



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

Consolidated interim financial
statements for the six-month period
ended 30 June 2014



Minh Phu Seafood Joint Stock Company
Corporate Information

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

The Business Registration Certificate and its updates were issued by 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
--------------------------	---

Auditors	KPMG Limited Vietnam
-----------------	-------------------------

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

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

- (a) the consolidated interim financial statements set out on pages 4 to 61 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 2014, 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 relevant requirements of the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; 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, 19 August 2014



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

Telephone +84 (8) 3821 9266
Fax +84 (8) 3821 9267
Internet www.kpmg.com.vn

FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Minh Phu Seafood Joint Stock Company

We have reviewed the accompanying consolidated interim financial statements of Minh Phu Seafood Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated balance sheet as at 30 June 2014, the related consolidated statements of income and consolidated cash flows for the six-month period then ended and the explanatory notes thereto which were authorized for issue by the Company’s Board of Directors on 19 August 2014, as set out on pages 4 to 61. 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 the Vietnamese Standards on Auditing applicable to review engagements. The standards require that we plan and perform the review to obtain moderate assurance as to whether the consolidated interim financial statements are free of material misstatements. A review primarily involves inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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 2014 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standard 27 – Interim Financial Reporting, the relevant requirements of the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited’s Branch in Ho Chi Minh City
Vietnam
Operating registration certificate No.: 4114000230
Review Report No.: 13-01-120




Lam Thi Ngoc Hao
Practicing Auditor Registration
Certificate No. 0866-2013-007-1
Deputy General Director

Ho Chi Minh City, 19 August 2014



Ha Vu Dinh
Practicing Auditor Registration
Certificate No. 0414-2013-007-1

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2014

Form B 01a – DN/HN

	Code	Note	30/6/2014 VND	31/12/2013 VND
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		7,154,782,889,736	5,871,492,742,171
Cash and cash equivalents	110	5	185,622,830,350	2,000,246,094,247
Cash	111		185,622,830,350	58,852,319,487
Cash equivalents	112		-	1,941,393,774,760
Short-term investments	120	6	1,138,981,074,389	150,798,172,049
Short-term investments	121		1,147,685,674,389	159,502,772,049
Allowance for diminution in the value of short-term investments	129		(8,704,600,000)	(8,704,600,000)
Accounts receivable – short-term	130	7	1,007,022,235,542	989,180,822,486
Accounts receivable – trade	131		933,560,819,526	918,956,697,117
Prepayments to suppliers	132		19,372,578,948	33,241,562,032
Other receivables	135		57,436,256,738	41,892,458,223
Allowance for doubtful debts	139		(3,347,419,670)	(4,909,894,886)
Inventories	140	8	4,727,995,209,078	2,464,315,121,644
Inventories	141		4,768,101,197,652	2,491,281,852,992
Allowance for inventories	149		(40,105,988,574)	(26,966,731,348)
Other current assets	150		95,161,540,377	266,952,531,745
Short-term prepayments	151		1,529,192,606	1,059,123,928
Deductible value added tax	152		83,981,600,471	206,639,654,930
Taxes receivable from State Treasury	154	9	2,563,658,070	4,372,613,224
Other current assets	158	10	7,087,089,230	54,881,139,663

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2014 (continued)

Form B 01a – DN/HN

	Code	Note	30/6/2014 VND	31/12/2013 VND
Long-term assets (200 = 210 + 220 + 250 + 260)	200		1,767,252,225,726	1,766,050,328,721
Accounts receivable – long-term	210	11	65,742,792,192	75,821,969,160
Fixed assets	220		1,564,409,015,275	1,558,974,233,263
Tangible fixed assets	221	12	1,162,903,506,565	1,191,585,752,778
Cost	222		1,764,042,145,239	1,714,268,447,115
Accumulated depreciation	223		(601,138,638,674)	(522,682,694,337)
Intangible fixed assets	227	13	135,496,374,899	136,657,557,882
Cost	228		144,037,099,697	143,799,476,671
Accumulated amortisation	229		(8,540,724,798)	(7,141,918,789)
Construction in progress	230	14	266,009,133,811	230,730,922,603
Long-term investments	250	15	13,080,000,000	9,180,000,000
Investments in associates	252		6,080,000,000	2,180,000,000
Other long-term investments	258		7,000,000,000	7,000,000,000
Other long-term assets	260		124,020,418,259	122,074,126,298
Long-term prepayments	261	16	91,365,281,963	96,524,729,137
Deferred tax assets	262	32	20,556,961,660	11,906,774,675
Goodwill	269	17	12,098,174,636	13,642,622,486
TOTAL ASSETS (270 = 100 + 200)	270		8,922,035,115,462	7,637,543,070,892

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2014 (continued)

Form B 01a – DN/HN

	Code	Note	30/6/2014 VND	31/12/2013 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		6,562,607,256,508	5,616,869,798,116
Current liabilities	310		6,535,342,217,209	5,591,441,153,241
Short-term borrowings	311	18	5,652,737,120,314	4,715,626,675,338
Accounts payable – trade	312	19	383,306,361,618	532,434,499,874
Advances from customers	313		24,839,224,024	16,797,187,237
Taxes payable to State Treasury	314	20	54,468,683,191	16,889,617,525
Payables to employees	315		80,842,164,536	108,358,151,736
Accrued expenses	316	21	136,149,623,135	103,767,152,783
Other payables	319	22	133,424,274,282	22,991,839,708
Bonus and welfare fund	323	23	69,574,766,109	74,576,029,040
Long-term liabilities	330		27,265,039,299	25,428,644,875
Deferred tax liabilities	335	32	23,723,161,776	22,068,981,770
Provision for severance allowance	336	24	3,541,877,523	3,359,663,105
EQUITY (400 = 410)	400		1,826,557,473,907	1,584,345,602,431
Owners' equity	410	25	1,826,557,473,907	1,584,345,602,431
Share capital	411	26	700,000,000,000	700,000,000,000
Capital surplus	412		177,876,869,236	177,876,869,236
Other reserves	413		79,806,684,935	79,806,684,935
Treasury shares	414	26	(29,525,445,861)	(18,537,405,861)
Foreign exchange differences	416		97,851,183,847	93,674,067,633
Investment and development fund	417		33,808,832,373	32,423,167,608
Financial reserve	418		17,889,263,172	13,769,908,805
Retained profits	420		748,850,086,205	505,332,310,075
MINORITY INTEREST	439	27	532,870,385,047	436,327,670,345
TOTAL RESOURCES (440 = 300 + 400 + 439)	440		8,922,035,115,462	7,637,543,070,892

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

**Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2014 (continued)**

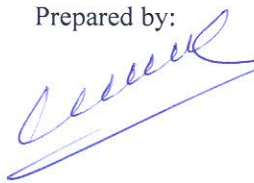
Form B 01a – DN/HN

OFF BALANCE SHEET ITEMS

	Note	30/6/2014	31/12/2013
Foreign currencies included in cash:			
USD	35 (d)	75,556	264,234
JPY	35 (d)	334,966	28,304,539

19 August 2014

Prepared by:



Luu Minh Trung
Chief Accountant

Approved by:



Le Van Quang
General Director

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2014

Form B 02a – DN/HN

	Code	Note	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Total revenue	01	28	6,307,991,866,984	3,730,056,682,326
Less revenue deductions	02	28	(63,780,280,717)	(47,694,581,013)
Net revenue (10 = 01 + 02)	10	28	6,244,211,586,267	3,682,362,101,313
Cost of sales	11	29	(5,311,059,534,900)	(3,271,326,620,083)
Gross profit (20 = 10 + 11)	20		933,152,051,367	411,035,481,230
Financial income	21	30	49,076,804,138	44,413,599,671
Financial expenses	22	31	(125,275,088,852)	(174,386,267,782)
<i>In which: Interest expense</i>	23		(81,248,668,905)	(127,995,394,611)
Selling expenses	24		(284,880,548,581)	(183,173,383,589)
General and administration expenses	25		(65,701,577,638)	(48,136,523,759)
Net operating profit (30 = 20 + 21 + 22 + 24 + 25)	30		506,371,640,434	49,752,905,771
Other income	31		2,963,223,458	1,918,967,185
Other expenses	32		(186,642,085)	(234,111,405)
Results of other activities (40 = 31 + 32)	40		2,776,581,373	1,684,855,780
Profit before tax (50 = 30 + 40)	50		509,148,221,807	51,437,761,551
Income tax expense – current	51	32	(52,448,750,141)	(13,330,666,108)
Income tax benefit/(expense) – deferred	52	32	6,996,006,979	(14,171,894,010)
Net profit after tax (60 = 50 + 51 + 52)	60		463,695,478,645	23,935,201,433

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

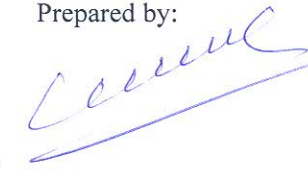
Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2014
(continued)

Form B 02a – DN/HN

	Code	Note	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Net profit after tax (60 = 50 + 51 + 52)	60		463,695,478,645	23,935,201,433
Attributable to:				
Minority interest	61	27	96,078,590,678	157,891,303
Equity holders of the Company	62		367,616,887,967	23,777,310,130
Basic earnings per share	70	33	5,309	341

19 August 2014

Prepared by:



Luu Minh Trung
Chief Accountant

Approved by:



Le Van Quang
General Director

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2014
(Indirect method)

Form B 03a – DN/HN

	Code	Note	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		509,148,221,807	51,437,761,551
Adjustments for				
Depreciation and amortisation	02		81,370,696,084	78,291,566,391
Allowances and provisions	03		12,308,828,596	(52,730,213,008)
Unrealised foreign exchange losses	04		35,803,948,016	33,140,751,294
Interest income	05		(37,922,505,242)	(40,036,774,114)
Dividends income	05		(377,525,647)	-
Gains on disposal of an investment	05		-	(108,236,000)
Interest expense	06		81,248,668,905	127,995,394,611
Operating profit before changes in working capital	08		681,580,332,519	197,990,250,725
Change in receivables and other current assets	09		129,418,352,682	(106,096,029,145)
Change in inventories	10		(2,266,351,650,743)	(412,174,566,353)
Change in payables and other liabilities	11		(139,087,580,625)	105,905,210,778
Change in prepayments	12		6,381,288,724	9,021,036,517
			(1,588,059,257,443)	(205,354,097,478)
Interest paid	13		(81,248,668,905)	(128,713,450,167)
Corporate income tax paid	14		(10,407,272,117)	(21,969,839,747)
Other payments for operating activities	16		(20,771,448,022)	(24,335,452,794)
Net cash flows from operating activities	20		(1,700,486,646,487)	(380,372,840,186)

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2014
(Indirect method – continued)

Form B 03a – DN/HN

	Code	Note	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(37,458,428,204)	(28,312,457,028)
Payments for term deposits	23		(1,100,286,152,559)	(215,049,493,039)
Collection from term deposits	24		112,362,500,000	40,500,000,000
Proceeds from sales of equity instruments of other entities	24		-	371,824,000
Payments for investments in an associate	25		(3,900,000,000)	-
Receipts of interest and dividends	27		39,284,783,498	35,513,295,339
Net cash flows from investing activities	30		(989,997,297,265)	(166,976,830,728)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for shares repurchases	32		(10,988,040,000)	(18,537,405,861)
Proceeds from borrowings	33		8,921,197,565,647	5,205,500,415,776
Payments to settle debts	34		(8,034,743,151,387)	(4,809,619,902,596)
Payments of dividends	35		-	(168,194,437,250)
Net cash flows from financing activities	40		875,466,374,260	209,148,670,069
Net cash flows during the period (50 = 20 + 30 + 40)	50		(1,815,017,569,492)	(338,201,000,845)
Cash and cash equivalents at the beginning of the period	60		2,000,246,094,247	1,298,619,003,857
Impact of exchange rate fluctuation	61		394,305,595	(2,308,782,750)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	5	185,622,830,350	958,109,220,262

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2014
(Indirect method – continued)

Form B 03a – DN/HN

NON-CASH INVESTING ACTIVITIES

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Net-off refunded value added tax with corporation income tax payable	5,186,887,819	806,998,977
Reclassify fixed assets of Minh Phu Organic Shrimp Farming Co., Ltd to other current assets	-	12,333,545,050
Reclassify from other receivables to short-term investments	-	3,807,117,411
Collection of loan receivable by raw materials	-	439,768,200

19 August 2014

Prepared by:

Luu Minh Trung
 Luu Minh Trung
 Chief Accountant



Approved by:

Le Van Quang
 Le Van Quang
 General Director

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014

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”) is 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 associates.

The details of the subsidiaries are as follows:

Name	Principal activity	Business Registration Certificate	% of ownership	
			30/6/2014	31/12/2013
Mseafood Corporation	Trade in aquatic products.	2370515 issued by the State of California, the United States of America on 27 December 2001	90.0%	90.0%
Minh Phu Hau Giang Seafood Joint Stock Company	Process and trade in fish powder, aquatic products, bio-diesel 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 18 November 2013	67.5%	67.5%
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 2014 (continued)

Form B 09a – DN/HN

Name	Principal activity	Business Registration Certificate	% of ownership	
			30/6/2014	31/12/2013
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 food and materials for livestock, poultry and aquaculture.	4302000139 issued by the Planning and Investment Department of Ninh Thuan Province on 9 February 2006	98.5%	98.5%
Minh Phu – Loc An Aquaculture Co., Ltd	Breed aquacultural products; produce and trade in aquatic foods, trade in machinery and equipment for aquaculture.	2000393273 issued by the Planning and Investment Department of Ba Ria - Vung Tau Province on 11 November 2010	100%	100%
Minh Phu Bio Co., Ltd	Produce biological products and fertilizer for agriculture.	6104000049 issued by the Planning and Investment Department of Ca Mau Province on 8 July 2008	100%	100%
Minh Phu 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%

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

Name	Principal activity	Business Registration Certificate	% of ownership	
			30/6/2014	31/12/2013
Minh Phu Seafood Supply Chain Co., Ltd (*)	Breed aquacultural products; process, preserve aquatic products; produce aquatic breeds; trade in machinery and equipment for aquaculture.	6300249616 issued by the Planning and Investment Department of Hau Giang Province on 26 June 2014	100%	-

(*) On 26 June 2014, under Minutes No. 03/HDQT.MPC.14, the Board of Management resolved to establish Minh Phu Seafood Supply Chain Co., Ltd with the authorised legal capital of VND2 billion. At the reporting date, the Company has not contributed any capital yet.

As at 30 June 2014, the Group had 13,547 employees (31 December 2013: 11,261 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the relevant requirements of the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial statements.

(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”).

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

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 entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated interim 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 interim financial statements include the Group's share of the income and expenses of the 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) Minority interests

For changes in the Group's ownership interest in a subsidiary that do not result in change in control, the difference between the cost of acquisition or proceeds on disposal of the interest and the proportionate carrying amount of net assets acquired or disposed at the date of exchange is recorded directly in equity.

(iv) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements. Unrealised gains and losses arising from transactions with associate are eliminated against the investment to the extent of the Group's interest in the associate.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(v) 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.

(b) Foreign currency

(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.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(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 recoverable amount is subsequently increased after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(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, maintenance and overhaul costs, is charged to the consolidated statement of 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.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(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

(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 cost 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.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(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 5 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.

(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 instruments*

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

(k) Trade and other payables

Trade and other payables are stated at their cost.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(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. 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 2014 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.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

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.

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.

(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.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

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.

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

(m) Taxation

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

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

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

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

(n) Investment and development fund

The fund is established through appropriation from retained profits at the discretion of shareholders at annual general meeting of shareholders. The fund is used for activities related to research and development of aquatic breeds.

(o) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the consolidated 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.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(ii) Interest income

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

(iii) Dividend income

Dividend income is recognized when the right to receive dividend is established.

(p) Operating lease payments

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

(q) 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.

(r) Earnings per share

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

(s) 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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2014 (continued)

Form B 09a – DN/HN

4. Segment reporting

(a) Business segments

The Group comprise the following main business segments:

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

<i>For six-month period ended 30 June 2014</i>	Aquaculture products farming VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
External revenue	255,874,000	3,897,172,516,012	2,322,973,998,650	23,809,197,605	-	6,244,211,586,267
Inter-segment revenue	17,524,386,450	4,621,930,477,471	26,919,920,161	7,437,597,585	(4,673,812,381,667)	-
Total segment revenue	17,780,260,450	8,519,102,993,483	2,349,893,918,811	31,246,795,190	(4,673,812,381,667)	6,244,211,586,267
Segment result	(5,658,903,064)	582,413,777,193	18,010,913,546	1,349,155,532	(13,545,018,059)	582,569,925,148
Financial income						49,076,804,138
Financial expenses						(125,275,088,852)
Result from operating activities						506,371,640,434
Other income						2,963,223,458
Other expenses						(186,642,085)
Income tax						(45,452,743,162)
Net profit after tax						463,695,478,645

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2014 (continued)

Form B 09a – DN/HN

<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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2014 (continued)

Form B 09a – DN/HN

<i>As of 30 June 2014</i>	Aquaculture products farming VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	324,654,847,114	7,148,748,452,277	1,690,927,304,458	43,162,434,856	(1,482,992,381,725)	7,724,500,656,980
Investment in equity accounted associates						6,080,000,000
Unallocated assets						1,191,454,458,482
Total assets						8,922,035,115,462
Segment liabilities	143,286,043,208	6,486,821,777,733	1,337,917,640,097	6,749,083,882	(1,435,890,450,188)	6,538,884,094,732
Unallocated liabilities						23,723,161,776
Total liabilities						6,562,607,256,508
<i>For six-month period ended 30 June 2014</i>						
Capital expenditure	5,060,488,719	31,676,321,655	-	721,617,830	-	37,458,428,204
Depreciation and amortisation	12,143,860,633	65,443,006,102	159,632,518	2,079,748,981	1,544,447,850	81,370,696,084

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2014 (continued)

Form B 09a – DN/HN

<i>As of 31 December 2013</i>	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	305,385,998,331	5,025,933,609,176	1,299,019,150,537	38,892,383,474	(1,174,592,415,002)	5,494,638,726,516
Investment in equity accounted associates						2,180,000,000
Unallocated assets						2,140,724,344,376
Total assets						7,637,543,070,892
Segment liabilities	118,361,349,856	5,580,869,123,408	1,032,226,391,633	3,835,005,123	(1,140,491,053,674)	5,594,800,816,346
Unallocated liabilities						22,068,981,770
Total liabilities						5,616,869,798,116
<i>For the six-month period ended 30 June 2013</i>						
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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(b) Geographical segments

(i) Segment revenues

	External revenue	
	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Vietnam	51,488,979,140	24,845,168,861
North America	2,972,523,714,481	1,685,423,865,436
Europe	590,495,294,615	312,903,668,649
Japan	1,399,405,117,492	1,047,168,038,019
Korea	556,248,356,517	346,759,339,170
Others	674,050,124,022	265,262,021,178
	<hr/>	<hr/>
	6,244,211,586,267	3,682,362,101,313
	<hr/>	<hr/>

(ii) Segment assets

	Total assets	
	30/6/2014 VND	31/12/2013 VND
Vietnam	7,256,657,692,454	6,523,405,605,690
North America	1,665,377,423,008	1,114,137,465,202
	<hr/>	<hr/>
	8,922,035,115,462	7,637,543,070,892
	<hr/>	<hr/>

5. Cash and cash equivalents

	30/6/2014 VND	31/12/2013 VND
Cash on hand	31,793,914,737	28,095,352,945
Cash in banks	153,828,915,613	30,756,966,542
Cash equivalents	-	1,941,393,774,760
	<hr/>	<hr/>
	185,622,830,350	2,000,246,094,247
	<hr/>	<hr/>

Cash in banks at 30 June 2014 included VND189 million (31 December 2013: nil) pledged with banks as security for loans granted to the Group (Note 18).

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

6. Short-term investments

	30/6/2014		31/12/2013	
	Quantity	VND	Quantity	VND
Short-term investments in shares				
▪ PetrolVietnam Transportation Corporation	141,800	6,004,500,000	141,800	6,004,500,000
▪ No.8 Investment & Construction JSC	112,000	5,263,000,000	112,000	5,263,000,000
▪ REE Corporation	8	80,000	8	80,000
▪ Vietnam Pyramid New Technology Corporation	18,823	272,941,176	18,823	272,941,176
▪ Van Dien Fused Magnesium Phosphate Fertilizer JSC	125,882	3,270,588,235	125,882	3,270,588,235
Other short-term investments				
▪ Loan receivables (*)		7,306,508,578		7,306,508,578
▪ Term deposits (**)		1,125,568,056,400		137,385,154,060
		<u>1,147,685,674,389</u>		<u>159,502,772,049</u>
Allowance for diminution in the value of short-term investments		(8,704,600,000)		(8,704,600,000)
		<u>1,138,981,074,389</u>		<u>150,798,172,049</u>

(*) 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 earned interest at rates ranging from 7.0% to 8.0% per annum during the period (year ended 31/12/2013: 9.0% to 11.0% per annum).

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

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

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Opening balance	8,704,600,000	9,782,280,000
Written back	-	(170,160,000)
Closing balance	<u>8,704,600,000</u>	<u>9,612,120,000</u>

Term deposits at 30 June 2014 included VND302,400 million (31 December 2013: nil) pledged with banks as security for loans granted to the Company (Note 18).

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 at 30 June 2014 included VND420,411 million (31 December 2013: Account receivable – trade included VND424,451 million) pledged with banks as security for loans granted to the Group (Note 18).

Other receivables comprised:

	30/6/2014 VND	31/12/2013 VND
Interest receivable	12,818,247,797	13,803,000,406
Loans to employees (*)	6,607,961,909	7,377,161,909
Social and health insurance receivable from employees	2,732,908,303	1,001,639,549
Others	35,277,138,729	19,710,656,359
	<u>57,436,256,738</u>	<u>41,892,458,223</u>

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

8. Inventories

	30/6/2014	31/12/2013
	VND	VND
Goods in transit	181,135,011,727	367,078,280,830
Raw materials	130,110,706,039	104,484,305,999
Tools and supplies	9,560,695,285	6,874,348,577
Work in progress	43,039,193,114	13,218,401,826
Finished goods	4,404,255,591,487	1,999,626,515,760
	<hr/>	<hr/>
	4,768,101,197,652	2,491,281,852,992
Allowance for inventories	(40,105,988,574)	(26,966,731,348)
	<hr/>	<hr/>
	4,727,995,209,078	2,464,315,121,644

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

	1/1/2014 to	1/1/2013 to
	30/6/2014	30/6/2013
	VND	VND
Opening balance	26,966,731,348	73,176,471,780
Increase in allowance during the period	13,010,657,008	12,002,738,708
Written back	-	(64,562,791,716)
Translation differences	128,600,218	105,930,466
	<hr/>	<hr/>
Closing balance	40,105,988,574	20,722,349,238

At 30 June 2014 inventories with a carrying value of VND3,667,762 million (31 December 2013: VND899,571 million) were pledged with banks as security for loans granted to the Group (Note 18).

Included in finished goods at 30 June 2014 was VND534,812 million (31 December 2013: VND339,647 million) of inventories carried at net realisable value.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

9. Taxes receivable from State Treasury

	30/6/2014	31/12/2013
	VND	VND
Corporate income tax	1,951,580,422	4,032,490,638
Personal income tax	1,364,042	273,500
Other tax	610,713,606	339,849,086
	<hr/>	<hr/>
	2,563,658,070	4,372,613,224
	<hr/>	<hr/>

10. Other current assets

	30/6/2014	31/12/2013
	VND	VND
Advances	5,984,325,361	53,778,375,794
Short-term deposits	1,102,763,869	1,102,763,869
	<hr/>	<hr/>
	7,087,089,230	54,881,139,663
	<hr/>	<hr/>

11. Accounts receivable – long-term

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

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

	30/6/2014	31/12/2013
	VND	VND
Period from 1 February 2008 to 30 September 2008	14,287,861,808	24,892,980,849
Period from 1 October 2010 to 30 September 2011	25,143,152,640	24,886,161,414
Period from 1 October 2011 to 30 September 2012	13,767,330,640	13,626,616,883
Period from 1 October 2012 to 30 September 2013	12,544,447,104	12,416,210,014
	<hr/>	<hr/>
	65,742,792,192	75,821,969,160
	<hr/>	<hr/>

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2014 (continued)

Form B 09a – DN/HN

12. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	630,357,386,427	947,904,727,641	121,194,420,374	14,811,912,673	1,714,268,447,115
Additions	8,396,246,244	6,369,545,839	2,452,063,568	289,457,708	17,507,313,359
Transfers from construction in progress	24,840,112,390	-	7,299,321,819	-	32,139,434,209
Reclassification	-	(3,937,947,500)	-	3,937,947,500	-
Translation differences	120,685,890	-	-	6,264,666	126,950,556
Closing balance	663,714,430,951	950,336,325,980	130,945,805,761	19,045,582,547	1,764,042,145,239
Accumulated depreciation					
Opening balance	127,030,349,256	344,725,618,232	44,550,788,918	6,375,937,931	522,682,694,337
Charge for the period	23,477,149,649	45,728,000,016	8,375,386,139	846,906,421	78,427,442,225
Translation differences	22,443,284	-	-	6,058,828	28,502,112
Closing balance	150,529,942,189	390,453,618,248	52,926,175,057	7,228,903,180	601,138,638,674
Net book value					
Opening balance	503,327,037,171	603,179,109,409	76,643,631,456	8,435,974,742	1,191,585,752,778
Closing balance	513,184,488,762	559,882,707,732	78,019,630,704	11,816,679,367	1,162,903,506,565

Included in the cost of tangible fixed assets were assets costing VND86,149 million which were fully depreciated as of 30 June 2014 (31 December 2013: VND93,313 million), but which are still in active use.

At 30 June 2014 tangible fixed assets with a carrying value of VND780,176 million (31 December 2013: VND784,816 million) were pledged with banks as security for loans granted to the Group (Note 18).

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

13. Intangible fixed assets

	Indefinite land use rights VND	Definite land use rights VND	Software VND	Total VND
Cost				
Opening balance	17,874,120,270	123,627,822,571	2,297,533,830	143,799,476,671
Additions	-	-	94,886,000	94,886,000
Translation differences	142,737,026	-	-	142,737,026
Closing balance	18,016,857,296	123,627,822,571	2,392,419,830	144,037,099,697
Accumulated amortisation				
Opening balance	-	5,998,289,254	1,143,629,535	7,141,918,789
Charge for the period	-	1,232,199,930	166,606,079	1,398,806,009
Closing balance	-	7,230,489,184	1,310,235,614	8,540,724,798
Net book value				
Opening balance	17,874,120,270	117,629,533,317	1,153,904,295	136,657,557,882
Closing balance	18,016,857,296	116,397,333,387	1,082,184,216	135,496,374,899

Included in the cost of intangible fixed assets were assets costing VND2,177 million which were fully amortised as of 30 June 2014 (31 December 2013: VND2,177 million), but which are still in use.

At 30 June 2014 intangible fixed assets with a carrying value of VND64,795 million (31 December 2013: VND64,219 million) were pledged with banks as security for loans granted to the Group (Note 18).

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

14. Construction in progress

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Opening balance	230,730,922,603	254,750,170,757
Additions during the period	19,856,228,845	24,741,494,174
Reclassification from other current assets	49,253,326,800	-
Transfers to tangible fixed assets	(32,139,434,209)	(11,648,737,795)
Transfers to intangible fixed assets	-	(3,661,635,400)
Transfers to long-term prepayments	(1,691,910,228)	-
	<hr/>	<hr/>
Closing balance	266,009,133,811	264,181,291,736

At 30 June 2014, there was no construction in progress pledged with banks as security for loans granted to the Group (31 December 2013: VND21,038 million) (Note 18).

15. Long-term investments

	30/6/2014 VND	31/12/2013 VND
Investments in associates		
▪ Minh Phu Hau Giang Port Corporation	2,180,000,000	2,180,000,000
▪ Minh Phu Aquamekong Aquaculture Technique Services Company Limited	3,900,000,000	-
	<hr/>	<hr/>
	6,080,000,000	2,180,000,000
Other long-term investments		
▪ Saigon - Ca mau Infrastructure Corporation	7,000,000,000	7,000,000,000
	<hr/>	<hr/>
	13,080,000,000	9,180,000,000

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

Details of the investments in associates were as follows:

Name	Principal activity	Business Registration Certificate	% of ownership	
			30/6/2014	31/12/2013
Associates				
Minh Phu Hau Giang Port Corporation	Construct seaport for container and goods transportation, warehouses, seaport for petrol, gas and oil transportation; trade in petrol, oil, gas, materials and machineries for manufacturing.	6300108975 issued by the Planning and Investment Department of Hau Giang Province on 24 February 2010	40%	40%
Minh Phu Aquamekong Aquaculture Technique Service Co., Ltd	Consult technology of breeding aquaculture; explore aquatic, process and preserve aquatic products; produce food for cattle, poultry and aquatic; construction building and other civil engineering; install other construction system; trade in aquatic foods and leasing machinery, equipment and other tangible assets.	0312398643 issued by the Planning and Investment Department of Ho Chi Minh City on 27 May 2014	49%	-

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2014 (continued)

Form B 09a – DN/HN

16. Long-term prepayments

	Pre-operating expenses VND	Prepaid land costs VND	Foreign exchange differences VND	Tools and instruments VND	Total VND
Opening balance	1,077,712,192	55,393,407,452	10,201,314,258	29,852,295,235	96,524,729,137
Additions	-	-	-	5,455,766,988	5,455,766,988
Reclassification from construction in progress	-	-	-	1,691,910,228	1,691,910,228
Amortisation for the period	(215,542,440)	(1,662,279,329)	(2,040,262,854)	(8,389,039,767)	(12,307,124,390)
Closing balance	862,169,752	53,731,128,123	8,161,051,404	28,610,932,684	91,365,281,963

At 30 June 2014, long-term prepayments with a carrying value of VND5,772 million (31 December 2013: VND7,277 million) were pledged with banks as security for loans granted to the Group (Note 18).

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

17. Goodwill

	VND
Cost	
Opening and closing balance	30,888,957,000
Accumulated amortisation	
Opening balance	17,246,334,514
Charge for the period	1,544,447,850
Closing balance	18,790,782,364
Net book value	
Opening balance	13,642,622,486
Closing balance	12,098,174,636

18. Short-term borrowings

	30/6/2014	31/12/2013
	VND	VND
Short-term borrowings	5,652,737,120,314	4,715,626,675,338

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

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

	Currency	30/6/2014 VND	31/12/2013 VND
Bank for Investment and Development of Vietnam – Ca Mau Branch			
Loan 1	USD	636,634,614,880	105,742,923,868
Loan 2	VND	-	350,295,288,267
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ca Mau Branch			
Loan 3	USD	36,311,824,307	61,565,789,783
Loan 4	USD	2,365,872,570,833	857,580,903,298
Loan 5	USD	1,994,544,066,387	903,886,548,531
Loan 6	JPY	24,789,948,435	-
Loan 7	VND	-	1,316,490,920,363
Loan 8	VND	-	573,210,536,543
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ca Mau Branch			
Loan 9	USD	437,019,101,904	48,850,334,350
Loan 10	VND	-	251,303,572,295
HSBC Bank (Vietnam) Ltd			
Loan 11	USD	21,816,283,232	111,533,287,940
Loan 12	VND	-	57,186,434,252
Vietnam International Bank			
Loan 13	USD	135,748,710,336	-
Loan 14	VND	-	77,980,135,848
		5,652,737,120,314	4,715,626,675,338

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

	Carrying amount as at	
	30/6/2014 VND	31/12/2013 VND
Cash in banks (Note 5)	188,565,153	-
Term deposits (Note 6)	302,400,000,000	-
Accounts receivable – trade (Note 7)	420,410,885,371	424,450,633,770
Inventories (Note 8)	3,667,762,318,320	899,571,113,388
Tangible fixed assets (Note 12)	780,176,393,820	784,815,617,349
Intangible fixed assets (Note 13)	64,795,074,979	64,218,635,307
Construction in progress (Note 14)	-	21,037,811,050
Long-term prepayments (Note 15)	5,771,758,846	7,277,435,066
	5,241,504,996,489	2,201,371,245,930

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

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

	30/6/2014 VND	31/12/2013 VND
Value added tax	2,202,774,967	78,557,528
Corporate income tax	50,014,783,813	15,252,558,072
Personal income tax	1,838,329,344	1,558,501,925
Other taxes	412,795,067	-
	<hr/>	<hr/>
	54,468,683,191	16,889,617,525
	<hr/>	<hr/>

21. Accrued expenses

	30/6/2014 VND	31/12/2013 VND
Anti-dumping tax payable for the period from 1 February 2008 to 31 January 2009	39,978,589,520	40,748,421,900
Anti-dumping tax payable for the period from 1 February 2009 to 31 January 2010	7,506,282,960	7,429,558,950
Anti-dumping tax payable for the period from 1 February 2010 to 31 January 2011	7,685,480,816	7,606,925,170
Anti-dumping tax payable for the period from 1 February 2012 to 31 January 2013	66,939,463,616	38,812,259,923
Anti-dumping tax payable for the period from 1 February 2013 to 31 December 2013	7,919,875,536	7,838,921,178
External service payable	962,494,476	1,331,065,662
Incentive bonus	5,157,436,211	-
	<hr/>	<hr/>
	136,149,623,135	103,767,152,783
	<hr/>	<hr/>

Anti-dumping tax payable as of and for the six-month period ended 30 June 2014, 31 December 2013 and 31 December 2012 has not been finalised. Management expected that the anti-dumping tax for the six-month period ended 30 June 2014 and 31 December 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.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

22. Other payables

	30/6/2014 VND	31/12/2013 VND
Dividends payable	110,229,527,750	6,727,187,750
Short-term deposits received	8,000,000,000	8,000,000,000
Social insurance, health insurance and trade union	7,569,420,636	1,919,265,435
Land rental payable	4,461,112,762	4,513,839,116
Commission payable	392,099,083	392,098,154
Others	2,772,114,051	1,439,449,253
	<hr/>	<hr/>
	133,424,274,282	22,991,839,708
	<hr/>	<hr/>

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:

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Opening balance	74,576,029,040	89,416,584,032
Appropriation	8,238,708,735	-
Utilisation of the fund	(13,239,971,666)	(11,790,913,561)
	<hr/>	<hr/>
Closing balance	69,574,766,109	77,625,670,471
	<hr/>	<hr/>

24. Provision for severance allowance

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

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Opening balance	3,359,663,105	3,656,891,489
Provision made during the period	860,646,804	-
Utilised during the period	(678,432,386)	(206,272,415)
	<hr/>	<hr/>
Closing balance	3,541,877,523	3,450,619,074
	<hr/>	<hr/>

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2014 (continued)

Form B 09a – DN/HN

25. Changes in owners' equity

	Share capital VND	Capital surplus VND	Other reserves 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 2013	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
Net profit for the period	-	-	-	-	-	-	-	23,777,310,130	23,777,310,130
Repurchases of treasury shares	-	-	-	(18,537,405,861)	-	-	-	-	(18,537,405,861)
Utilisation of fund	-	-	-	-	-	(12,338,266,818)	-	-	(12,338,266,818)
Currency translation differences	-	-	-	-	5,538,259,646	-	-	-	5,538,259,646
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
Net profit for the period	-	-	-	-	-	-	-	246,360,832,482	246,360,832,482
Utilisation of fund	-	-	-	-	-	(13,709,564,095)	-	-	(13,709,564,095)
Currency translation differences	-	-	-	-	(370,431,464)	-	-	-	(370,431,464)
Capital surplus arising from shares issued to minority interest	-	-	79,806,684,935	-	-	-	-	-	79,806,684,935
Appropriation to minority shareholders	-	-	-	-	-	-	-	(36,232,287,004)	(36,232,287,004)
Balance at 31 December 2013	700,000,000,000	177,876,869,236	79,806,684,935	(18,537,405,861)	93,674,067,633	32,423,167,608	13,769,908,805	505,332,310,075	1,584,345,602,431

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2014 (continued)

Form B 09a – DN/HN

	Share capital VND	Capital surplus VND	Other reserves VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Financial reserve VND	Retained profits VND	Total VND
Balance at 31 December 2013	700,000,000,000	177,876,869,236	79,806,684,935	(18,537,405,861)	93,674,067,633	32,423,167,608	13,769,908,805	505,332,310,075	1,584,345,602,431
Net profit for the period	-	-	-	-	-	-	-	367,616,887,967	367,616,887,967
Repurchases of treasury shares	-	-	-	(10,988,040,000)	-	-	-	-	(10,988,040,000)
Appropriation to equity funds	-	-	-	-	-	8,238,708,735	4,119,354,367	(12,358,063,102)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	(8,238,708,735)	(8,238,708,735)
Dividends (Note 34)	-	-	-	-	-	-	-	(103,502,340,000)	(103,502,340,000)
Utilisation of fund	-	-	-	-	-	(6,853,043,970)	-	-	(6,853,043,970)
Currency translation differences	-	-	-	-	4,177,116,214	-	-	-	4,177,116,214
Balance at 30 June 2014	700,000,000,000	177,876,869,236	79,806,684,935	(29,525,445,861)	97,851,183,847	33,808,832,373	17,889,263,172	748,850,086,205	1,826,557,473,907

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/DN

26. Share capital

The Company's authorised and issued share capital is:

	30/6/2014		31/12/2013	
	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	(998,440)	(29,525,445,861)	(630,560)	(18,537,405,861)
Shares currently in circulation				
Ordinary shares	69,001,560	670,474,554,139	69,369,440	681,462,594,139

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:

	1/1/2014 to 30/6/2014		1/1/2013 to 30/6/2013	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the period	69,369,440	681,462,594,139	70,000,000	700,000,000,000
Treasury shares purchased during the period	(367,880)	(10,988,040,000)	(630,560)	(18,537,405,861)
Balance at the end of the period	69,001,560	670,474,554,139	69,369,440	681,462,594,139

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

27. Minority interest

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Balance at the beginning of the period	436,327,670,345	70,732,722,803
Net earnings attributable to minority interest during the period	96,078,590,678	157,891,303
Translation differences borne by minority interest	464,124,024	615,362,182
	<hr/>	<hr/>
Balance at the end of the period	532,870,385,047	71,505,976,288
	<hr/>	<hr/>

28. Total revenue

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

Net revenue comprised:

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Total revenue		
▪ Finished goods sold	6,290,170,807,495	3,722,107,066,446
▪ Scraps sold	17,821,059,489	7,938,207,880
▪ Others	-	11,408,000
	<hr/>	<hr/>
	6,307,991,866,984	3,730,056,682,326
	<hr/>	<hr/>
Less revenue deductions		
▪ Sales allowances	(1,071,857,826)	-
▪ Sales returns	(62,708,422,891)	(47,694,581,013)
	<hr/>	<hr/>
	(63,780,280,717)	(47,694,581,013)
	<hr/>	<hr/>
Net revenue	6,244,211,586,267	3,682,362,101,313
	<hr/>	<hr/>

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

29. Cost of sales

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Finished goods sold	5,298,048,877,892	3,323,780,742,625
Allowance for inventories	13,010,657,008	(52,454,122,542)
	<u>5,311,059,534,900</u>	<u>3,271,326,620,083</u>

30. Financial income

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Interest income	37,922,505,242	40,036,774,114
Realised foreign exchange gains	10,775,693,308	4,002,894,615
Unrealised foreign exchange gains	1,079,941	-
Dividends	377,525,647	-
Others	-	373,930,942
	<u>49,076,804,138</u>	<u>44,413,599,671</u>

31. Financial expenses

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Interest expense	81,248,668,905	127,995,394,611
Realised foreign exchange losses	5,938,026,937	11,171,057,318
Unrealised foreign exchange losses	35,805,027,957	33,140,751,294
Allowance for investments	-	(170,160,000)
Others	2,283,365,053	2,249,224,559
	<u>125,275,088,852</u>	<u>174,386,267,782</u>

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

32. Income tax

(a) Deferred tax assets/(liabilities)

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

	30/6/2014	31/12/2013
	VND	VND
Deferred tax assets		
Unrealised profits arising from intra-group transactions	18,840,772,615	10,190,585,630
Provision and allowances	1,716,189,045	1,506,628,278
Unrealised foreign exchange gains	-	209,560,767
	<hr/> 20,556,961,660	<hr/> 11,906,774,675
Deferred tax liabilities		
Allowance for diminution in the value of investments in subsidiaries	(23,723,161,776)	(22,068,981,770)
	<hr/> (3,166,200,116)	<hr/> (10,162,207,095)

(b) Recognised in the statement of income

	1/1/2014 to	1/1/2013 to
	30/6/2014	30/6/2013
	VND	VND
Current tax expense		
Current period	52,332,724,779	13,330,666,108
Under provision in prior years	116,025,362	-
	<hr/> 52,448,750,141	<hr/> 13,330,666,108
Deferred tax (benefit)/expenses		
Origination and reversal of temporary differences	(6,996,006,979)	14,171,894,010
	<hr/> 45,452,743,162	<hr/> 27,502,560,118

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(c) Reconciliation of effective tax rate

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Profit before tax	509,148,221,807	51,437,761,551
Tax at the Company's tax rate	112,012,608,798	12,859,440,388
Tax incentives	(59,363,828,430)	(4,547,276,478)
Effect of different tax rates in subsidiaries	(9,346,811,050)	1,335,887,453
Non-deductible expenses	222,898,424	386,111,963
Tax exempt income	(83,055,642)	-
Deferred tax assets not recognised	1,894,905,700	17,468,396,792
Under provision in prior years	116,025,362	-
Income tax expense	45,452,743,162	27,502,560,118

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.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

Minh Phu - Hau Giang Seafood Joint Stock Company (“Minh Phu - Hau Giang”)

Under the terms of its Business Registration Certificate, Minh Phu - Hau Giang has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2011 to 2026 and 25% thereafter. The provisions of Minh Phu - Hau Giang’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.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

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 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.

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

33. Basic earnings per share

The calculation of basic earnings per share at 30 June 2014 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

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Net profit attributable to ordinary shareholders	367,616,887,967	23,777,310,130

(ii) Weighted average number of ordinary shares

	1/1/2014 to 30/6/2014	1/1/2013 to 30/6/2013
Issued ordinary shares at the beginning of the period	69,369,440	70,000,000
Effect of treasury shares repurchased	(120,803)	(181,365)
Weighted average number of ordinary shares at the beginning and the end of the period	69,248,637	69,818,635

34. Dividends

The General Meeting of Shareholders of the Company on 19 April 2014 resolved to distribute dividends amounting to VND1,500 per share (2013: nil).

35. Financial instruments

(a) Financial risk management

(i) Overview

The Group has exposure to the following risks from its 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 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 and term deposits, loans receivables, and trade and other receivables.

(i) Exposure to credit risk

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

	Notes	30/6/2014 VND	31/12/2013 VND
Cash in banks and cash equivalents	(ii)	153,828,915,613	1,972,150,741,302
Term deposits	(ii)	1,125,568,056,400	137,385,154,060
Loan receivables	(iii)	7,306,508,578	7,306,508,578
Trade and other receivables	(iv)	987,649,656,594	955,939,260,454
		2,274,353,137,185	3,072,781,664,394

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

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

The cash in banks, cash equivalents and term deposits of the Group are mainly 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 is influenced mainly 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 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 amount provided for below, no further allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables. The aging analysis of the receivables was as follows:

	30/6/2014	31/12/2013
	VND	VND
Not past due	889,432,271,534	944,481,536,204
Past due 0 – 30 days	97,486,774,084	7,050,777,613
Past due 31 – 180 days	40,777,430	1,868,804,970
Past due more than 180 days	4,037,253,216	7,448,036,553
	<hr/>	<hr/>
	990,997,076,264	960,849,155,340
	<hr/>	<hr/>

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

	1/1/2014 to	1/1/2013 to
	30/6/2014	30/6/2013
	VND	VND
Opening balance	4,909,894,886	9,082,085,324
Written back	(1,562,475,216)	-
	<hr/>	<hr/>
Closing balance	3,347,419,670	9,082,085,324
	<hr/>	<hr/>

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(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 is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
As at 30 June 2014			
Short-term borrowings	5,652,737,120,314	5,692,877,493,482	5,692,877,493,482
Accounts payable – trade	383,306,361,618	383,306,361,618	383,306,361,618
Payables to employees	80,842,164,536	80,842,164,536	80,842,164,536
Accrued expenses	136,149,623,135	136,149,623,135	136,149,623,135
Other payables	133,424,274,282	133,424,274,282	133,424,274,282
	<hr/> 6,386,459,543,885	<hr/> 6,426,599,917,053	<hr/> 6,426,599,917,053
As at 31 December 2013			
Short-term borrowings	4,715,626,675,338	4,785,722,092,944	4,785,722,092,944
Accounts payable – trade	532,434,499,874	532,434,499,874	532,434,499,874
Payables to employees	108,358,151,736	108,358,151,736	108,358,151,736
Accrued expenses	103,767,152,783	103,767,152,783	103,767,152,783
Other payables	22,991,839,708	22,991,839,708	22,991,839,708
	<hr/> 5,483,178,319,439	<hr/> 5,553,273,737,045	<hr/> 5,553,273,737,045

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 9a – DN/HN

(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, purchases and borrowings that are denominated in a currency other than the VND.

Exposure to currency risk

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

	30 June 2014		31 December 2013	
	USD	JPY	USD	JPY
Cash and cash equivalents	75,556	334,966	264,234	28,304,539
Accounts receivable – trade	23,137,375	13,481,220	46,433,421	46,873,726
Accounts payable – trade	(7,411,040)	-	(10,708,114)	-
Short-term borrowings	(263,875,993)	(119,758,205)	(96,048,981)	-
	(248,074,102)	(105,942,019)	(60,059,440)	75,178,265

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

	Exchange rate as at	
	30/6/2014 VND	31/12/2013 VND
USD1	21,328	21,110
JPY1	207	200

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 2014. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases:

	Effect to net profit for period ended	
	30/6/2014 VND	31/12/2013 VND
USD (1% strengthening)	(45,548,018,233)	(11,186,631,754)
JPY (3% strengthening)	(513,161,952)	(2,142,580,553)

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

(ii) Interest rate risk

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

	30/6/2014	31/12/2013
	VND	VND
Fixed rate instruments		
Cash equivalents	-	1,941,393,774,760
Term deposits	1,125,568,056,400	137,385,154,060
	<hr/>	<hr/>
	1,125,568,056,400	2,078,778,928,820
	<hr/>	<hr/>
Variable rate instruments		
Cash in banks	153,828,915,613	30,756,966,542
Short-term borrowings	(5,652,737,120,314)	(4,715,626,675,338)
	<hr/>	<hr/>
	(5,498,908,204,701)	(4,684,869,708,796)
	<hr/>	<hr/>

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. An increased of 100 basic points in interest rate would have decreased the Group's net profit by VND42,891 million (six-month period ended 30 June 2013: VND35,095 million).

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 9a – DN/HN

(e) Fair values

(i) Fair values versus carrying amounts

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

	30/6/2014		31/12/2013	
	Carrying value VND	Fair value VND	Carrying value VND	Fair value VND
Categorised as loans and receivables:				
• Cash and cash equivalents	153,828,915,613	153,828,915,613	1,972,150,741,302	1,972,150,741,302
• Trade and other receivables	987,649,656,594	(*)	955,939,260,454	(*)
• Other financial assets	1,132,874,564,978	(*)	144,691,662,638	(*)
Categorised as available-for-sale:				
• Short-term investments	14,811,109,411	8,749,175,935	14,811,109,411	6,167,888,170
• Long-term investments	13,080,000,000	(*)	9,180,000,000	(*)
Categorised as liabilities at amortised cost:				
• Trade and other payables	(516,730,635,900)	(*)	(555,426,339,582)	(*)
• Borrowings	(5,652,737,120,314)	(*)	(4,715,626,675,338)	(*)
	(3,867,223,509,618)		(2,174,280,241,115)	

36. Basis for determining fair values

Investments in equity and debt securities

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

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

37. 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:

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Minh Phu Aquamekong Aquaculture Technique Service Co., Ltd		
Capital contribution	3,900,000,000	-
Long Phung Investment Corporation		
Office rental	1,110,784,592	1,107,416,850

Transactions with key management personnel

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

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Remunerations and business allowances	7,625,566,183	5,269,766,912

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

Form B 09a – DN/HN

38. Commitments

(a) Capital expenditure

At 30 June 2014, the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	30/6/2014	31/12/2013
	VND	VND
Approved and contracted	93,003,756,665	110,669,424,766

(b) Leases

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

	30/6/2014	31/12/2013
	VND	VND
Within one year	2,624,032,004	3,654,900,511
From two to five years	6,950,600,280	7,993,190,322
	<u>9,574,632,284</u>	<u>11,648,090,833</u>

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2014 (continued)

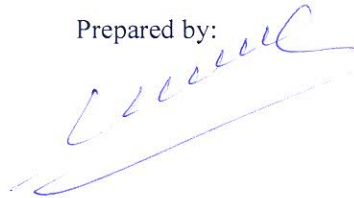
Form B 09a – DN/HN

39. Production and business costs by element

	1/1/2014 to 30/6/2014 VND	1/1/2013 to 30/6/2013 VND
Raw material costs included in production costs	4,745,542,395,829	2,870,333,320,179
Labour costs and staff costs	466,401,273,203	282,030,858,484
Depreciation and amortisation	81,370,696,084	78,291,566,391
Outside services	264,138,401,442	189,212,238,223
Other expenses	132,509,125,420	83,859,426,460

19 August 2014

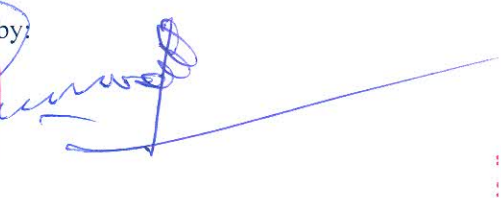
Prepared by:



Luu Minh Trung
Chief Accountant



Approved by:



Le Van Quang
General Director