



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

Consolidated interim financial
statements for the six-month period
ended 30 June 2013



Minh Phu Seafood Joint Stock Company and its subsidiaries
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 the 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
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Auditors	KPMG Limited Vietnam
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Minh Phu Seafood Joint Stock Company and subsidiaries
Statement of 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 interim financial statements. In the opinion of the Board of Directors:

- (a) the consolidated interim financial statements set out on pages 4 to 63 are prepared and presented so as to give a true and fair view of the consolidated financial position of Minh Phu Seafood Joint Stock Company and its subsidiaries (together referred to as “the Group”) as at 30 June 2013, and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements; and
- (b) at the date of this statement, there are no reasons to believe that the Group 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 consolidated interim financial statements for issue.



On behalf of the Board of Directors

Le Van Quang
General Director

Ca Mau City, 22 August 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 ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

Scope

We have reviewed the accompanying consolidated balance sheet of Minh Phu Seafood Joint Stock Company ("the Company") and its subsidiaries (together referred to as "the Group") as of 30 June 2013, the related consolidated statements of income and consolidated cash flows for the six-month period then ended and the explanatory notes thereto ("the consolidated interim financial statements"), as set out on pages 4 to 63, which were authorised for issue by the Company's management on 22 August 2013. These consolidated interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated interim financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

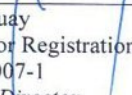
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view of the consolidated financial position of Minh Phu Seafood Joint Stock Company and its subsidiaries as at 30 June 2013 and of their consolidated results of operations and consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements.

KPMG Limited
Vietnam

Investment Certificate No: 011043000345
Review Report No: 13-01-120




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

Ho Chi Minh City, 22 August 2013

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2013

Form B 01a – DN/HN

	Code	Note	30/6/2013 VND	31/12/2012 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 +140 + 150)	100		4,833,503,987,763	4,388,614,632,763
Cash and cash equivalents	110	5	958,109,220,262	1,298,619,003,857
Cash	111		38,583,996,953	31,485,118,507
Cash equivalents	112		919,525,223,309	1,267,133,885,350
Short-term investments	120	6	306,547,939,714	128,384,747,714
Short-term investments	121		316,160,059,714	138,167,027,714
Allowance for diminution in the value of short-term investments	129		(9,612,120,000)	(9,782,280,000)
Accounts receivable – short-term	130	7	643,665,598,648	577,285,119,435
Accounts receivable – trade	131		594,612,685,893	534,722,242,679
Prepayments to suppliers	132		24,069,700,156	23,369,903,794
Other receivables	135		34,065,297,923	28,275,058,286
Allowance for doubtful debts	139		(9,082,085,324)	(9,082,085,324)
Inventories	140	8	2,702,195,960,659	2,228,389,598,540
Inventories	141		2,722,918,309,897	2,301,566,070,320
Allowance for inventories	149		(20,722,349,238)	(73,176,471,780)
Other current assets	150		222,985,268,480	155,936,163,217
Short-term prepayments	151		2,447,456,203	1,495,455,602
Deductible value added tax	152		142,738,849,186	92,657,134,536
Taxes receivable from State Treasury	154	9	9,567,025,503	8,942,525,760
Other current assets	158	10	68,231,937,588	52,841,047,319

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2013 (continued)

Form B 01a – DN/HN

	Code	Note	30/6/2013 VND	31/12/2012 VND
Long-term assets (200 = 210 + 220 + 250 + 260)	200		1,809,161,180,402	1,881,317,171,189
Accounts receivable - long-term	210	11	114,194,814,390	112,489,382,844
Fixed assets	220		1,562,746,188,433	1,645,650,809,029
Tangible fixed assets	221	12	1,196,614,932,646	1,291,876,203,564
Cost	222		1,639,522,344,154	1,676,913,350,862
Accumulated depreciation	223		(442,907,411,508)	(385,037,147,298)
Intangible fixed assets	227	13	101,949,964,051	99,024,434,708
Cost	228		108,006,915,213	104,256,753,082
Accumulated amortisation	229		(6,056,951,162)	(5,232,318,374)
Construction in progress	230	14	264,181,291,736	254,750,170,757
Long-term investments	250	15	9,068,753,530	9,068,753,530
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		(111,246,470)	(111,246,470)
Other long-term assets	260		123,151,424,049	114,108,225,786
Long-term prepayments	261	16	103,565,431,969	91,057,013,097
Deferred tax assets	262	33	4,398,921,744	6,319,694,503
Goodwill	269	17	15,187,070,336	16,731,518,186
TOTAL ASSETS (270 = 100 + 200)	270		6,642,665,168,165	6,269,931,803,952

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2013 (continued)

Form B 01a – DN/HN

	Code	Note	30/6/2013 VND	31/12/2012 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		5,262,668,824,300	4,889,148,610,669
Current liabilities	310		4,966,728,483,592	4,056,858,838,496
Short-term borrowings	311	18	4,435,022,715,099	3,449,058,871,964
Accounts payable – trade	312	19	256,347,335,919	135,868,027,758
Advances from customers	313		14,274,428,773	8,525,302,719
Taxes payable to State Treasury	314	20	9,361,728,176	18,446,907,372
Payables to employees	315		54,020,434,659	38,688,257,921
Accrued expenses	316	21	80,086,609,994	105,484,633,458
Other payables	319	22	39,989,560,501	211,370,253,272
Bonus and welfare fund	323	23	77,625,670,471	89,416,584,032
Long-term liabilities	330		295,940,340,708	832,289,772,173
Long-term borrowings	334	24	280,238,600,383	828,632,880,684
Deferred tax liabilities	335	33	12,251,121,251	-
Provision for severance allowance	336	25	3,450,619,074	3,656,891,489
EQUITY (400 = 410)	400		1,308,490,367,577	1,310,050,470,480
Owners' equity	410	26	1,308,490,367,577	1,310,050,470,480
Share capital	411	27	700,000,000,000	700,000,000,000
Capital surplus	412		177,876,869,236	177,876,869,236
Treasury shares	414	27	(18,537,405,861)	-
Foreign exchange differences	416		94,044,499,097	88,506,239,451
Investment and development fund	417		46,132,731,703	58,470,998,521
Financial reserve	418		13,769,908,805	13,769,908,805
Retained profits	420		295,203,764,597	271,426,454,467
MINORITY INTEREST	439	28	71,505,976,288	70,732,722,803
TOTAL RESOURCES (440 = 300 + 400 + 439)	440		6,642,665,168,165	6,269,931,803,952

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

**Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2013 (continued)**

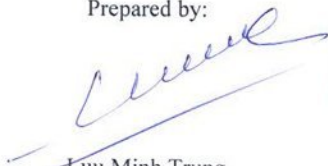
Form B 01a – DN/HN

OFF BALANCE SHEET ITEMS

	Note	30/6/2013	31/12/2012
Foreign currencies included in cash:			
USD	35(d)	249,794	664,110
JPY	35(d)	45,965,008	-

22 August 2013

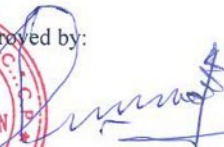
Prepared by:



Luu Minh Trung
Chief Accountant



Approved by:



Le Van Quang
General Director

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2013

Form B 02a – DN/HN

	Code	Note	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Total revenue	01	29	3,730,056,682,326	3,824,751,066,087
Less sales deductions	02	29	(47,694,581,013)	(32,313,588,533)
Net revenues (10 = 01 + 02)	10	29	3,682,362,101,313	3,792,437,477,554
Cost of sales	11	30	(3,271,326,620,083)	(3,271,597,017,954)
Gross profit (20 = 10 + 11)	20		411,035,481,230	520,840,459,600
Financial income	21	31	44,413,599,671	43,954,004,724
Financial expenses	22	32	(174,386,267,782)	(255,456,589,461)
<i>In which: Interest expense</i>	23		<i>(127,995,394,611)</i>	<i>(255,703,647,811)</i>
Selling expenses	24		(183,173,383,589)	(176,142,385,574)
General and administration expenses	25		(48,136,523,759)	(56,830,099,456)
Net operating profit (30 = 20 + 21 + 22 + 24 + 25)	30		49,752,905,771	76,365,389,833
Other income	31		1,918,967,185	1,989,456,260
Other expenses	32		(234,111,405)	(228,408,720)
Results of other activities (40 = 31 + 32)	40		1,684,855,780	1,761,047,540
Profit before tax (50 = 30 + 40)	50		51,437,761,551	78,126,437,373
Income tax expense – current	51	33	(13,330,666,108)	(8,125,020,047)
Income tax expense – deferred	52	33	(14,171,894,010)	(9,028,330,069)
Net profit after tax (60 = 50 + 51 + 52)	60		23,935,201,433	60,973,087,257

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

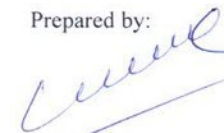
Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2013
 (continued)

Form B 02a – DN/HN

	Code	Note	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Net profit after tax (60 = 50 + 51 + 52)	60		23,935,201,433	60,973,087,257
Attributable to:				
Minority interest	61	28	157,891,303	(1,010,397,390)
Equity holders of the Company	62		23,777,310,130	61,983,484,647
Basic earnings per share	70	34	341	885

22 August 2013

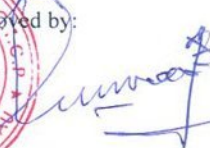
Prepared by:



Luu Minh Trung
Chief Accountant



Approved by:



Le Van Quang
General Director

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2013
(Indirect method)

Form B 03a – DN/HN

	Code	Note	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		51,437,761,551	78,126,437,373
Adjustments for				
Depreciation and amortisation	02		78,291,566,391	85,584,347,911
Allowances and provisions	03		(52,730,213,008)	(45,757,568,685)
Unrealised foreign exchange losses/(gains)	04		33,140,751,294	(833,715,986)
Dividends and interest income	05		(40,145,010,114)	(38,099,123,302)
Interest expense	06		127,995,394,611	255,703,647,811
Operating profit before changes in working capital	08		197,990,250,725	334,724,025,122
Change in receivables and other current assets	09		(106,096,029,145)	27,951,043,662
Change in inventories	10		(412,174,566,353)	(331,584,943,580)
Change in payables and other liabilities	11		105,905,210,778	(214,956,381,505)
Change in prepayments	12		9,021,036,517	-
			(205,354,097,478)	(183,866,256,301)
Interest paid	13		(128,713,450,167)	(241,671,758,923)
Corporate income tax paid	14		(21,969,839,747)	(6,276,170,323)
Other payments for operating activities	16		(24,335,452,794)	(35,174,685,768)
Net cash flows from operating activities	20		(380,372,840,186)	(466,988,871,315)

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2013
(Indirect method - continued)

Form B 03a – DN/HN

	Code	Note	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(28,312,457,028)	(77,397,160,560)
Term deposit given to other parties	22		(215,049,493,039)	(94,538,292)
Term deposit received and loan collected from other parties	23		40,500,000,000	54,967,987,884
Proceeds from sales of equity instruments of other entities	24		371,824,000	-
Receipts of interest and dividends	28		35,513,295,339	39,720,020,563
Net cash flows from investing activities	30		(166,976,830,728)	17,196,309,595
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for shares repurchases	31		(18,537,405,861)	-
Proceeds from borrowings	33		5,205,500,415,776	4,828,685,667,449
Payments to settle debts	34		(4,809,619,902,596)	(5,314,477,540,332)
Payments of dividends	35		(168,194,437,250)	(6,094,297,579)
Net cash flows from financing activities	40		209,148,670,069	(491,886,170,462)
Net cash flows during the period (50 = 20 + 30 + 40)	50		(338,201,000,845)	(941,678,732,182)
Cash and cash equivalents at the beginning of the period	60		1,298,619,003,857	1,092,050,143,361
Impact of exchange rate fluctuation	61		(2,308,782,750)	(87,310,855)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	5	958,109,220,262	150,284,100,324

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2013
(Indirect method - continued)

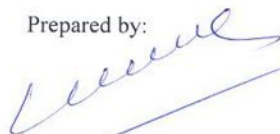
Form B 03a – DN/HN

NON-CASH OPERATING AND INVESTING ACTIVITIES

	1/2013 to 30/6/2013 VND	1/2012 to 30/6/2012 VND
Net-off refunded value added tax with corporation income tax payable	806,998,977	-
Reclassify from other receivable to short-term investments	3,807,117,411	-
Collection of loan receivable by raw materials	439,768,200	-
Reclassify fixed assets of Minh Phu Organic Shrimp Farming Co., Ltd to other current assets	12,333,545,050	-

22 August 2013

Prepared by:



Luu Minh Trung
Chief Accountant

Approved by:



Le Van Quang
General Director

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2013

Form B 09a – DN/HN

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

1. Reporting Entity

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

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

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

The details of the subsidiaries are as follows:

Name	Principal activity	Business Registration Certificate	% of ownership	
			30/6/2013	31/12/2012
Mseafod Corporation	Trade in aquatic products.	2370515 issued by the State of California, the United States of America on 27 December 2001.	90.0%	90.0%
Minh Phu - Hau Giang Seafood Processing Co., Ltd	Process and trade in fish powder, aquatic products, bio-diesel fuel from fish oil, aquatic products; trade in goods, materials, machinery and equipment for aquaculture; invest and trade in infrastructure; conduct construction of civil and industrial works.	642041000003 issued by the Management Board of Hau Giang Industrial Zone on 29 December 2006.	97.5%	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 Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2013 (continued)

Name	Principal activity	Business Registration Certificate	Form B 09a – DN/HN	
			% of ownership 30/6/2013	31/12/2012
Minh Phat Seafood Co., Ltd	Process and trade in aquatic products, import materials, machinery and equipment for aquaculture.	6102000035 issued by the Planning and Investment Department of Ca Mau Province on 30 October 2001.	95.0%	95.0%
Minh Phu – Kien Giang Seafood Co., Ltd	Breed aquaculture products; process, preserve aquatic products; produce aquatic breeds; trade in machinery and equipment for aquaculture.	56-02-000417 issued by the Planning and Investment Department of Kien Giang Province on 16 January 2006.	99.1%	99.1%
Minh Phu Aquatic Larvae Co., Ltd	Produce, supply and trade in aquatic breeds; process, preserve aquatic products; trade in foods and materials for livestock, poultry and aquaculture.	4302000139 issued by the Planning and Investment Department of Ninh Thuan Province on 9 February 2006.	98.5%	98.5%
Minh Phu – Loc An Aquaculture Co., Ltd	Breed aqua cultural 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 Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2013 (continued)

Name	Principal activity	Business Registration Certificate	Form B 09a – DN/HN	
			% of ownership 30/6/2013	31/12/2012
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%

(*) The Company's shareholders, in their Annual General Meeting on 16 May 2013, resolved to liquidate Minh Phu Organic Shrimp Farming Co., Ltd. Minh Phu Organic Shrimp Farming Co., Ltd is in the process of being liquidated.

As at 30 June 2013 the Group had 10,616 employees (31 December 2012: 10,421 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to interim financial statements. These consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2012.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting currency

The consolidated interim 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 Group in the preparation of these consolidated interim financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

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

(iii) Transactions eliminated on consolidation

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

(iv) Goodwill

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

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

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(b) Foreign currency transactions

(i) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the period have been translated into VND at rates approximating those ruling at the transaction dates.

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

(ii) Foreign operations

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

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

(c) 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.

(d) Investments

Investments in term deposits and debt instruments; investments in equity instruments of entities over which the Group has no control or significant influence are stated at cost. Allowance is made for reduction in investment values if the market value of the investment falls below cost or if the investee has suffered a loss. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

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(e) Accounts receivable

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

(f) Inventories

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

The Group applies the perpetual method of accounting for inventory.

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

▪ buildings	5 – 39 years
▪ machinery and equipment	4 – 15 years
▪ motor vehicles	5 – 15 years
▪ office equipment	3 – 15 years

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(h) Intangible fixed assets

(i) Indefinite land use rights

Indefinite land use rights are stated at cost and are not amortised. 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.

(ii) Definite land use rights

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

(iii) Software

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

(i) 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.

(j) Long-term prepayments

(i) Pre-operating expenses

Pre-operating expenses are recorded in the statement of income, except for establishment costs and expenditure on training, advertising and promotional activities incurred from the incorporation date to the commercial operation date. These expenses are recognised as long-term prepayments, initially stated at cost, and are amortised on a straight line basis over 2 years starting from the date of commercial operation.

(ii) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease of 6 - 20 years.

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(iii) Foreign exchange differences

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

(iv) 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 VND30 million are classified as long-term prepayments and are amortised on a straight line basis over 3 years.

(k) Trade and other payables

Trade and other payables are stated at their cost.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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 Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as of 30 June 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.

(m) Classification of financial instruments

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

(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 Group 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 Group has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group 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 Group 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 Group upon initial recognition designates as available-for-sale; or
- for which the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

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Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are 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 and short-term equity investments are under the category of available-for-sale. 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:
 - 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 Group as 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 cost.

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.

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(n) Taxation

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) 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.

(p) 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.

(q) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(r) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

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(s) Borrowing costs

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

(t) Earnings per share

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

(u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.

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4. Segment reporting

(a) Business segments

The Group comprise the following main business segments:

- Aquaculture products farming
- Aquatic products processing
- Aquatic products trading
- Others

<i>For six-month period ended 30 June 2013</i>	Aquaculture products farming VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
External revenue	-	2,510,228,774,843	1,167,161,109,539	4,972,216,931	-	3,682,362,101,313
Inter-segment revenue	19,826,179,223	1,155,478,211,813	28,404,892,943	13,487,423,000	(1,217,196,706,979)	-
Total segment revenue	19,826,179,223	3,665,706,986,656	1,195,566,002,482	18,459,639,931	(1,217,196,706,979)	3,682,362,101,313
Segment result	(57,315,991,981)	233,632,567,150	8,305,577,755	(3,422,131,190)	(1,474,447,852)	179,725,573,882
Financial income						44,413,599,671
Financial expenses						(174,386,267,782)
Result from operating activities						49,752,905,771
Other income						1,918,967,185
Other expenses						(234,111,405)
Income tax						(27,502,560,118)
Net profit after tax						23,935,201,433

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Notes to the consolidated interim financial statements for the six-month period ended 30 June 2013 (continued)

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<i>For six-month period ended 30 June 2012</i>	Aquaculture products farming VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
External revenue	179,280,000	2,632,785,361,339	1,148,813,536,317	10,659,299,898	-	3,792,437,477,554
Inter-segment revenue	20,265,721,568	1,118,081,181,519	39,410,848,852	34,019,211,691	(1,211,776,963,630)	-
Total segment revenue	20,445,001,568	3,750,866,542,858	1,188,224,385,169	44,678,511,589	(1,211,776,963,630)	3,792,437,477,554
Segment result	(3,407,564,039)	216,040,167,249	15,560,092,380	13,867,938,229	45,807,340,751	287,867,974,570
Financial income						43,954,004,724
Financial expenses						(255,456,589,461)
Result from operating activities						76,365,389,833
Other income						1,989,456,260
Other expenses						(228,408,720)
Income tax						(17,153,350,116)
Net profit after tax						60,973,087,257

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<i>As of 30 June 2013</i>	Form B 09a – DN/HN					
	Aquaculture products farming VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	344,563,924,030	4,665,622,128,674	1,323,529,329,498	44,948,028,614	(971,207,446,964)	5,407,455,963,852
Investment in equity accounted associate	-	-	-	-	-	2,180,000,000
Unallocated assets	-	-	-	-	-	1,233,029,204,313
Total assets						6,642,665,168,165
Segment liabilities	149,364,834,052	4,571,520,697,592	768,122,325,777	6,906,415,314	(959,842,761,848)	4,536,071,510,887
Unallocated liabilities	-	-	-	-	-	726,597,313,413
Total liabilities						5,262,668,824,300
For six-month period ended 30 June 2013	VND	VND	VND	VND	VND	VND
Capital expenditure	10,111,117,703	19,698,808,517	-	609,437,120	-	28,312,457,028
Depreciation and amortisation	12,573,200,646	62,008,791,984	158,454,738	2,006,671,173	1,544,447,850	78,291,566,391

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<i>As of 31 December 2012</i>	Aquaculture products farming VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	360,502,063,988	4,040,775,106,219	1,419,765,335,805	46,165,625,227	(999,079,901,596)	4,868,128,229,643
Investment in equity accounted associate	-	-	-	-	-	2,180,000,000
Unallocated assets	-	-	-	-	-	1,399,623,574,309
Total assets						6,269,931,803,952
Segment liabilities	109,847,125,596	4,214,227,702,558	831,488,418,343	4,706,447,933	(987,715,216,480)	4,172,554,477,950
Unallocated liabilities	-	-	-	-	-	716,594,132,719
Total liabilities						4,889,148,610,669
<i>For six-month period ended 30 June 2012</i>						
Capital expenditure	27,152,545,443	48,167,962,097	-	2,076,653,020	-	77,397,160,560
Depreciation and amortisation	10,771,465,537	61,050,378,696	157,626,304	1,627,891,401	-	73,607,361,938

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(b) Geographical segments

(i) Segment revenues

	External revenue	
	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Vietnam	24,845,168,861	63,385,695,387
North America	1,685,423,865,436	1,460,045,079,833
Europe	312,903,668,649	323,281,634,334
Japan	1,047,168,038,019	996,839,667,450
Korea	346,759,339,170	636,760,621,290
Others	265,262,021,178	312,124,779,260
	<u>3,682,362,101,313</u>	<u>3,792,437,477,554</u>

(ii) Segment assets

	Total assets	
	30/6/2013 VND	31/12/2012 VND
Vietnam	5,601,698,448,005	5,322,249,785,172
North America	1,040,966,720,160	947,682,018,780
	<u>6,642,665,168,165</u>	<u>6,269,931,803,952</u>

5. Cash and cash equivalents

	30/6/2013 VND	31/12/2012 VND
Cash on hand	2,648,129,693	14,508,151,434
Cash in bank	35,935,867,260	16,976,967,073
Cash equivalents	919,525,223,309	1,267,133,885,350
	<u>958,109,220,262</u>	<u>1,298,619,003,857</u>

Cash and cash equivalents at 30 June 2013 included VND1,165 million (31 December 2012: VND26,580 million) pledged with banks as security for loans granted to the Group (Note 18 and Note 24).

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6. Short-term investments

	30/6/2013		31/12/2012	
	Quantity	VND	Quantity	VND
Short-term investments in shares				
▪ No.8 Investment & Construction JSC	112,000	5,263,000,000	112,000	5,263,000,000
▪ PetrolVietnam Transportation Corporation	141,800	6,004,500,000	141,800	6,004,500,000
▪ 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 (**)		294,042,441,725		119,153,170,936
		316,160,059,714		138,167,027,714
Allowance for diminution in the value of short-term investments		(9,612,120,000)		(9,782,280,000)
		306,547,939,714		128,384,747,714

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

(**) This represented term deposits with the maturity of less than a year and earn interest at rates ranging from 7.5% to 11.0% per annum during the period (year ended 31/12/2012: from 9.0% to 13.2% per annum).

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

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Opening balance	9,782,280,000	9,924,080,000
Written back	(170,160,000)	(269,420,000)
Transfers from allowance for diminution in the value of long-term investments (Note 15)	-	46,520,000,000
Closing balance	9,612,120,000	56,174,660,000

7. Accounts receivable – short-term

Accounts receivable – trade represented the amounts due from third parties which were unsecured, interest free and are receivable within 15 - 60 days from invoice date.

Accounts receivable – trade and prepayments to suppliers at 30 June 2013 included VND312,197 million and VND2,368 million respectively (31 December 2012: VND318,573 million and VND651 million respectively) pledged with banks as security for loans granted to the Group (Note 18 and Note 24).

Other short-term receivables comprised:

	30/6/2013 VND	31/12/2012 VND
Interest receivable	8,954,008,938	4,430,530,163
Loans to employees (*)	8,146,361,909	8,580,952,385
Social and health insurance receivable from employees	977,428,703	5,786,178,618
Others	15,987,498,373	9,477,397,120
	34,065,297,923	28,275,058,286

(*) This represented loan receivables from employees which were unsecured, interest free and receivable on demand.

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8. Inventories

	30/6/2013	31/12/2012
	VND	VND
Goods in transit	-	200,454,463,851
Raw materials	105,788,599,350	88,350,011,869
Tools and materials	11,390,010,296	11,273,071,227
Work in progress	64,331,812,780	86,939,795,679
Finished goods	2,541,407,887,471	1,914,548,727,694
	<hr/>	<hr/>
	2,722,918,309,897	2,301,566,070,320
Allowance for inventories	(20,722,349,238)	(73,176,471,780)
	<hr/>	<hr/>
	2,702,195,960,659	2,228,389,598,540

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

	1/1/2013 to	1/1/2012 to
	30/6/2013	30/6/2012
	VND	VND
Opening balance	73,176,471,780	53,753,010,514
Increase in allowance during the period	12,002,738,708	9,225,301,606
Written back	(64,562,791,716)	(50,510,730,360)
Translation differences	105,930,466	-
	<hr/>	<hr/>
Closing balance	20,722,349,238	12,467,581,760

At 30 June 2013 inventories with a carrying value of VND2,047,011 million (31 December 2012: VND1,777,883 million) were pledged with banks as security for loans granted to the Group (Note 18 and Note 24).

Included in finished goods at 30 June 2013 was VND122,135 million (31 December 2012: VND920,028 million) of inventories carried at net realisable value.

9. Taxes receivable from State Treasury

	30/6/2013	31/12/2012
	VND	VND
Corporate income tax	9,293,319,756	8,728,722,749
Personal income tax	273,705,747	213,803,011
	<hr/>	<hr/>
	9,567,025,503	8,942,525,760

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10. Other current assets

	30/6/2013 VND	31/12/2012 VND
Advances (*)	54,407,486,209	51,808,029,928
Short-term deposits	1,490,906,329	1,033,017,391
Others (**)	12,333,545,050	-
	68,231,937,588	52,841,047,319

(*) This represented advance to an employee to purchase land use right on behalf of the Group.

(**) Others represented Minh Phu Organic Shrimp Farming Co., Ltd's long-term assets. Minh Phu Organic Shrimp Farming Co., Ltd is in process of being liquidated. Consequently its assets and liabilities were reclassified to current.

Other current assets at 30 June 2013 included VND51,841 million (31 December 2012: VND51,037 million) pledged with banks as security for loans granted to the Group (Note 24).

11. Accounts receivable – long-term

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

Accounts receivable – long-term which belonged to Mseafod represented the prepayments of antidumping tax. Details of this receivable were as follows:

	30/6/2013 VND	31/12/2012 VND
Period from 1 February 2008 to 30 September 2008	41,742,512,670	41,136,174,776
Period from 1 October 2010 to 30 September 2011	46,378,622,865	45,704,942,372
Period from 1 October 2011 to 31 December 2012	26,073,678,855	25,648,265,696
	114,194,814,390	112,489,382,844

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12. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	585,742,501,892	954,196,241,173	119,412,621,682	17,561,986,115	1,676,913,350,862
Additions	1,296,344,543	1,534,140,179	244,334,000	54,353,000	3,129,171,722
Transfers from construction in progress	10,541,956,393	1,106,781,402	-	-	11,648,737,795
Transfers to long-term prepayments (*)	(11,467,180,270)	(19,928,528,230)	(512,937,403)	(3,733,861,755)	(35,642,507,658)
Transfers to other current assets (Note 10)	(10,270,720,549)	(947,553,450)	(5,430,978,562)	(55,935,000)	(16,705,187,561)
Translation differences	169,956,735	-	-	8,822,259	178,778,994
Closing balance	576,012,858,744	935,961,081,074	113,713,039,717	13,835,364,619	1,639,522,344,154
Accumulated depreciation					
Opening balance	87,317,754,389	260,599,829,790	30,151,176,922	6,968,386,197	385,037,147,298
Charge for the period	20,671,250,197	46,199,575,119	7,952,727,654	899,331,108	75,722,884,078
Transfers to long-term prepayments (*)	(3,598,109,988)	(7,250,257,368)	(262,877,143)	(2,404,480,294)	(13,515,724,793)
Transfers to other current assets (Note 10)	(2,567,884,278)	(415,739,404)	(1,359,119,079)	(28,899,750)	(4,371,642,511)
Translation differences	26,541,728	-	-	8,205,708	34,747,436
Closing balance	101,849,552,048	299,133,408,137	36,481,908,354	5,442,542,969	442,907,411,508
Net book value					
Opening balance	498,424,747,503	693,596,411,383	89,261,444,760	10,593,599,918	1,291,876,203,564
Closing balance	474,163,306,696	636,827,672,937	77,231,131,363	8,392,821,650	1,196,614,932,646

Included in the cost of tangible fixed assets were assets costing VND91,963 million which were fully depreciated as of 30 June 2013 (31 December 2012: VND73,055 million), but which are still in active use.

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At 30 June 2013 tangible fixed assets with a carrying value of VND915,804 million (31 December 2012: VND882,552 million) were pledged with banks as security for loans granted to the Group (Note 18 and Note 24).

(*) During the period, the Group reclassified certain fixed assets costing below VND30 million to long-term prepayments in accordance with 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”).

13. Intangible fixed assets

	Indefinite land use rights VND	Definite land use rights VND	Software VND	Total VND
Cost				
Opening balance	17,689,478,796	84,195,741,995	2,371,532,291	104,256,753,082
Additions	-	-	441,791,132	441,791,132
Transfers from construction in progress	-	3,661,635,400	-	3,661,635,400
Transfers to long-term prepayments (*)	-	-	(554,274,800)	(554,274,800)
Translation differences	201,010,399	-	-	201,010,399
Closing balance	17,890,489,195	87,857,377,395	2,259,048,623	108,006,915,213
Accumulated amortisation				
Opening balance	-	4,243,103,946	989,214,428	5,232,318,374
Charge for the period	-	866,487,030	157,747,433	1,024,234,463
Transfers to long-term prepayments (*)	-	-	(199,601,675)	(199,601,675)
Closing balance	-	5,109,590,976	947,360,186	6,056,951,162
Net book value				
Opening balance	17,689,478,796	79,952,638,049	1,382,317,863	99,024,434,708
Closing balance	17,890,489,195	82,747,786,419	1,311,688,437	101,949,964,051

Included in the cost of intangible fixed assets were assets costing VND2,256 million which were fully amortised as of 30 June 2013 (31 December 2012: VND2,205 million), but which are still in use.

At 30 June 2013 intangible fixed assets with a carrying value of VND69,366 million (31 December

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2012: VND72,261 million) were pledged with banks as security for loans granted to the Group (Note 18 and Note 24).

(*) During the period, the Group reclassified certain fixed assets costing below VND30 million to long-term prepayments in accordance with 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”).

14. Construction in progress

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Opening balance	254,750,170,757	268,310,020,664
Additions during the period	24,741,494,174	55,357,848,912
Transfers to tangible fixed assets	(11,648,737,795)	(37,915,758,581)
Transfers to intangible fixed assets	(3,661,635,400)	-
	<hr/>	<hr/>
Closing balance	264,181,291,736	285,752,110,995

At 30 June 2013 construction in progress with a carrying value of VND255,119 million (31 December 2012: VND245,996 million) were pledged with banks as security for loans granted to the Group (Note 24).

15. Long-term investments

	30/6/2013 VND	31/12/2012 VND
Investment in an associate		
▪ Minh Phu Hau Giang Port Corporation	2,180,000,000	2,180,000,000
Other long-term investments		
▪ Saigon – Ca Mau Infrastructure Corporation	7,000,000,000	7,000,000,000
	<hr/>	<hr/>
	9,180,000,000	9,180,000,000
Allowance for diminution in value of the long-term investments	(111,246,470)	(111,246,470)
	<hr/>	<hr/>
	9,068,753,530	9,068,753,530

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

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Opening balance	111,246,470	49,011,246,470
Written back	-	(2,380,000,000)
Transfers to allowance for diminution in the value of short-term investments (Note 6)	-	(46,520,000,000)
Closing balance	111,246,470	111,246,470

Details of the investments in associate were as follows:

Name	Principal activity	Business Registration Certificate	% of ownership	
			30/6/2013	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%

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16. Long-term prepayments

	Pre-operating expenses VND	Prepaid land costs VND	Foreign exchange differences VND	Tools and supplies VND	Total VND
Opening balance	1,508,797,072	58,746,352,214	14,281,839,966	16,520,023,845	91,057,013,097
Additions during the period	-	-	-	2,106,906,312	2,106,906,312
Transfers from tangible fixed assets (*)	-	-	-	22,126,782,865	22,126,782,865
Transfers from intangible fixed assets (*)	-	-	-	354,673,125	354,673,125
Transfers to other current assets (Note 10)	-	-	-	(317,002,425)	(317,002,425)
Amortisation for the period	(215,542,440)	(1,678,555,712)	(2,040,262,854)	(7,828,579,999)	(11,762,941,005)
Closing balance	1,293,254,632	57,067,796,502	12,241,577,112	32,962,803,723	103,565,431,969

At 30 June 2013 long-term prepayments with a carrying value of VND63,913 million (31 December 2012: Nil) were pledged with banks as security for loans granted to the Group (Note 24).

(*) This represents the net book value of the assets which do not meet the cost criteria of fixed assets as regulated in Article 2 of Circular 45. These assets are reclassified from tangible and intangible fixed assets during the period (Note 12 and Note 13), and will be amortised to the statement of income on a straight-line basis over the remaining estimated useful lives, but not exceeding three years.

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17. Goodwill

	VND
Cost	
Opening and closing balance	30,888,957,000
Accumulated amortisation	
Opening balance	14,157,438,814
Charge for the period	1,544,447,850
Closing balance	15,701,886,664
Net book value	
Opening balance	16,731,518,186
Closing balance	15,187,070,336

18. Short-term borrowings

	30/6/2013 VND	31/12/2012 VND
Short-term borrowings	3,633,247,515,099	3,148,072,571,964
Current portion of long-term borrowings (Note 24)	101,775,200,000	100,986,300,000
Bonds repayable within twelve months (Note 24)	700,000,000,000	200,000,000,000
	4,435,022,715,099	3,449,058,871,964

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

	Currency	Interest rate (per annum)	30/6/2013 VND	31/12/2012 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ca Mau Branch				
Loan 1	USD	3.0% - 3.5%	1,988,407,055,165	1,499,401,930,600
Loan 2	USD	3.5% - 4.0%	992,717,503,174	729,172,943,474
Loan 3	USD	3.5% - 4.0%	60,169,285,240	44,499,507,324
Loan 4	USD	3.5%	33,488,027,600	100,522,762,056
Loan 5	VND	-	-	279,402,989,338
Loan 6	VND	-	-	13,236,370,767
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ca Mau Branch				
Loan 7	USD	2.8% - 3.0%	220,761,880,470	213,856,890,180
HSBC Bank (Vietnam) Ltd				
Loan 8	USD	2.0% - 3.0%	120,978,709,359	99,231,378,225
Loan 9	JPY	3.0%	53,404,821,606	-
Bank for Investment and Development of Vietnam – Ca Mau Branch				
Loan 10	USD	3.5%	44,118,600,000	85,435,800,000
Vietnam International Bank – Ca Mau Branch				
Loan 11	USD	1.9% - 3.2%	119,201,632,485	-
Comerica Bank (U.S.A.)				
Loan 12	USD	-	-	83,312,000,000
			3,633,247,515,099	3,148,072,571,964

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

	Carrying amount as at	
	30/6/2013 VND	31/12/2012 VND
Cash (Note 5)	683,144,114	4,138,969,282
Accounts receivable – trade (Note 7)	312,196,517,139	318,572,661,364
Inventories (Note 8)	1,979,826,878,026	1,555,685,951,209
Tangible fixed assets (Note 12)	95,880,435,332	5,807,736,260
Intangible fixed assets (Note 13)	1,014,613,499	3,205,264,572
	<hr/>	<hr/>
	2,389,601,588,110	1,887,410,582,687
	<hr/>	<hr/>

19. Accounts payable – trade

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

20. Taxes payable to State Treasury

	30/6/2013 VND	31/12/2012 VND
Value added tax	7,546,649	47,273,000
Corporate income tax	8,311,224,778	17,318,452,460
Personal income tax	1,042,956,749	1,061,148,212
Other	-	20,033,700
	<hr/>	<hr/>
	9,361,728,176	18,446,907,372
	<hr/>	<hr/>

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21. Accrued expenses

	30/6/2013 VND	31/12/2012 VND
External service payable	846,253,514	27,395,296,114
Anti-dumping tax payable for the period from 1 February 2008 to 31 January 2009	55,482,545,250	54,676,624,200
Anti-dumping tax payable for the period from 1 February 2009 to 31 January 2010	16,161,363,855	15,926,609,244
Anti-dumping tax payable for the period from 1 February 2010 to 31 January 2011	7,596,447,375	7,486,103,900
	<hr/> 80,086,609,994	<hr/> 105,484,633,458 <hr/>

Anti-dumping tax payable as of and for the year ended 31 December 2012 and the six-month period ended 30 June 2013 has not been finalised. Management expected that the anti-dumping tax for the year ended 31 December 2012 and the six-month period ended 30 June 2013 would be consistent with the finalised rate for the period from 1 February 2011 to 31 January 2012, which is 0%. The Group has estimated the final tax payable which may change according to the final amount payable imposed by the foreign authority.

22. Other payables

	30/6/2013 VND	31/12/2012 VND
Dividends payable	6,805,562,750	175,000,000,000
Social insurance, health insurance and trade union	1,669,114,885	921,651,909
Short-term deposits received	8,000,000,000	11,000,000,000
Interest payable	15,876,077,163	16,594,132,719
Land rental payable	4,646,599,090	4,779,359,064
Others	2,992,206,613	3,075,109,580
	<hr/> 39,989,560,501	<hr/> 211,370,253,272 <hr/>

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23. Bonus and welfare fund

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

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

	VND
Opening balance	89,416,584,032
Utilisation of the fund	(11,790,913,561)
	<hr/>
Closing balance	77,625,670,471
	<hr/>

24. Long-term borrowings

	30/6/2013 VND	31/12/2012 VND
Long-term borrowings	382,013,800,383	429,619,180,684
Long-term non-convertible corporate bonds	700,000,000,000	700,000,000,000
	<hr/>	<hr/>
	1,082,013,800,383	1,129,619,180,684
Repayable within twelve months (Note 18)	(801,775,200,000)	(300,986,300,000)
	<hr/>	<hr/>
Repayable after twelve months	280,238,600,383	828,632,880,684
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Terms and conditions of long-term borrowings and long-term non-convertible corporate bonds were as follows:

	Currency	Interest rate (per annum)	Year of maturity	30/6/2013 VND	31/12/2012 VND
Long-term borrowings					
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ca Mau Branch					
Loan 1	VND	13.5%-14.0%	2017	205,602,592,184	232,979,592,184
Loan 2	USD	8.0%	2017	176,411,208,199	196,639,588,500
Long-term non-convertible corporate bonds					
Lot 1	VND	13.5% - 14.0%	2013	200,000,000,000	200,000,000,000
Lot 2	VND	13.5% - 14.0%	2014	500,000,000,000	500,000,000,000
				1,082,013,800,383	1,129,619,180,684

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

	Carrying amount as at	
	30/6/2013 VND	31/12/2012 VND
Cash (Note 5)	482,155,647	433,075,880
Prepayments to suppliers (Note 7)	2,367,600,020	651,006,121
Inventories (Note 8)	67,183,649,098	87,894,595,781
Other current assets (Note 10)	51,840,782,408	51,037,496,700
Tangible fixed assets (Note 12)	819,923,253,860	876,743,968,576
Intangible fixed assets (Note 13)	68,350,913,092	69,055,991,092
Construction in progress (Note 14)	255,119,395,700	245,996,061,173
Long-term prepayments (Note 16)	63,912,558,435	-
		1,329,180,308,260
		1,331,812,195,323

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25. Provision for severance allowance

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

	VND
Opening balance	3,656,891,489
Utilised during the period	(206,272,415)
	<hr/>
Closing balance	3,450,619,074
	<hr/>

For the six-month period ended 30 June 2013, the Group contributed VND848 million (six-month period ended 30 June 2012: VND1,039 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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26. Changes in owners' equity

	Share capital VND	Capital surplus VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Financial reserve VND	Retained profits VND	Total VND
Balance at 1 January 2012	700,000,000,000	177,876,869,236	-	88,506,239,451	41,298,066,764	-	531,210,227,608	1,538,891,403,059
Net profit for the period	-	-	-	-	-	-	61,983,484,647	61,983,484,647
Appropriation to equity fund	-	-	-	-	8,552,254,346	-	(8,552,254,346)	-
Utilisation of fund	-	-	-	-	(7,741,645,166)	-	-	(7,741,645,166)
Currency translation differences	-	-	-	519,054,589	-	-	-	519,054,589
Balance at 30 June 2012	700,000,000,000	177,876,869,236	-	89,025,294,040	42,108,675,944	-	584,641,457,909	1,593,652,297,129
Net profit for the period	-	-	-	-	-	-	(45,143,640,125)	(45,143,640,125)
Appropriation to equity fund	-	-	-	-	27,539,817,610	13,769,908,805	(41,309,726,415)	-
Dividends	-	-	-	-	-	-	(175,000,000,000)	(175,000,000,000)
Utilisation of fund	-	-	-	-	(11,177,495,033)	-	-	(11,177,495,033)
Currency translation differences	-	-	-	(519,054,589)	-	-	-	(519,054,589)
Transfer to bonus and welfare fund	-	-	-	-	-	-	(51,761,636,902)	(51,761,636,902)
Balance at 31 December 2012	700,000,000,000	177,876,869,236	-	88,506,239,451	58,470,998,521	13,769,908,805	271,426,454,467	1,310,050,470,480
Shares repurchases	-	-	(18,537,405,861)	-	-	-	-	(18,537,405,861)
Net profit for the period	-	-	-	-	-	-	23,777,310,130	23,777,310,130
Currency translation differences	-	-	-	5,538,259,646	-	-	-	5,538,259,646
Utilisation of fund	-	-	-	-	(12,338,266,818)	-	-	(12,338,266,818)
Balance at 30 June 2013	700,000,000,000	177,876,869,236	(18,537,405,861)	94,044,499,097	46,132,731,703	13,769,908,805	295,203,764,597	1,308,490,367,577

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27. Share capital

The Company's authorised and issued share capital is:

	30/6/2013		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 period were as follows:

	1/1/2013 to 30/6/2013		1/1/2012 to 30/6/2012	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the period	70,000,000	700,000,000,000	70,000,000	700,000,000,000
Treasury shares purchased during the period	(630,560)	(18,537,405,861)	-	-
Balance at the end of the period	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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28. Minority interest

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Balance at the beginning of the period	70,732,722,803	78,722,005,772
Net earnings attributable to minority interest during the period	157,891,303	(1,010,397,390)
Translation differences borne by minority interest	615,362,182	57,672,731
Bonus and welfare fund borne by minority interest	-	(933,207,733)
Dividends	-	(6,094,297,579)
	<hr/>	<hr/>
Balance at the end of the period	71,505,976,288	70,741,775,801
	<hr/>	<hr/>

29. Total revenue

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

Net sales comprised:

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Total revenue		
▪ Finished goods sold	3,722,107,066,446	3,807,006,578,847
▪ Scraps sold	7,938,207,880	17,426,962,740
▪ Others	11,408,000	317,524,500
	<hr/>	<hr/>
	3,730,056,682,326	3,824,751,066,087
Less sales deductions		
▪ Sales returns	(47,694,581,013)	(32,313,588,533)
	<hr/>	<hr/>
Net sales	3,682,362,101,313	3,792,437,477,554
	<hr/>	<hr/>

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30. Cost of sales

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Finished goods sold	3,323,780,742,625	3,312,638,749,683
Allowance for inventories	(52,454,122,542)	(41,285,428,754)
Others	-	243,697,025
	<u>3,271,326,620,083</u>	<u>3,271,597,017,954</u>

31. Financial income

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Interest income	40,036,774,114	38,088,143,302
Dividend income	-	10,980,000
Realised foreign exchange gains	4,002,894,615	4,949,171,248
Unrealised foreign exchange gains	-	905,710,174
Others	373,930,942	-
	<u>44,413,599,671</u>	<u>43,954,004,724</u>

32. Financial expenses

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Interest expense	127,995,394,611	255,703,647,811
Realised foreign exchange losses	11,171,057,318	2,330,367,462
Unrealised foreign exchange losses	33,140,751,294	71,994,188
Allowance for investments	(170,160,000)	(2,649,420,000)
Others	2,249,224,559	-
	<u>174,386,267,782</u>	<u>255,456,589,461</u>

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33. Income tax

(a) Deferred tax assets

Deferred tax assets were attributable to the following:

	30/6/2013	31/12/2012
	VND	VND
Deferred tax assets		
Unrealised foreign exchange differences	2,841,171,279	2,963,265,883
Unrealised profits arising from intra-group transactions	464,850,687	515,257,341
Tax losses carry-forwards	1,092,899,778	2,841,171,279
	<hr/>	<hr/>
	4,398,921,744	6,319,694,503
	<hr/>	<hr/>
Deferred tax liabilities		
Unrealised foreign exchange differences	(1,529,885,001)	-
Allowance for diminution in the value of investments in subsidiaries	(10,721,236,250)	-
	<hr/>	<hr/>
	(12,251,121,251)	-
	<hr/>	<hr/>
Net deferred tax (liabilities)/assets	(7,852,199,507)	6,319,694,503
	<hr/>	<hr/>

(b) Recognised in the statement of income

	1/1/2013 to	1/1/2012 to
	30/6/2013	30/6/2012
	VND	VND
Current tax expense		
Current period	13,330,666,108	13,447,515,227
Over provision in prior years	-	(5,322,495,180)
	<hr/>	<hr/>
	13,330,666,108	8,125,020,047
	<hr/>	<hr/>
Deferred tax expense		
Reversal of temporary differences	14,171,894,010	9,028,330,069
	<hr/>	<hr/>
	27,502,560,118	17,153,350,116
	<hr/>	<hr/>

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(c) Reconciliation of effective tax rate

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Profit before tax	51,437,761,551	78,126,437,373
Tax at the Company's tax rate	12,859,440,388	19,531,609,343
Non-deductible expenses	386,111,963	204,026,285
Tax incentives	(4,547,276,478)	(4,232,153,711)
Tax exempt income	-	(2,745,000)
Deferred tax assets not recognised	17,468,396,792	6,415,345,465
Effect of different tax rates in subsidiaries	1,335,887,453	559,762,914
Over provision in prior years	-	(5,322,495,180)
Income tax expense	27,502,560,118	17,153,350,116

Deferred tax assets have not been recognised in respect of tax losses of the Company's subsidiaries because it is not probable that future taxable profits will be available against which these subsidiaries can utilise the benefits therefrom.

(d) Applicable tax rates

The Company

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

The Subsidiaries

Mseafood Corporation ("Mseafood")

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

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

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

Under the terms of its Business Registration Certificate, the Company has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2011 to 2026 and 25% thereafter. The provisions of the Company’s Business Registration Certificate allow it to be exempted from income tax from 2012 to 2015 and receive a 50% reduction in income tax from 2016 to 2024. All the above tax incentives are not applicable to other income which is taxed at rate of 25%.

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

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

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

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

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

Under the terms of its Business Registration Certificate, Minh Phu – Kien Giang has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2006 to 2020 and 25% thereafter. The provisions of Minh Phu – Kien Giang’s Business Registration Certificate allow it to be exempted from income tax from 2007 to 2009 and receive a 50% reduction in income tax from 2010 to 2018.

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

Under the terms of its Investment Certificate, Minh Phu Larvae has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2006 to 2020 and 25% thereafter. The provisions of Minh Phu Larvae’s Investment Certificate allow it to be exempted from income tax from 2009 to 2012 and receive a 50% reduction in income tax from 2013 to 2019.

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

Under the terms of its Investment Certificate, Minh Phu - Loc An has an obligation to pay the government corporate income tax at the rate of 25% of taxable profits. The provisions of Minh Phu - Loc An’s Investment Certificate allow it to be exempted from income tax for one year starting from the first year it generates a taxable profit and receive a 50% reduction in income tax for four succeeding years. The income tax regulations also specify that if Minh Phu - Loc An does not generate any taxable profit in three consecutive years from the first year it generate revenue, the above tax exemption period will start in the fourth year despite the fact that no taxable profit has been made. All the above tax incentives are not applicable to other income which is taxed at rate of 25%.

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

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

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

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

Minh Phu Hoa Dien Aquaculture One Member Company (“Minh Phu Hoa Dien”)

Under the terms of its Business Registration Certificate, Minh Phu Hoa Dien has an obligation to pay the government income tax at the rate of 10% of taxable profits from 2012 to 2026 and 25% thereafter. The provisions of Minh Phu Hoa Dien’s Business Registration Certificate allow it to be exempted from income tax for 4 years starting from the first year it generates a taxable profit and entitled to a 50% reduction in income tax for the 9 succeeding years. The income tax regulations also specify that if Minh Phu Hoa Dien does not generate any taxable profit in three consecutive years from the first year it generate revenue, the above tax exemption period will start in the fourth year despite the fact that no taxable profit has been made.

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

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34. Basic earnings per share

The calculation of basic earnings per share at 30 June 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

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Net profit attributable to ordinary shareholders	23,777,310,130	61,983,484,647

(ii) Weighted average number of ordinary shares

	1/1/2013 to 30/6/2013	1/1/2012 to 30/6/2012
Issued ordinary shares at the beginning of the period	70,000,000	70,000,000
Effect of treasury shares repurchased on 30 April 2013	(152,543)	-
Effect of treasury shares repurchased on 31 May 2013	(28,822)	-
Weighted average number of ordinary shares for the period ended 30 June 2013	69,818,635	70,000,000

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35. Financial instruments

(a) Financial risk management

(i) Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

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

(ii) Risk management of framework

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

(b) Credit risk

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

(i) Exposure to credit risk

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

	Notes	30/6/2013 VND	31/12/2012 VND
Cash in bank and cash equivalents	(ii)	955,461,090,569	1,284,110,852,423
Term deposits	(ii)	294,042,441,725	119,153,170,936
Loan receivables	(iii)	7,306,508,578	7,746,276,778
Trade and other receivables	(iv)	619,595,898,492	553,915,215,641
		1,876,405,939,364	1,964,925,515,778

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

The Group'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 Group.

(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 Group. Management assessed that the Group can recover the loans through future shrimp purchase.

(iv) Trade and other receivables

The Group's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer. In response to the risk, management of the Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. In addition, the Group always asks for collateral from customers for each sale order, normally in the form of letter of credit. Receivables are due within 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 Group believes that, apart from the allowance provided, no further allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables as of 30 June 2013 and 31 December 2012. The ageing analysis of the receivables was as follows:

	Gross 30/6/2013 VND	Allowance for doubtful debts 30/6/2013 VND
Not past due	602,999,495,171	-
Past due 0 - 30 days	12,631,331,638	-
Past due 31 -180 days	525,431,273	-
Over 180 days	12,521,725,734	(9,082,085,324)
	<hr/>	
	628,677,983,816	(9,082,085,324)
	<hr/>	

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	Gross 31/12/2012 VND	Allowance for doubtful debts 31/12/2012 VND
Not past due	520,745,574,895	-
Past due 0 - 30 days	28,807,221,113	-
Past due 31 -180 days	1,963,911,085	-
Over 180 days	11,480,593,872	(9,082,085,324)
	<hr/> 562,997,300,965	<hr/> (9,082,085,324)

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

	1/1/2013 to 30/6/2013 VND	1/1/2012 30/6/2012 VND
Opening balance	(9,082,085,324)	13,418,670,092
Written back	-	(1,822,719,931)
	<hr/> (9,082,085,324)	<hr/> 11,595,950,161

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity 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 Group's reputation.

As at 30 June 2013 and 31 December 2012, 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 30 June 2013					
Short-term borrowings	3,633,247,515,099	3,677,781,451,938	3,677,781,451,938	-	-
Accounts payable – trade	256,347,335,919	256,347,335,919	256,347,335,919	-	-
Payables to employees	54,020,434,659	54,020,434,659	54,020,434,659	-	-
Accrued expenses	80,086,609,994	80,086,609,994	80,086,609,994	-	-
Other payables	39,989,560,501	39,989,560,501	39,989,560,501	-	-
Long-term borrowings	382,013,800,383	465,649,757,247	113,736,429,343	128,433,007,816	223,480,320,088
Long-term non-convertible corporate bonds	700,000,000,000	764,500,000,000	764,500,000,000	-	-
	5,145,705,256,555	5,338,375,150,258	4,986,461,822,354	128,433,007,816	223,480,320,088
As at 31 December 2012					
Short-term borrowings	3,148,072,571,964	3,182,138,435,132	3,182,138,435,132	-	-
Accounts payable – trade	135,868,027,758	135,868,027,758	135,868,027,758	-	-
Payables to employees	38,688,257,921	38,688,257,921	38,688,257,921	-	-
Accrued expenses	105,484,633,458	105,484,633,458	105,484,633,458	-	-
Other payables	211,370,253,272	211,370,253,272	211,370,253,272	-	-
Long-term borrowings	429,619,180,684	538,124,155,764	119,364,208,967	133,861,744,909	284,898,201,888
Long-term non-convertible corporate bonds	700,000,000,000	815,188,888,889	297,688,888,889	517,500,000,000	-
	4,769,102,925,057	5,026,862,652,194	4,090,602,705,397	651,361,744,909	284,898,201,888

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

Exposure to currency risk

At 30 June 2013 and 31 December 2012, the Group had the following net monetary liability position exposed to currency risk:

	USD		JPY	
	30/6/2013	31/12/2012	30/6/2013	31/12/2012
Cash and cash equivalents	249,794	664,110	45,965,008	-
Accounts receivable – trade	17,206,076	15,856,451	46,886,044	-
Other monetary assets	24,895	525,195	-	-
Accounts payable – trade	(251,665)	(235,657)	-	-
Short-term borrowings	(156,294,335)	(133,166,795)	(250,726,862)	-
Long-term borrowings	(8,337,014)	(9,447,014)	-	-
Other monetary liabilities	-	(1,135,862)	-	-
	(147,402,249)	(126,939,572)	(157,875,810)	-

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

	Exchange rate as at	
	30/6/2013 VND	31/12/2012 VND
USD 1	21,135	20,815
JPY 1	213	247

Below is an analysis of the possible impact on the net profit of the Group, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 30 June 2013. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and borrowings:

	Effect to net profit as at	
	30/6/2013 VND	31/12/2012 VND
USD (2% strengthening)	(52,220,363,853)	(22,112,702,630)
JPY (14% weakening)	3,530,892,491	-

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The opposite movement of the currencies would have the equal but opposite effect to the net profit of the Group.

(ii) Interest rate risk

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

	30/6/2013 VND	31/12/2012 VND
Fixed rate instruments		
Cash equivalents	919,525,223,309	1,267,133,885,350
Term deposits	294,042,441,725	119,153,170,936
	1,213,567,665,034	1,386,287,056,286
Variable rate instruments		
Cash in bank	35,935,867,260	16,976,967,073
Short-term borrowings	(3,633,247,515,099)	(3,148,072,571,964)
Long-term borrowings	(382,013,800,383)	(429,619,180,684)
Long-term non-convertible corporate bond	(700,000,000,000)	(700,000,000,000)
	(4,679,325,448,222)	(4,260,714,785,575)

Variable rate instruments expose the Group to risk of changes in interest rate. No policy was in place pertaining to the mitigation of any potential volatility of the interest rate. A change of 100 basis points in interest rate would have decreased the Group' net profit by VND35,095 million (six-month period ended 30 June 2012: VND6,683 million).

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(e) Fair value

The Group 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.

	30/6/2013	
	Fair value VND	Carrying value VND
Available-for-sale category - short-term investments in:		
▪ No.8 Investment & Construction JSC	907,200,000	5,263,000,000
▪ PetrolVietnam Transportation Corporation	751,540,000	6,004,500,000
▪ REE Corporation	194,400	80,000
▪ Vietnam Pyramid New Technology Corporation	449,681,470	272,941,176
▪ Van Dien Fused Magnesium Phosphate Fertilizer JSC	3,165,932,300	3,270,588,235
	5,274,548,170	14,811,109,411

36. Significant transactions with related parties

Identity of related parties

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

Significant transactions with related companies

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

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Long Phung Investment Corporation		
Office rental	1,107,416,850	1,024,601,700

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Transactions with key management personnel

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

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Remuneration and business allowances	5,269,766,912	6,707,529,600

37. Commitments

(a) Capital expenditure

At 30 June 2013, the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	30/6/2013 VND	31/12/2012 VND
Approved and contracted	91,990,990,758	111,279,648,241

(b) Leases

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

	30/6/2013 VND	31/12/2012 VND
Within one year	2,067,003,000	2,035,707,000
From two to five years	516,750,750	1,577,672,925
	<u>2,583,753,750</u>	<u>3,613,379,925</u>

(b) Currency swap contract

As of 30 June 2013, the Company had the commitment, under the currency swap contract with Vietnam Joint Stock Commercial Bank for Industry and Trade ("the Bank") dated 26 June 2013, to purchase USD3,500,000 from the Bank at the exchange rate of VND21,036/USD1 at 26 July 2013. Subsequently, this transaction was executed on 26 July 2013.

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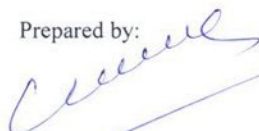
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38. Production and business costs by element

	1/1/2013 to 30/6/2013 VND	1/1/2012 to 30/6/2012 VND
Raw material costs included in production costs	2,870,333,320,179	3,462,413,902,602
Labour costs and staff costs	282,030,858,484	241,347,718,372
Depreciation and amortisation	78,291,566,391	85,584,347,911
Outside services	189,212,238,223	208,326,870,878
Other expenses	83,859,426,460	118,062,832,838

22 August 2013

Prepared by:



Luu Minh Trung
Chief Accountant

Approved by:



Le Van Quang
General Director