mr. Nguyen Xuan Toan	Member
	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 applicable to financial reporting. In the opinion of the Board of Directors:

- (a) the separate financial statements set out on pages 5 to 52 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 2013, 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 applicable to financial reporting; 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, 7 March 2014



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

We have audited the accompanying separate financial statements of Minh Phu Seafood Joint Stock Company ("the Company"), which comprise the unconsolidated balance sheet as at 31 December 2013, the 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 Board of Directors on 7 March 2014, as set out on pages 5 to 52.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Audit Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Minh Phu Seafood Joint Stock Company as at 31 December 2013 and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting.


KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Operating registration certificate No.: 4114000230

Audit Report No: 13-01-120




Chong Kwang Puay
Practicing Auditor Registration
Certificate No. 0864-2013-007-1
Deputy General Director

Ho Chi Minh City, 7 March 2014

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2013-007-1

Minh Phu Seafood Joint Stock Company
Unconsolidated balance sheet as at 31 December 2013

Form B 01 – DN

	Code	Note	31/12/2013 VND	31/12/2012 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,391,228,165,841	3,185,466,000,523
Cash and cash equivalents	110	4	1,147,945,458,697	1,262,727,092,679
Cash	111		37,395,936,475	5,593,207,329
Cash equivalents	112		1,110,549,522,222	1,257,133,885,350
Short-term investments	120	5	115,775,517,989	108,061,576,778
Short-term investments	121		124,480,117,989	117,843,856,778
Allowance for diminution in the value of short-term investments	129		(8,704,600,000)	(9,782,280,000)
Accounts receivable	130	6	1,053,735,188,145	561,544,758,845
Accounts receivable - trade	131		990,304,201,149	497,118,928,850
Prepayments to suppliers	132		20,563,154,185	16,533,756,025
Other receivables	135		46,796,490,307	55,992,921,904
Allowance for doubtful debts	139		(3,928,657,496)	(8,100,847,934)
Inventories	140	7	899,571,113,388	1,178,003,406,216
Inventories	141		912,865,922,568	1,214,508,634,330
Allowance for inventories	149		(13,294,809,180)	(36,505,228,114)
Other current assets	150		174,200,887,622	75,129,166,005
Short-term prepayments	151		177,199,480	144,621,577
Deductible value added tax	152		170,824,838,633	73,542,394,224
Other current assets	158		3,198,849,509	1,442,150,204

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 2013 (continued)

Form B 01 – DN

	Code	Note	31/12/2013 VND	31/12/2012 VND
Long-term assets (200 = 220 + 250 + 260)	200		1,717,521,548,852	1,789,258,050,027
Fixed assets	220		226,920,976,347	202,032,206,168
Tangible fixed assets	221	8	167,656,023,956	178,796,831,912
<i>Cost</i>	222		277,574,999,473	269,011,810,118
<i>Accumulated depreciation</i>	223		(109,918,975,517)	(90,214,978,206)
Intangible fixed assets	227	9	19,470,476,718	16,331,164,820
<i>Cost</i>	228		23,933,190,203	20,325,564,603
<i>Accumulated amortisation</i>	229		(4,462,713,485)	(3,994,399,783)
Construction in progress	230	10	39,794,475,673	6,904,209,436
Long-term investments	250	11	1,487,866,473,342	1,586,521,342,692
Investments in subsidiaries	251		1,566,962,400,422	1,577,452,589,162
Investments in associates	252		2,180,000,000	2,180,000,000
Other long-term investments	258		7,000,000,000	7,000,000,000
Allowance for diminution in the value of long-term investments	259		(88,275,927,080)	(111,246,470)
Other long-term assets	260		2,734,099,163	704,501,167
Long-term prepayments	261	12	2,110,809,896	189,243,826
Deferred tax assets	262	28	623,289,267	515,257,341
TOTAL ASSETS (270 = 100 + 200)	270		5,108,749,714,693	4,974,724,050,550

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 2013 (continued)

Form B 01 – DN

	Code	Note	31/12/2013 VND	31/12/2012 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		3,761,418,700,004	3,665,194,886,436
Current liabilities	310		3,759,673,875,999	3,163,133,857,072
Short-term borrowings	311	13	3,176,963,800,481	2,291,893,188,343
Accounts payable – trade	312	14	427,291,547,262	561,540,870,531
Advances from customers	313		7,190,586,895	6,411,973,205
Taxes payable to State Treasury	314	15	11,811,186,512	4,316,424,979
Payables to employees	315		59,910,700,803	21,433,112,453
Other payables	319	16	16,823,011,480	203,207,539,920
Bonus and welfare fund	323	17	59,683,042,566	74,330,747,641
Long-term liabilities	330		1,744,824,005	502,061,029,364
Long-term borrowings	334	18	-	500,000,000,000
Provision for severance allowance	336	19	1,744,824,005	2,061,029,364
EQUITY (400 = 410)	400		1,347,331,014,689	1,309,529,164,114
Equity	410	20	1,347,331,014,689	1,309,529,164,114
Share capital	411	21	700,000,000,000	700,000,000,000
Capital surplus	412		177,876,869,236	177,876,869,236
Treasury shares	414	21	(18,537,405,861)	-
Investment and development fund	416		16,520,600,789	42,568,431,702
Financial reserves	418		13,769,908,805	13,769,908,805
Retained profits	420		457,701,041,720	375,313,954,371
TOTAL RESOURCES (440 = 300 + 400)	440		5,108,749,714,693	4,974,724,050,550

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 2013 (continued)

Form B 01 – DN

OFF BALANCE SHEET ITEMS

	Note	31/12/2013	31/12/2012
Foreign currency included in cash:			
USD		175,422	124,836
JPY		28,304,539	-

7 March 2014

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

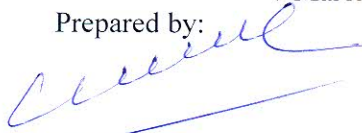
Minh Phu Seafood Joint Stock Company
Unconsolidated statement of income for the year ended 31 December 2013

Form B 02 – DN

	Code	Note	2013 VND	2012 VND
Total revenue	01	22	9,552,451,331,863	7,389,878,285,870
Less revenue deductions	02	22	(69,046,804,802)	(21,896,806,164)
Net revenue (10 = 01 + 02)	10	22	9,483,404,527,061	7,367,981,479,706
Cost of sales	11	23	(8,875,849,174,377)	(6,843,260,163,655)
Gross profit (20 = 10 + 11)	20		607,555,352,684	524,721,316,051
Financial income	21	24	88,936,188,819	283,098,086,250
Financial expenses	22	25	(297,991,576,315)	(275,728,468,147)
<i>In which: Interest expense</i>	23		<i>(166,285,640,495)</i>	<i>(274,318,591,252)</i>
Selling expenses	24		(230,873,686,678)	(220,379,130,529)
General and administration expenses	25		(63,374,543,088)	(35,536,210,846)
Net operating profit (30 = 20 + 21 + 22 + 24 + 25)	30		104,251,735,422	276,175,592,779
Other income	31	26	5,836,612,347	3,184,992,042
Other expenses	32	27	(28,533,557)	(4,532,156,212)
Results of other activities (40 = 31 + 32)	40		5,808,078,790	(1,347,164,170)
Profit before tax (50 = 30 + 40)	50		110,059,814,212	274,828,428,609
Income tax expense – current	51	28	(27,780,758,789)	(4,883,031,422)
Income tax benefit – deferred	52	28	108,031,926	1,891,756,489
Net profit after tax (60 = 50 + 51 + 52)	60		82,387,087,349	271,837,153,676
Basic earnings per share	70	29	1,184	3,883

7 March 2014

Prepared by:



Lưu 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 cash flows for the year ended 31 December 2013
(Indirect method)

Form B 03 - DN

	Code	Note	2013 VND	2012 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		110,059,814,212	274,828,428,609
Adjustments for				
Depreciation and amortisation	02		24,071,723,533	23,620,100,806
Allowances and provisions	03		59,704,391,238	(27,405,070,593)
Unrealised foreign exchange gains	04		(2,701,925,119)	(2,491,714,584)
Dividends and interest income	05		(77,884,896,821)	(274,206,094,559)
(Gains)/losses on disposal of an investment	05		(108,236,000)	3,758,527,264
Losses from liquidation of subsidiary	05		20,000,000,000	-
Interest expense	06		166,285,640,495	274,318,591,252
Operating profit before changes in working capital	08		299,426,511,538	272,422,768,195
Change in receivables and other current assets	09		(611,154,006,842)	5,913,234,551
Change in inventories	10		301,642,711,762	373,921,626,789
Change in payables and other liabilities	11		(95,940,991,553)	(576,922,863,848)
Change in prepayments	12		(582,957,689)	356,224,842
			(106,608,732,784)	75,690,990,529
Interest paid	13		(182,879,773,214)	(272,723,591,249)
Corporate income tax paid	14		(19,562,836,432)	(5,771,345,326)
Other payments for operating activities	16		(41,011,741,347)	(25,286,299,971)
Net cash flows from operating activities	20		(350,063,083,777)	(228,090,246,017)

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 2013
(Indirect method - continued)

Form B 03 - DN

	Code	Note	2013 VND	2012 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(50,331,679,996)	(33,780,410,507)
Payments for term deposits	23		(133,862,500,000)	(98,830,000,000)
Term deposits received	24		130,330,000,000	22,874,000,000
Proceeds from sales of equity instruments of other entities	24		371,824,000	-
Payments for investments in other entities	25		(9,509,811,260)	(43,960,800,748)
Collections on investments in other entities	26		-	144,235,294,118
Receipts of interest and dividends	27		97,330,844,666	252,577,920,109
Receipts of long-term deposits	28		-	4,556,157,655
Net cash flows from investing activities	30		34,328,677,410	247,672,160,627
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for shares repurchases	31		(18,537,405,861)	-
Proceeds from borrowings	33		8,322,292,750,124	6,961,975,353,907
Payments to settle debts	34		(7,933,728,076,593)	(6,715,015,272,619)
Payments of dividends	35		(168,272,812,250)	-
Net cash flows from financing activities	40		201,754,455,420	246,960,081,288
Net cash flows during the year (50 = 20 + 30 + 40)	50		(113,979,950,947)	266,541,995,898
Cash and cash equivalents at the beginning of the year	60		1,262,727,092,679	996,468,970,858
Impact of exchange rate fluctuation	61		(801,683,035)	(283,874,077)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	4	1,147,945,458,697	1,262,727,092,679

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 2013
(Indirect method - continued)

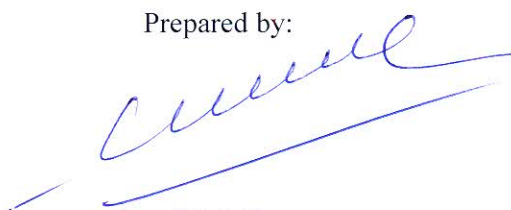
Form B 03 - DN

NON-CASH INVESTING ACTIVITIES

	2013 VND	2012 VND
Proceeds from sale of investment not received	-	5,786,178,618
Net-off refunded value added tax with corporation income tax payable	806,998,977	-
Reclassify from other receivable to short term investment	3,807,117,411	-
Collection of loan receivable by raw materials	439,768,200	-

7 March 2014

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 2013

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 Ho Chi Minh City Stock Exchange. On 16 May 2013, the Company’s shareholders resolved, in their Annual General Meeting, that the Company be delisted. This resolution is subject to the final approval by the Ho Chi Minh City Stock Exchange.

As at 31 December 2013 the Company had 5,904 employees (31 December 2012: 5,979 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 applicable to financial reporting.

(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”).

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
(continued)

Form B 09 – DN

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 recoverable amount is subsequently increased 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.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
(continued)

Form B 09 – DN

(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.

(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.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
(continued)

Form B 09 – DN

(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.

(i) Long-term prepayments

Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under Circular 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance which provides guidance on management, use and depreciation of fixed assets (“Circular 45”). Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 1 to 3 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.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
(continued)

Form B 09 – DN

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. 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 2013 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.

(I) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company's unconsolidated financial position and unconsolidated 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:
 - it is acquired principally for the purpose of selling 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 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 upon 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.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
(continued)

Form B 09 – DN

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 upon 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.

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.

(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:
 - it is incurred principally for the purpose of 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 at fair value through profit or loss.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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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.

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.

(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) Investment and development 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 for activities related to research and development of aquatic breeds.

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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(o) 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.

(p) Dividend income

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

(q) 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.

(r) 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.

(s) 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

	31/12/2013	31/12/2012
	VND	VND
Cash on hand	26,487,567,807	1,676,537,477
Cash in bank	10,908,368,668	3,916,669,852
Cash equivalents	1,110,549,522,222	1,257,133,885,350
	<hr/>	<hr/>
	1,147,945,458,697	1,262,727,092,679
	<hr/>	<hr/>

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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5. Short-term investments

	31/12/2013		31/12/2012	
	Quantity	VND	Quantity	VND
Short-term investments in shares				
▪ PetrolVietnam Transportation Corporation	141,800	6,004,500,000	141,800	6,004,500,000
▪ No.8 Investment & Construction JSC	112,000	5,263,000,000	112,000	5,263,000,000
▪ REE Corporation	8	80,000	8	80,000
▪ Vietnam Pyramid New Technology Corporation	18,823	272,941,176	-	-
▪ Van Dien Fused Magnesium Phosphate Fertilizer JSC	125,882	3,270,588,235	-	-
Other short-term investments				
▪ Loan receivables (*)		7,306,508,578		7,746,276,778
▪ Term deposits (**)		102,362,500,000		98,830,000,000
		124,480,117,989		117,843,856,778
Allowance for diminution in the value of short-term investments		(8,704,600,000)		(9,782,280,000)
		115,775,517,989		108,061,576,778

(*) 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 11.0% (2012: from 9.0% to 13.2%) per annum during the year.

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

	2013 VND	2012 VND
Opening balance	9,782,280,000	9,924,080,000
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	(1,077,680,000)	(2,821,800,000)
	8,704,600,000	9,782,280,000
Closing balance	8,704,600,000	9,782,280,000

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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6. Accounts receivable

Accounts receivable – trade comprised:

	31/12/2013	31/12/2012
	VND	VND
Trade receivables from subsidiaries	561,924,909,883	211,089,921,725
Trade receivables from third parties	428,379,291,266	286,029,007,125
	<hr/>	<hr/>
	990,304,201,149	497,118,928,850
	<hr/> <hr/>	<hr/> <hr/>

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

Accounts receivable at 31 December 2013 included VND986,376 million (31 December 2012: VND489,018 million) pledged with banks as security for loans granted to the Company (Note 13).

Other receivables comprised:

	31/12/2013	31/12/2012
	VND	VND
Receivables from a subsidiary (*)	36,109,990,809	21,639,788,414
Interest receivable	8,397,620,094	4,430,530,163
Dividend receivable	-	23,413,037,776
Receivables from liquidation of invested entity	-	5,786,178,618
Others	2,288,879,404	723,386,933
	<hr/>	<hr/>
	46,796,490,307	55,992,921,904
	<hr/> <hr/>	<hr/> <hr/>

(*) The receivables from a subsidiary represented loan to a subsidiary to support for working capital, was unsecured, interest free and receivable upon demand.

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Notes to the separate financial statements for the year ended 31 December 2013
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7. Inventories

	31/12/2013	31/12/2012
	VND	VND
Goods in transit	117,807,545,354	-
Raw materials	50,731,008,096	41,234,621,613
Tools and materials	980,566,761	1,458,229,827
Finished goods	743,346,802,357	1,171,815,782,890
	<hr/>	<hr/>
	912,865,922,568	1,214,508,634,330
Allowance for inventories	(13,294,809,180)	(36,505,228,114)
	<hr/>	<hr/>
	899,571,113,388	1,178,003,406,216

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

	2013	2012
	VND	VND
Opening balance	36,505,228,114	56,751,913,939
Increase in allowance during the year	13,294,809,180	-
Written back	(36,505,228,114)	(20,246,685,825)
	<hr/>	<hr/>
Closing balance	13,294,809,180	36,505,228,114

At 31 December 2013 inventories with a carrying value of VND899,571 million (31 December 2012: VND1,178,003 million) were pledged with banks as security for loans granted to the Company (Note 13).

Included in finished goods at 31 December 2013 was VND339,647 million (31 December 2012: VND222,116 million) of inventories carried at net realisable value.

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Notes to the separate financial statements for the year ended 31 December 2013 (continued)

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8. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	89,601,997,100	143,712,961,107	25,845,783,204	9,851,068,707	269,011,810,118
Additions	2,954,794,617	9,435,387,373	93,960,000	-	12,484,141,990
Transfers from construction in progress	1,236,956,369	-	-	-	1,236,956,369
Reclassification ^(*)	(704,029,346)	(2,773,245,668)	(156,946,403)	(1,523,687,587)	(5,157,909,004)
Closing balance	93,089,718,740	150,375,102,812	25,782,796,801	8,327,381,120	277,574,999,473
Accumulated depreciation					
Opening balance	22,831,395,514	55,213,495,756	8,026,300,003	4,143,786,933	90,214,978,206
Charge for the year	6,141,782,761	13,292,160,060	3,319,544,020	737,233,190	23,490,720,031
Reclassification ^(*)	(504,354,850)	(1,911,374,889)	(137,457,851)	(1,233,535,130)	(3,786,722,720)
Closing balance	28,468,823,425	66,594,280,927	11,208,386,172	3,647,484,993	109,918,975,517
Net book value					
Opening balance	66,770,601,586	88,499,465,351	17,819,483,201	5,707,281,774	178,796,831,912
Closing balance	64,620,895,315	83,780,821,885	14,574,410,629	4,679,896,127	167,656,023,956

(*) The reclassification represented net book value of existing fixed assets which do not meet one of the criteria for recognition as fixed assets as regulated in Article 3 of Circular 45, i.e. costing VND30 million or more. These assets are reclassified to long-term prepayments (Note 12).

Included in the cost of tangible fixed assets were assets costing VND32,774 million which were fully depreciated as of 31 December 2013 (31 December 2012: VND33,055 million), but which are still in active use.

At 31 December 2013 tangible fixed assets with a carrying value of VND93,884 million (31 December 2012: VND5,808 million) were pledged with banks as security for loans granted to the Company (Note 13).

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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9. Intangible fixed assets

	Definite land use rights VND	Software VND	Total VND
Cost			
Opening balance and Addition	18,557,949,392 -	1,767,615,211 58,680,000	20,325,564,603 58,680,000
Transfers from construction in progress	3,661,635,400	-	3,661,635,400
Written off	(38,485,207)	(74,204,593)	(112,689,800)
Closing balance	22,181,099,585	1,752,090,618	23,933,190,203
Accumulated amortisation			
Opening balance	3,209,491,635	784,908,148	3,994,399,783
Charge for the year	346,122,240	234,881,262	581,003,502
Written off	(38,485,207)	(74,204,593)	(112,689,800)
Closing balance	3,517,128,668	945,584,817	4,462,713,485
Net book value			
Opening balance	15,348,457,757	982,707,063	16,331,164,820
Closing balance	18,663,970,917	806,505,801	19,470,476,718

Included in the cost of intangible fixed assets were assets costing VND2,060 million which were fully amortised as of 31 December 2013 (31 December 2012: VND2,139 million), but which are still in use.

At 31 December 2013 intangible fixed assets with a carrying value of VND1,001 million (31 December 2012: VND3,205 million) were pledged with banks as security for loans granted to the Company (Note 13).

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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10. Construction in progress

	2013 VND	2012 VND
Opening balance	6,904,209,436	15,345,867,453
Additions during the year	37,788,858,006	17,769,415,404
Transfers to tangible fixed assets	(1,236,956,369)	(26,211,073,421)
Transfers to intangible fixed assets	(3,661,635,400)	-
	<hr/>	<hr/>
Closing balance	39,794,475,673	6,904,209,436
	<hr/> <hr/>	<hr/> <hr/>

Major constructions in progress were as follows:

	31/12/2013 VND	31/12/2012 VND
Accounting software	11,097,634,000	986,596,500
Machinery	23,256,841,673	5,917,612,936
Motor vehicles	5,440,000,000	-
	<hr/>	<hr/>
	39,794,475,673	6,904,209,436
	<hr/> <hr/>	<hr/> <hr/>

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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11. Long-term investments

	31/12/2013	31/12/2012
	VND	VND
Investments in subsidiaries		
▪ Mseafood Corporation	323,162,400,000	323,162,400,000
▪ Minh Phu Hau Giang Seafood Joint Stock Company	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	150,000,000,000
▪ Minh Phu Bio Co., Ltd	4,500,000,000	4,500,000,000
▪ Minh Phu Organic Shrimp Farming Co., Ltd	-	20,000,000,000
▪ Minh Phu Hoa Dien Aquaculture One Member Company	36,100,000,422	26,590,189,162
	<hr/> 1,566,962,400,422	<hr/> 1,577,452,589,162
Investments in an associate		
▪ Minh Phu Hau Giang Port Corporation	2,180,000,000	2,180,000,000
Other long-term investments		
▪ Saigon – Camau Infrastructure Corporation	7,000,000,000	7,000,000,000
	<hr/> 1,576,142,400,422	<hr/> 1,586,632,589,162
Allowance for diminution in value of the long-term investments	(88,275,927,080)	(111,246,470)
	<hr/> 1,487,866,473,342	<hr/> 1,586,521,342,692

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

	2013	2012
	VND	VND
Opening balance	111,246,470	49,011,246,470
Increase in allowance during the year	88,164,680,610	-
Transfers to allowance for diminution in the value of short-term investments (Note 5)	-	(48,900,000,000)
	<hr/> 88,275,927,080	<hr/> 111,246,470

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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Details of the investments in subsidiaries and associate were as follows:

Name	Principal activity	Business Registration Certificate	% of ownership	
			31/12/2013	31/12/2012
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 Joint Stock Company (*)	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 18 November 2013.	67.5%	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 2013
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Name	Principal activity	Business Registration Certificate	% of ownership	
			31/12/2013	31/12/2012
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%
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%	100%

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Notes to the separate financial statements for the year ended 31 December 2013
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Name	Principal activity	Business Registration Certificate	% of ownership	
			31/12/2013	31/12/2012
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%

(*) According to the most recent investment certificate No. 642041000003 issued by the Management Board of Hau Giang Industrial Zone on 18 November 2013, Minh Phu Hau Giang Seafood Processing Co., Ltd. has been changed to Minh Phu Hau Giang Seafood Joint Stock Company and increased share capital from VND600 billion to VND867 billion. The new issued shares were purchased by a foreign shareholder. The percentage of ownership of the Company over Minh Phu Hau Giang Seafood Joint Stock Company decreased accordingly.

(**) The Company's shareholders, in their Annual General Meeting on 16 May 2013, resolved to liquidate Minh Phu Organic Shrimp Farming Co., Ltd. On 18 September 2013, the liquidation process was completed.

12. Long-term prepayments

	2013 VND	2012 VND
Opening balance	189,243,826	658,164,707
Additions during the year	1,246,916,038	-
Reclassification from fixed assets ^(*)	1,371,186,284	-
Amortisation for the year	(696,536,252)	(468,920,881)
Closing balance	2,110,809,896	189,243,826

(*) Reclassification from fixed assets represented the net book value of existing fixed assets which do not meet one of the criteria for recognition as fixed assets, i.e. costing VND30 million or more, as regulated in Article 3 of Circular 45. These assets were reclassified from tangible and intangible fixed assets during the year (Note 8). The remaining net book values of these assets are amortised on a straight line basis over their remaining estimated useful lives, but not exceeding three years.

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Notes to the separate financial statements for the year ended 31 December 2013
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13. Short-term borrowings

	31/12/2013 VND	31/12/2012 VND
Short-term borrowings	3,176,963,800,481	2,091,893,188,343
Current portion of long-term borrowings (Note 18)	-	200,000,000,000
	<hr/> 3,176,963,800,481	<hr/> 2,291,893,188,343

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

	Currency	Interest rate (per annum)	31/12/2013 VND	31/12/2012 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ca Mau Branch				
Loan 1	VND	6.5% - 7.0%	1,316,490,920,363	279,402,989,338
Loan 2	USD	2.8% - 3.0%	857,580,903,298	1,499,401,930,600
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ca Mau Branch				
Loan 3	VND	6.5%	251,303,572,295	-
Loan 4	USD	2.7%	48,850,334,350	213,856,890,180
HSBC Bank (Vietnam) Ltd				
Loan 5	VND	6%	57,186,434,252	-
Loan 6	USD	2.5%	111,533,287,940	99,231,378,225
Bank for Investment and Development of Vietnam JSC – Ca Mau Branch				
Loan 7	VND	6.5%	350,295,288,267	-
Loan 8	USD	2.8%	105,742,923,868	-
Vietnam International Bank				
Loan 9	VND	6.5%	77,980,135,848	-
			<hr/> 3,176,963,800,481	<hr/> 2,091,893,188,343

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Notes to the separate financial statements for the year ended 31 December 2013
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The bank loans are secured by the following assets of the Company:

	Carrying amount as at	
	31/12/2013	31/12/2012
	VND	VND
Accounts receivable – trade (Note 6)	986,375,543,653	489,018,080,916
Inventories (Note 7)	899,571,113,388	1,178,003,406,216
Tangible fixed assets (Note 8)	93,883,839,192	5,807,736,260
Intangible fixed assets (Note 9)	1,000,777,859	3,205,264,572
	1,980,831,274,092	1,676,034,487,964

14. Accounts payable – trade

	31/12/2013	31/12/2012
	VND	VND
Trade payables to subsidiaries	184,730,017,378	483,752,409,303
Trade payables to third parties	242,561,529,884	77,788,461,228
	427,291,547,262	561,540,870,531

The trade related amounts due to subsidiaries were unsecured, interest free and are payable on demand.

15. Taxes payable to State Treasury

	31/12/2013	31/12/2012
	VND	VND
Corporate income tax	10,992,243,422	3,581,320,042
Personal income tax	818,943,090	735,104,937
	11,811,186,512	4,316,424,979

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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16. Other payables

	31/12/2013	31/12/2012
	VND	VND
Short-term deposits received	7,000,000,000	10,000,000,000
Dividends payable	6,727,187,750	175,000,000,000
Interest payable	-	16,594,132,719
Social insurance, health insurance and trade union	1,576,154,677	694,213,883
Commission payable	392,098,154	392,099,083
Others	1,127,570,899	527,094,235
	<hr/>	<hr/>
	16,823,011,480	203,207,539,920
	<hr/>	<hr/>

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:

	2013
	VND
Opening balance	74,330,747,641
Utilisation of the fund	(14,647,705,075)
	<hr/>
Closing balance	59,683,042,566
	<hr/>

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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18. Long-term borrowings

	31/12/2013 VND	31/12/2012 VND
Long-term corporate bonds	-	700,000,000,000
Repayable within twelve months (Note 13)	-	(200,000,000,000)
Repayable after twelve months	-	500,000,000,000

19. Provision for severance allowance

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

	2013 VND
Opening balance	2,061,029,364
Utilised during the year	(316,205,359)
Closing balance	1,744,824,005

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Notes to the separate financial statements for the year ended 31 December 2013 (continued)

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20. Changes in owners' equity

	Share capital VND	Capital surplus VND	Treasury shares VND	Investment and development fund VND	Financial reserves VND	Retained profits VND	Total VND
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 1 January 2013	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
Net profit for the year	-	-	-	-	-	82,387,087,349	82,387,087,349
Repurchases of treasury shares	-	-	(18,537,405,861)	-	-	-	(18,537,405,861)
Utilisation of fund	-	-	-	(26,047,830,913)	-	-	(26,047,830,913)
Balance at 31 December 2013	700,000,000,000	177,876,869,236	(18,537,405,861)	16,520,600,789	13,769,908,805	457,701,041,720	1,347,331,014,689

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Notes to the separate financial statements for the year ended 31 December 2013
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21. Share capital

The Company's authorised and issued share capital is:

	31/12/2013		31/12/2012	
	Number of shares	VND	Number of shares	VND
Authorised and issued shares capital				
Ordinary shares	70,000,000	700,000,000,000	70,000,000	700,000,000,000
Treasury shares				
Ordinary shares	(630,560)	(18,537,405,861)	-	-
Shares currently in circulation				
Ordinary shares	69,369,440	681,462,594,139	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.

Movements in share capital during the year were as follows:

	2013		2012	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the year	70,000,000	700,000,000,000	70,000,000	700,000,000,000
Treasury shares purchased during the year	(630,560)	(18,537,405,861)	-	-
Balance at the end of the year	69,369,440	681,462,594,139	70,000,000	700,000,000,000

On 27 December 2012, under Minutes No. 12/HDQT.MPC.12, the Board of Management resolved the purchase of 1,000,000 treasury shares from stock exchange market at market price. The treasury shares were purchased from 10 April 2013 to 9 May 2013.

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Notes to the separate financial statements for the year ended 31 December 2013
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22. Total revenue

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

Net sales comprised:

	2013	2012
	VND	VND
Total revenue		
▪ Finished goods sold	9,488,296,232,958	5,938,053,281,466
▪ Merchandise goods sold	42,019,527,857	1,423,073,183,274
▪ Raw materials sold	3,551,437,408	8,010,381,018
▪ Scraps sold	18,584,133,640	20,741,440,112
	<hr/> 9,552,451,331,863	<hr/> 7,389,878,285,870
Less revenue deductions		
▪ Sales allowances	(584,201,733)	-
▪ Sales returns	(68,462,603,069)	(21,896,806,164)
	<hr/> (69,046,804,802)	<hr/> (21,896,806,164)
Net revenue	<hr/> 9,483,404,527,061	<hr/> 7,367,981,479,706

23. Cost of sales

	2013	2012
	VND	VND
Finished goods sold	8,856,951,600,703	5,467,624,162,882
Merchandise goods sold	39,231,826,841	1,389,158,449,131
Raw materials goods	2,876,165,767	6,724,237,467
Allowance for inventories	(23,210,418,934)	(20,246,685,825)
	<hr/> 8,875,849,174,377	<hr/> 6,843,260,163,655

Minh Phu Seafood Joint Stock Company
Notes to the separate financial statements for the year ended 31 December 2013
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24. Financial income

	2013 VND	2012 VND
Interest income	77,884,896,821	48,071,246,549
Dividend income	-	226,134,848,010
Realised foreign exchange gains	7,879,862,036	6,400,277,107
Unrealised foreign exchange gains	2,701,925,119	2,491,714,584
Proceeds from sales of investments	371,824,000	-
Others	97,680,843	-
	<hr/>	<hr/>
	88,936,188,819	283,098,086,250
	<hr/>	<hr/>

25. Financial expenses

	2013 VND	2012 VND
Interest expense	166,285,640,495	274,318,591,252
Allowance for investments	88,164,680,610	(2,821,800,000)
Realised foreign exchange losses	22,357,826,548	473,149,631
Losses from liquidation of subsidiary	20,000,000,000	-
Losses from investment activities	263,588,000	3,758,527,264
Others	919,840,662	-
	<hr/>	<hr/>
	297,991,576,315	275,728,468,147
	<hr/>	<hr/>

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Notes to the separate financial statements for the year ended 31 December 2013
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26. Other income

	2013 VND	2012 VND
Compensation income	111,046,771	1,336,649,176
Rental income	749,353,546	668,314,455
Others	4,976,212,030	1,180,028,411
	<hr/> 5,836,612,347	<hr/> 3,184,992,042

27. Other expenses

	2013 VND	2012 VND
Compensation expenses	-	3,044,371,742
Tax penalties	12,194,916	122,185,053
Others	16,338,641	1,365,599,417
	<hr/> 28,533,557	<hr/> 4,532,156,212

28. Income tax

(a) Deferred tax assets

Deferred tax assets were attributable to the following:

	31/12/2013 VND	31/12/2012 VND
Unrealised foreign exchange gains	209,560,767	-
Provision for severance allowance	413,728,500	515,257,341
	<hr/> 623,289,267	<hr/> 515,257,341

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Notes to the separate financial statements for the year ended 31 December 2013
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(b) Recognised in the statement of income

	2013 VND	2012 VND
Current tax expenses		
Current year	27,780,758,789	10,000,183,350
Over provision in prior years	-	(5,117,151,928)
	<hr/> 27,780,758,789	<hr/> 4,883,031,422
Deferred tax benefit		
Origination and reversal of temporary differences	(108,031,926)	(1,891,756,489)
	<hr/> 27,672,726,863	<hr/> 2,991,274,933

(c) Reconciliation of effective tax rate

	2013 VND	2012 VND
Profit before tax	110,059,814,212	274,828,428,609
Tax at the Company's tax rate	27,514,953,553	68,707,107,152
Non-deductible expenses	157,773,310	-
Tax incentives	-	(4,064,968,288)
Non-taxable income	-	(56,533,712,003)
Over provision in prior years	-	(5,117,151,928)
	<hr/> 27,672,726,863	<hr/> 2,991,274,933

(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.

On 19 June 2013, the National Assembly approved the Law on amendments and supplements to a number of articles of the Corporate Income Tax Law. Accordingly, the highest income tax rate shall be reduced from 25% to 22% for 2014 and 2015, and to 20% from 2016.

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Notes to the separate financial statements for the year ended 31 December 2013
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29. Basic earnings per share

The calculation of basic earnings per share at 31 December 2013 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

	2013 VND	2012 VND
Net profit attributable to ordinary shareholders	82,387,087,349	271,837,153,676

(ii) Weighted average number of ordinary shares

	2013	2012
Issued ordinary shares at the beginning of the year	70,000,000	70,000,000
Effect of treasury shares repurchased in April 2013	(305,087)	-
Effect of treasury shares repurchased in May 2013	(100,876)	-
Weighted average number of ordinary shares at the beginning and the end of the year	69,594,037	70,000,000

30. Dividends

During the year, the Company did not declare dividends (2012: VND175,000 per share).

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	31/12/2013 VND	31/12/2012 VND
Cash in bank and cash equivalents	(ii)	1,121,457,890,890	1,261,050,555,202
Term deposits	(ii)	102,362,500,000	98,830,000,000
Loan receivables	(iii)	7,306,508,578	7,746,276,778
Trade and other receivables	(iv)	1,033,172,033,960	545,011,002,820
		2,264,298,933,428	1,912,637,834,800

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(ii) Cash in bank, cash equivalents and term deposits

The Company's cash in bank, cash equivalents and term deposits 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 additions, the Company 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 31/12/2013 VND	Allowance for doubtful debts 31/12/2013 VND
Not past due	1,021,715,374,467	-
Past due 0 – 30 days	7,050,777,613	-
Past due 31 – 180 days	1,868,804,970	-
Past due more than 180 days	6,465,734,406	(3,928,657,496)
	<hr/> 1,037,100,691,456	<hr/> (3,928,657,496)

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	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) <hr/>

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

	31/12/2013 VND	31/12/2012 VND
Opening balance	8,100,847,934	12,437,432,702
Written back	(4,172,190,438)	(4,336,584,768)
	<hr/> 3,928,657,496	<hr/> 8,100,847,934 <hr/>

(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.

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

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND
As at 31 December 2013				
Short-term borrowings	3,176,963,800,481	3,225,773,858,229	3,225,773,858,229	-
Accounts payable – trade	427,291,547,262	427,291,547,262	427,291,547,262	-
Payables to employees	59,910,700,803	59,910,700,803	59,910,700,803	-
Other payables	16,823,011,480	16,823,011,480	16,823,011,480	-
	3,680,989,060,026	3,729,799,117,774	3,729,799,117,774	-
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

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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:

	31 December 2013		31 December 2012	
	USD	JPY	USD	JPY
Cash and cash equivalents	175,422	28,304,539	124,836	-
Accounts receivable – trade	31,058,449	46,873,726	21,760,146	-
Other monetary assets	-	-	33,971	-
Accounts payable – trade	(165,013)	-	(74,329)	-
Short-term borrowings	(53,231,049)	-	(87,076,157)	-
	(22,162,191)	75,178,265	(65,231,533)	-

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

	Exchange rate as at	
	31/12/2013	31/12/2012
	VND	VND
USD1	21,110	20,815
JPY1	200	247

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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 2013. 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	
	31/12/2013	31/12/2012
	VND	VND
USD (1% strengthening)	(3,508,828,890)	(10,183,457,539)
JPY (19% weakening)	(2,142,580,553)	-

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:

	31/12/2013	31/12/2012
	VND	VND
Fixed rate instruments		
Cash equivalents	1,110,549,522,222	1,257,133,885,350
Term deposits	102,362,500,000	98,830,000,000
	<u>1,212,912,022,222</u>	<u>1,355,963,885,350</u>
Variable rate instruments		
Cash in bank	10,908,368,668	3,916,669,852
Short-term borrowings	(3,176,963,800,481)	(2,091,893,188,343)
Long-term non-convertible corporate bond	-	(700,000,000,000)
	<u>(3,166,055,431,813)</u>	<u>(2,787,976,518,491)</u>

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 VND155 million (31 December 2012: VND8,437 million).

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(e) Fair value

(i) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	31/12/2013		31/12/2012	
	Carrying value VND	Fair value VND	Carrying value VND	Fair value VND
Categorised as loans and receivables:				
▪ Cash and cash equivalents	1,121,457,890,890	1,121,457,890,890	1,261,050,555,202	1,261,050,555,202
▪ Trade and other receivables	1,033,172,033,960	(*)	545,011,002,820	(*)
▪ Other financial assets	109,669,008,578	(*)	106,576,276,778	(*)
Categorised as available-for-sale:				
▪ Short-term investments	14,811,109,411	6,167,888,170	11,267,580,000	945,876,000
▪ Long-term investments	1,487,866,473,342	(*)	1,586,521,342,692	(*)
Categorised as liabilities at amortised cost:				
▪ Trade and other payables	(444,114,558,742)	(*)	(764,748,410,451)	(*)
▪ Borrowings	(3,176,963,800,481)	(*)	(2,791,893,188,343)	(*)
	145,898,156,958		(46,214,841,302)	

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(ii) Basis for determining fair values

Investments in equity and debt securities

The fair value of equity and debt securities is determined by reference to their quoted closing bid price at the balance sheet date. The fair value of the instruments is determined for disclosure purposes only.

(*) The Company has not determined fair values of these financial instruments for disclosure in the separate financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System. Their fair values of these financial instruments may differ from their carrying amounts.

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:

	2013	2012
	VND	VND
Minh Qui Seafood Co., Ltd		
Purchases of finished goods	9,504,892,943	17,161,907,730
Sales of finished goods	695,353,453,081	659,705,014,058
Office rental	330,000,000	330,000,000
Factory rental fees	18,000,000,000	27,887,569,900
Dividends	-	58,811,936,263
Minh Phat Seafood Co., Ltd		
Purchases of finished goods	1,857,220,339	-
Sales of finished goods	131,282,507,482	202,533,105,982
Office rental	80,000,000	80,000,000
Factory rental fees	19,800,000,000	30,646,124,468
Dividends	-	69,268,809,741

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	2013	2012
	VND	VND
Minh Phu Hau Giang Seafood JSC		
Purchases of raw materials	6,373,453,771	8,727,938,923
Purchases of finished goods	2,624,831,873,190	1,594,298,587,909
Sales of raw materials	1,322,980,737	6,597,665,335
Sales of finished goods	1,211,504,618,780	417,866,531,883
Processing fees	1,606,597,457	56,606,779,105
Warehouse rental	3,745,851,421	6,205,705,454
Minh Phu Kien Giang Seafood Co., Ltd		
Purchases of raw materials	73,454,982,440	17,149,518,985
Sales of merchandise	26,632,597,270	16,412,422,476
Dividends	-	89,859,243,992
Minh Phu Loc An Aquaculture Co., Ltd		
Purchases of raw materials	1,116,390,745	-
Sales of raw materials	7,003,184,762	9,855,572,572
Compensation income	80,580,952	-
Capital contribution	-	17,370,611,586
Minh Phu Organic Shrimp Farming Co., Ltd		
Purchases of raw materials	175,829,768	928,211,522
Sales of merchandise		1,331,021,300
Mseafood Corporation		
Sales of finished goods	2,137,519,346,542	1,308,272,152,672
Purchases of raw materials	-	5,868,943,884
Minh Phu Aquatic Larvae Co., Ltd		
Dividends	-	8,175,138,014
Minh Phu Hoa Dien Aquaculture One Member Company		
Purchases of raw materials	23,534,832,480	10,336,252,400
Sales of merchandise	7,092,125,730	3,040,855,400
Capital contribution	9,509,811,260	26,590,189,162
Long Phung Investment Corporation		
Office rental	2,215,143,900	2,045,266,950

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Transactions with key management personnel

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

	2013 VND	2012 VND
Remunerations and business allowances	6,310,006,832	6,229,519,994

33. Capital commitments

(a) Capital expenditure

At 31 December 2013, the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2013 VND	31/12/2012 VND
Approved and contracted	14,443,418,999	2,416,568,600

(b) Leases

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

	31/12/2013 VND	31/12/2012 VND
Within one year	39,369,720,427	39,836,978,400
From two to five years	-	39,327,733,800
	<u>39,369,720,427</u>	<u>79,164,712,200</u>

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34. Production and business costs by element

	2013 VND	2012 VND
Raw material costs included in production costs	8,380,266,273,746	6,306,394,029,466
Labour costs and staff costs	379,621,161,674	312,935,829,430
Depreciation and amortisation	24,071,723,533	23,620,100,806
Outside services	214,327,701,693	179,460,902,384
Other expenses	171,810,543,497	187,031,903,546

7 March 2014

Prepared by:

Luu Minh Trung
 Luu Minh Trung
 Chief Accountant

Approved by:

Le Van Quang
 Le Van Quang
 General Director

