



**Minh Phu Seafood Joint Stock Company**

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

## Minh Phu Seafood Joint Stock Company Corporate Information

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

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

|                            |   |                         |
|----------------------------|---|-------------------------|
| <b>Board of Management</b> | Mr. Le Van Quang  | Chairman                |
|                            | Ms. Chu Thi Binh  | Vice Chairwoman         |
|                            | Mr. Chu Van An  | Member                  |
|                            | Ms. Dinh Anh Tuyet  | Member                  |
|                            | Mr. Jean-Eric Jacquemin   | Member                  |
| <b>Board of Directors</b>  | Mr. Le Van Quang  | General Director        |
|                            | Ms. Chu Thi Binh  | Deputy General Director |
|                            | Mr. Chu Van An  | Deputy General Director |
|                            | Mr. Thai Hoang Hung   | Deputy General Director |
|                            | Mr. Nguyen Tan Anh  | Deputy General Director |
|                            | Mr. Le Van Diep   | Deputy General Director |
|                            | Mr. Bui Anh Dung  | Deputy General Director |
| Mr. Le Ngoc Anh            | Deputy General Director   |                         |
| <b>Supervisory Board</b>   | Mr. Phan Van Dung   | Head of Board           |
|                            | Mr. Nguyen Xuan Toan  | Member                  |
|                            | Ms. Mai Thi Hoang Minh  | Member                  |
| <b>Registered Office</b>   | Ward 8 Industrial Zone<br>Ca Mau City, Ca Mau Province<br>Vietnam |                         |
| <b>Auditors</b>            | KPMG Limited<br>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 separate 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 separate interim financial statements set out on pages 4 to 48 give a true and fair view of the unconsolidated financial position of Minh Phu Seafood Joint Stock Company (“the Company”) as at 30 June 2014, and of the unconsolidated results of operations and unconsolidated cash flows of the Company for the six-month period then ended in accordance with the 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 Company will not be able to pay its debts as and when they fall due.

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



Ca Mau City, 15 August 2014



**KPMG Limited Branch**  
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District 1, Ho Chi Minh City  
The Socialist Republic of Vietnam

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## FINANCIAL STATEMENTS REVIEW REPORT

### To the Shareholders Minh Phu Seafood Joint Stock Company

We have reviewed the accompanying separate interim financial statements of Minh Phu Seafood Joint Stock Company (“the Company”), which comprise the unconsolidated balance sheet as at 30 June 2014, the related unconsolidated statements of income and unconsolidated 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 15 August 2014, as set out on pages 4 to 48. These separate interim financial statements are the responsibility of the Company’s management. Our responsibility is to issue a report on these separate 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 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 separate interim financial statements do not give a true and fair view of the unconsolidated financial position of Minh Phu Seafood Joint Stock Company as at 30 June 2014 and of its unconsolidated results of operations and its unconsolidated 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*



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

Ho Chi Minh City, 15 August 2014

**Minh Phu Seafood Joint Stock Company**  
**Unconsolidated balance sheet as at 30 June 2014**

Form B 01a – DN

|   | Code       | Note     | 30/6/2014<br>VND         | 31/12/2013<br>VND        |
|---|------------|----------|--------------------------|--------------------------|
| <b>ASSETS</b>   |            |          |                          |                          |
| <b>Current assets</b>   |            |          |                          |                          |
| <b>(100 = 110 + 120 + 130 + 140 + 150)</b>                      | <b>100</b> |          | <b>3,988,417,527,855</b> | <b>3,391,228,165,841</b> |
| <b>Cash and cash equivalents</b>                                | <b>110</b> | <b>4</b> | <b>32,495,593,246</b>    | <b>1,147,945,458,697</b> |
| Cash  | 111        |          | 32,495,593,246           | 37,395,936,475           |
| Cash equivalents  | 112        |          | -                        | 1,110,549,522,222        |
| <b>Short-term investments</b>                                   | <b>120</b> | <b>5</b> | <b>554,913,017,989</b>   | <b>115,775,517,989</b>   |
| Short-term investments  | 121        |          | 563,617,617,989          | 124,480,117,989          |
| Allowance for diminution in the value of short-term investments | 129        |          | (8,704,600,000)          | (8,704,600,000)          |
| <b>Accounts receivable</b>                                      | <b>130</b> | <b>6</b> | <b>1,195,632,109,306</b> | <b>1,053,735,188,145</b> |
| Accounts receivable – trade                                     | 131        |          | 1,131,652,498,775        | 990,304,201,149          |
| Prepayments to suppliers  | 132        |          | 9,183,151,480            | 20,563,154,185           |
| Other receivables   | 135        |          | 57,162,641,331           | 46,796,490,307           |
| Allowance for doubtful debts                                    | 139        |          | (2,366,182,280)          | (3,928,657,496)          |
| <b>Inventories</b>  | <b>140</b> | <b>7</b> | <b>2,117,860,445,387</b> | <b>899,571,113,388</b>   |
| Inventories   | 141        |          | 2,137,100,235,748        | 912,865,922,568          |
| Allowance for inventories                                       | 149        |          | (19,239,790,361)         | (13,294,809,180)         |
| <b>Other current assets</b>                                     | <b>150</b> |          | <b>87,516,361,927</b>    | <b>174,200,887,622</b>   |
| Short-term prepayments  | 151        |          | 35,367,817               | 177,199,480              |
| Deductible value added tax                                      | 152        |          | 83,575,757,891           | 170,824,838,633          |
| Other current assets  | 158        |          | 3,905,236,219            | 3,198,849,509            |

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

**Minh Phu Seafood Joint Stock Company**  
**Unconsolidated balance sheet as at 30 June 2014 (continued)**

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|   | Code       | Note      | 30/6/2014<br>VND         | 31/12/2013<br>VND        |
|---|------------|-----------|--------------------------|--------------------------|
| <b>Long-term assets</b><br><b>(200 = 220 + 250 + 260)</b>         | <b>200</b> |           | <b>1,705,176,539,218</b> | <b>1,717,521,548,852</b> |
| <b>Fixed assets</b>   | <b>220</b> |           | <b>217,996,567,058</b>   | <b>226,920,976,347</b>   |
| Tangible fixed assets   | 221        | 8         | 163,500,872,048          | 167,656,023,956          |
| <i>Cost</i>   | 222        |           | 285,795,544,563          | 277,574,999,473          |
| <i>Accumulated depreciation</i>                                   | 223        |           | (122,294,672,515)        | (109,918,975,517)        |
| Intangible fixed assets   | 227        | 9         | 19,216,858,337           | 19,470,476,718           |
| <i>Cost</i>   | 228        |           | 23,973,190,203           | 23,933,190,203           |
| <i>Accumulated amortisation</i>                                   | 229        |           | (4,756,331,866)          | (4,462,713,485)          |
| Construction in progress  | 230        | 10        | 35,278,836,673           | 39,794,475,673           |
| <b>Long-term investments</b>                                      | <b>250</b> | <b>11</b> | <b>1,484,247,473,316</b> | <b>1,487,866,473,342</b> |
| Investments in subsidiaries                                       | 251        |           | 1,566,962,400,422        | 1,566,962,400,422        |
| 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            |
| Allowance for diminution in the<br>value of long-term investments | 259        |           | (95,794,927,106)         | (88,275,927,080)         |
| <b>Other long-term assets</b>                                     | <b>260</b> |           | <b>2,932,498,844</b>     | <b>2,734,099,163</b>     |
| Long-term prepayments   | 261        |           | 2,309,209,577            | 2,110,809,896            |
| Deferred tax assets   | 262        | 24        | 623,289,267              | 623,289,267              |
| <b>TOTAL ASSETS</b><br><b>(270 = 100 + 200)</b>                   | <b>270</b> |           | <b>5,693,594,067,073</b> | <b>5,108,749,714,693</b> |

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

**Minh Phu Seafood Joint Stock Company**  
**Unconsolidated balance sheet as at 30 June 2014 (continued)**

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|  | Code       | Note      | 30/6/2014<br>VND         | 31/12/2013<br>VND        |
|--|------------|-----------|--------------------------|--------------------------|
| <b>RESOURCES</b>                                   |            |           |                          |                          |
| <b>LIABILITIES (300 = 310 + 330)</b>               | <b>300</b> |           | <b>4,319,844,851,567</b> | <b>3,761,418,700,004</b> |
| <b>Current liabilities</b>                         | <b>310</b> |           | <b>4,317,907,313,579</b> | <b>3,759,673,875,999</b> |
| Short-term borrowings                              | 311        | 12        | 3,621,881,229,620        | 3,176,963,800,481        |
| Accounts payable – trade                           | 312        | 13        | 409,559,592,362          | 427,291,547,262          |
| Advances from customers                            | 313        |           | 11,868,667,380           | 7,190,586,895            |
| Taxes payable to State Treasury                    | 314        | 14        | 51,811,539,603           | 11,811,186,512           |
| Payables to employees                              | 315        |           | 42,960,054,463           | 59,910,700,803           |
| Other payables                                     | 319        | 15        | 125,056,141,473          | 16,823,011,480           |
| Bonus and welfare fund                             | 323        | 16        | 54,770,088,678           | 59,683,042,566           |
| <b>Long-term liabilities</b>                       | <b>330</b> |           | <b>1,937,537,988</b>     | <b>1,744,824,005</b>     |
| Provision for severance allowance                  | 336        | 17        | 1,937,537,988            | 1,744,824,005            |
| <b>EQUITY (400 = 410)</b>                          | <b>400</b> |           | <b>1,373,749,215,506</b> | <b>1,347,331,014,689</b> |
| <b>Owners' equity</b>                              | <b>410</b> | <b>18</b> | <b>1,373,749,215,506</b> | <b>1,347,331,014,689</b> |
| Share capital                                      | 411        | 19        | 700,000,000,000          | 700,000,000,000          |
| Capital surplus                                    | 412        |           | 177,876,869,236          | 177,876,869,236          |
| Treasury shares                                    | 414        | 19        | (29,525,445,861)         | (18,537,405,861)         |
| Investment and development fund                    | 416        |           | 17,906,265,554           | 16,520,600,789           |
| Financial reserves                                 | 418        |           | 17,889,263,172           | 13,769,908,805           |
| Retained profits                                   | 420        |           | 489,602,263,405          | 457,701,041,720          |
| <b>TOTAL RESOURCES</b><br><b>(440 = 300 + 400)</b> | <b>440</b> |           | <b>5,693,594,067,073</b> | <b>5,108,749,714,693</b> |

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

**Minh Phu Seafood Joint Stock Company**  
**Unconsolidated balance sheet as at 30 June 2014 (continued)**

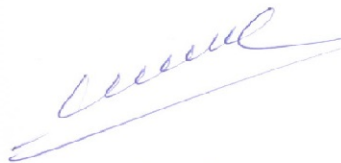
Form B 01a – DN

**OFF BALANCE SHEET ITEMS**

|                                    | Note   | 30/6/2014 | 31/12/2013 |
|------------------------------------|--------|-----------|------------|
| Foreign currency included in cash: |        |           |            |
| USD                                | 27 (d) | 54,817    | 175,422    |
| JPY                                | 27 (d) | 334,966   | 28,304,539 |

15 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 separate interim financial statements*



**Minh Phu Seafood Joint Stock Company**  
**Unconsolidated statement of income for the six-month period ended 30 June 2014**

Form B 02a – DN

|   | Code | Note | 1/1/2014 to<br>30/6/2014<br>VND | 1/1/2013 to<br>30/6/2013<br>VND |
|---|------|------|---------------------------------|---------------------------------|
| <b>Total revenue</b>  | 01   | 20   | 5,241,121,906,514               | 3,369,528,570,685               |
| <b>Less revenue deductions</b>                                | 02   | 20   | (110,349,984,117)               | (40,420,777,944)                |
| <b>Net revenue (10 = 01 + 02)</b>                             | 10   | 20   | 5,130,771,922,397               | 3,329,107,792,741               |
| <b>Cost of sales</b>  | 11   | 21   | (4,716,337,749,251)             | (3,058,488,650,665)             |
| <b>Gross profit (20 = 10 + 11)</b>                            | 20   |      | 414,434,173,146                 | 270,619,142,076                 |
| Financial income  | 21   | 22   | 24,928,917,312                  | 40,809,691,490                  |
| Financial expenses  | 22   | 23   | (91,631,583,340)                | (151,479,465,839)               |
| <i>In which: Interest expense</i>                             | 23   |      | (55,154,384,656)                | (84,700,438,151)                |
| Selling expenses  | 24   |      | (125,074,052,587)               | (94,234,520,994)                |
| General and administration expenses                           | 25   |      | (26,188,731,036)                | (21,858,633,014)                |
| <b>Net operating profit<br/>(30 = 20 + 21 + 22 + 24 + 25)</b> | 30   |      | 196,468,723,495                 | 43,856,213,719                  |
| Other income  | 31   |      | 3,711,863,582                   | 1,721,493,140                   |
| Other expenses  | 32   |      | (873,867)                       | (2,831,420)                     |
| <b>Results of other activities<br/>(40 = 31 + 32)</b>         | 40   |      | 3,710,989,715                   | 1,718,661,720                   |
| <b>Profit before tax (50 = 30 + 40)</b>                       | 50   |      | 200,179,713,210                 | 45,574,875,439                  |
| <b>Income tax expense – current</b>                           | 51   | 24   | (44,179,379,688)                | (9,813,427,205)                 |
| <b>Income tax expense – deferred</b>                          | 52   | 24   | -                               | (1,580,291,655)                 |
| <b>Net profit after tax<br/>(60 = 50 + 51 + 52)</b>           | 60   |      | 156,000,333,522                 | 34,181,156,579                  |
| <b>Basic earnings per share</b>                               | 70   | 25   | 2,253                           | 490                             |

Prepared by:

15 August 2014

Approved by:

Luu Minh Trung  
Chief Accountant

Le Van Quang  
General Director

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

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

Form B 03a - DN

|   | Code      | Note | 1/1/2014 to<br>30/6/2014<br>VND | 1/1/2013 to<br>30/6/2013<br>VND |
|---|-----------|------|---------------------------------|---------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |           |      |                                 |                                 |
| <b>Profit before tax</b>                                  | <b>01</b> |      | <b>200,179,713,210</b>          | <b>45,574,875,439</b>           |
| <b>Adjustments for</b>                                    |           |      |                                 |                                 |
| Depreciation and amortisation                             | 02        |      | 12,669,315,379                  | 12,019,972,035                  |
| Allowances and provisions                                 | 03        |      | 12,762,152,795                  | 13,608,626,277                  |
| Unrealised foreign exchange losses                        | 04        |      | 25,972,683,405                  | 21,714,312,317                  |
| Profit from investing activities                          | 05        |      | (19,580,328,467)                | (37,865,261,299)                |
| Interest expense  | 06        |      | 55,154,384,656                  | 84,700,438,151                  |
| <b>Operating profit before changes in working capital</b> | <b>08</b> |      | <b>287,157,920,978</b>          | <b>139,752,962,920</b>          |
| Change in receivables and other current assets            | 09        |      | (50,662,262,062)                | (248,625,398,305)               |
| Change in inventories                                     | 10        |      | (1,224,234,313,180)             | (118,904,240,686)               |
| Change in payables and other liabilities                  | 11        |      | (24,258,140,076)                | (114,211,355,851)               |
| Change in prepayments                                     | 12        |      | (56,568,018)                    | (9,732,781)                     |
|   |           |      | <b>(1,012,053,362,358)</b>      | <b>(341,997,764,703)</b>        |
| Interest paid   | 13        |      | (55,154,384,656)                | (85,418,493,707)                |
| Corporate income tax paid                                 | 14        |      | -                               | (4,438,321,612)                 |
| Other payments for operating activities                   | 16        |      | (20,672,639,414)                | (24,210,302,994)                |
| <b>Net cash flows from operating activities</b>           | <b>20</b> |      | <b>(1,087,880,386,428)</b>      | <b>(456,064,883,016)</b>        |

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

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

Form B 03a - DN

|   | Code      | Note     | 1/1/2014 to<br>30/6/2014<br>VND | 1/1/2013 to<br>30/6/2013<br>VND |
|---|-----------|----------|---------------------------------|---------------------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                   |           |          |                                 |                                 |
| Payments for additions to fixed assets and other long-term assets             | 21        |          | (3,744,906,090)                 | (7,330,120,126)                 |
| Payments for term deposits  | 23        |          | (541,500,000,000)               | (133,862,500,000)               |
| Collections of term deposits  | 24        |          | 102,362,500,000                 | -                               |
| Proceeds from sales of equity instruments of other entities                   | 24        |          | -                               | 371,824,000                     |
| Payments for investments in other entities                                    | 25        |          | (3,900,000,000)                 | (1,936,792,260)                 |
| Receipts of interest and dividends  | 27        |          | 20,419,928,006                  | 33,422,171,524                  |
| <b>Net cash flows from investing activities</b>                               | <b>30</b> |          | <b>(426,362,478,084)</b>        | <b>(109,335,416,862)</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                   |           |          |                                 |                                 |
| Payments for shares repurchases   | 31        |          | (10,988,040,000)                | (18,537,405,861)                |
| Proceeds from borrowings  | 33        |          | 5,529,910,838,884               | 3,540,013,090,773               |
| Payments to settle debts  | 34        |          | (5,119,109,910,060)             | (3,156,970,300,982)             |
| Payments of dividends   | 35        |          | -                               | (168,194,437,250)               |
| <b>Net cash flows from financing activities</b>                               | <b>40</b> |          | <b>399,812,888,824</b>          | <b>196,310,946,680</b>          |
| <b>Net cash flows during the period (50 = 20 + 30 + 40)</b>                   | <b>50</b> |          | <b>(1,114,429,975,688)</b>      | <b>(369,089,353,198)</b>        |
| <b>Cash and cash equivalents at the beginning of the period</b>               | <b>60</b> |          | <b>1,147,945,458,697</b>        | <b>1,262,727,092,679</b>        |
| <b>Impact of exchange rate fluctuation</b>                                    | <b>61</b> |          | <b>(1,019,889,763)</b>          | <b>(2,396,604,430)</b>          |
| <b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)</b> | <b>70</b> | <b>4</b> | <b>32,495,593,246</b>           | <b>891,241,135,051</b>          |

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

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

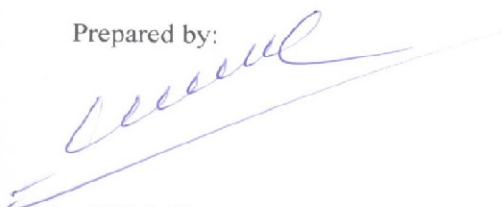
Form B 03a - DN

**NON-CASH INVESTING ACTIVITIES**

|  | 1/1/2014 to<br>30/6/2014<br>VND | 1/1/2013 to<br>30/6/2013<br>VND |
|--|---------------------------------|---------------------------------|
| Net-off refunded value added tax with corporation income tax payable | 5,186,887,819                   | 806,998,977                     |
| Reclassify from other receivable to short-term investment            | -                               | 3,807,117,411                   |
| Collection of loan receivable by raw materials                       | -                               | 439,768,200                     |

15 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 separate interim financial statements*

**Minh Phu Seafood Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended**  
**30 June 2014**

**Form B 09a – DN**

These notes form an integral part of and should be read in conjunction with the accompanying separate 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. The principal activities of the Company are to process and trade in aquatic products; to trade in aquatic breeds and aquatic foods; and to trade in machinery and equipment for aquaculture.

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

As at 30 June 2014, the Company had 6,562 employees (31 December 2013: 5,904 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

The separate 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 reporting.

**(b) Basis of measurement**

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

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

**(c) Annual accounting period**

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

**(d) Accounting currency**

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

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**3. Summary of significant accounting policies**

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

**(a) Foreign currency transactions**

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the 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.

**(b) Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**(c) Investments**

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

**(d) Accounts receivable**

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

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**(e) Inventories**

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

The Company applies the perpetual method of accounting for inventory.

**(f) Tangible fixed assets**

**(i) Cost**

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

**(ii) Depreciation**

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

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

**(g) Intangible fixed assets**

**(i) Definite land use rights**

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

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**(ii) Software**

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

**(h) Construction in progress**

Construction in progress represents the cost of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

**(i) Long-term prepayments**

***Tools and instruments***

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

**(j) Trade and other payables**

Trade and other payables are stated at their cost.

**(k) Provisions**

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

***Severance allowance***

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more (“eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employees’ compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their current salary level.



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Pursuant to Law on Social Insurance, effective from 1 January 2009 the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as of 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.

**(1) Classification of financial instruments**

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

**(i) Financial assets**

*Financial assets at fair value through profit or loss*

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

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

*Held-to-maturity investments*

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

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

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*Loans and receivables*

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

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

*Available-for-sale financial assets*

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

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

**(ii) *Financial liabilities***

*Financial liabilities at fair value through profit or loss*

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

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

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*Financial liabilities carried at amortised cost*

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

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

**(m) Taxation**

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

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

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

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**(o) Revenue and other income**

**(i) Goods sold**

Revenue from the sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

**(ii) Interest income**

Interest income is recognized 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 statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

**(q) Borrowing costs**

Borrowing costs are recognised as an expense in the 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.

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**4. Cash and cash equivalents**

|                  | <b>30/6/2014</b> | <b>31/12/2013</b> |
|------------------|------------------|-------------------|
|                  | <b>VND</b>       | <b>VND</b>        |
| Cash on hand     | 30,164,326,879   | 26,487,567,807    |
| Cash in banks    | 2,331,266,367    | 10,908,368,668    |
| Cash equivalents | -                | 1,110,549,522,222 |
|                  | <hr/>            | <hr/>             |
|                  | 32,495,593,246   | 1,147,945,458,697 |
|                  | <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 Company (Note 12).

**5. Short-term investments**

|   | <b>30/6/2014</b> |                 | <b>31/12/2013</b> |                 |
|---|------------------|-----------------|-------------------|-----------------|
|   | <b>Quantity</b>  | <b>VND</b>      | <b>Quantity</b>   | <b>VND</b>      |
| <b>Short-term investments in shares</b>                         |                  |                 |                   |                 |
| ▪ 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   |
| <b>Other short-term investments</b>                             |                  |                 |                   |                 |
| ▪ Loan receivables (*)  |                  | 7,306,508,578   |                   | 7,306,508,578   |
| ▪ Term deposits (**)  |                  | 541,500,000,000 |                   | 102,362,500,000 |
|   |                  | <hr/>           |                   | <hr/>           |
|   |                  | 563,617,617,989 |                   | 124,480,117,989 |
| Allowance for diminution in the value of short-term investments |                  | (8,704,600,000) |                   | (8,704,600,000) |
|   |                  | <hr/>           |                   | <hr/>           |
|   |                  | 554,913,017,989 |                   | 115,775,517,989 |
|   |                  | <hr/>           |                   | <hr/>           |

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

(\*\*) This represented term deposits with the maturity of less than a year and earned interest at rates ranging from 7.0% to 8.0% per annum during the period (year ended 31/12/2013: from 9.0% to 11.0% per annum).

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

|                 | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|-----------------|--|--|
| 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 VND69,200 million (31 December 2013: nil) pledged with banks as security for loans granted to the Company (Note 12).

## 6. Accounts receivable

Accounts receivable – trade comprised:

|                                      | <b>30/6/2014<br/>VND</b> | <b>31/12/2013<br/>VND</b> |
|--------------------------------------|--------------------------|---------------------------|
| Trade receivables from subsidiaries  | 708,875,431,124          | 561,924,909,883           |
| Trade receivables from third parties | 422,777,067,651          | 428,379,291,266           |
|                                      | <u>1,131,652,498,775</u> | <u>990,304,201,149</u>    |

Accounts receivable – trade were unsecured, interest free and receivable within 15 - 90 days from invoice date.

Accounts receivable at 30 June 2014 included VND1,129,286 million (31 December 2013: VND986,376 million) pledged with banks as security for loans granted to the Company (Note 12).

Other receivables comprised:

|                                   | <b>30/6/2014<br/>VND</b> | <b>31/12/2013<br/>VND</b> |
|-----------------------------------|--------------------------|---------------------------|
| Receivables from a subsidiary (*) | 47,152,990,809           | 36,109,990,809            |
| Interest receivable               | 7,558,020,555            | 8,397,620,094             |
| Others                            | 2,451,629,967            | 2,288,879,404             |
|                                   | <u>57,162,641,331</u>    | <u>46,796,490,307</u>     |

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

**7. Inventories**

|                           | <b>30/6/2014</b>  | <b>31/12/2013</b> |
|---------------------------|-------------------|-------------------|
|                           | <b>VND</b>        | <b>VND</b>        |
| Goods in transit          | 141,802,975,835   | 117,807,545,354   |
| Raw materials             | 67,766,625,448    | 50,731,008,096    |
| Tools and supplies        | 2,001,705,239     | 980,566,761       |
| Finished goods            | 1,925,528,929,226 | 743,346,802,357   |
|                           | <hr/>             | <hr/>             |
|                           | 2,137,100,235,748 | 912,865,922,568   |
| Allowance for inventories | (19,239,790,361)  | (13,294,809,180)  |
|                           | <hr/>             | <hr/>             |
|                           | 2,117,860,445,387 | 899,571,113,388   |
|                           | <hr/>             | <hr/>             |

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

|   | <b>1/1/2014 to</b> | <b>1/1/2013 to</b> |
|---|--------------------|--------------------|
|   | <b>30/6/2014</b>   | <b>30/6/2013</b>   |
|   | <b>VND</b>         | <b>VND</b>         |
| Opening balance                         | 13,294,809,180     | 36,505,228,114     |
| Increase in allowance during the period | 5,944,981,181      | 7,399,069,391      |
| Written back                            | -                  | (36,505,228,114)   |
|   | <hr/>              | <hr/>              |
| Closing balance                         | 19,239,790,361     | 7,399,069,391      |
|   | <hr/>              | <hr/>              |

At 30 June 2014 inventories with a carrying value of VND2,117,860 million (31 December 2013: VND899,571 million) were pledged with banks as security for loans granted to the Company (Note 12).

Included in finished goods at 30 June 2014 was VND332,034 million (31 December 2013: VND339,647 million) of inventories carried at net realisable value.

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**8. Tangible fixed assets**

| <b>Cost</b>                             | <b>Buildings<br/>VND</b> | <b>Machinery and<br/>equipment<br/>VND</b> | <b>Motor vehicles<br/>VND</b> | <b>Office equipment<br/>VND</b> | <b>Total<br/>VND</b> |
|---|--------------------------|--|-------------------------------|---------------------------------|----------------------|
| Opening balance                         | 93,089,718,740           | 150,375,102,812                            | 25,782,796,801                | 8,327,381,120                   | 277,574,999,473      |
| Additions                               | 72,145,454               | 732,530,545                                | -                             | 116,547,272                     | 921,223,271          |
| Transfers from construction in progress | -                        | -  | 7,299,321,819                 | -                               | 7,299,321,819        |
| Reclassification                        | -                        | (3,937,947,500)                            | -                             | 3,937,947,500                   | -                    |
| Closing balance                         | 93,161,864,194           | 147,169,685,857                            | 33,082,118,620                | 12,381,875,892                  | 285,795,544,563      |
| <b>Accumulated depreciation</b>         |                          |  |                               |                                 |                      |
| Opening balance                         | 28,468,823,425           | 66,594,280,927                             | 11,208,386,172                | 3,647,484,993                   | 109,918,975,517      |
| Charge for the period                   | 3,223,141,728            | 6,873,722,960                              | 1,901,199,778                 | 377,632,532                     | 12,375,696,998       |
| Closing balance                         | 31,691,965,153           | 73,468,003,887                             | 13,109,585,950                | 4,025,117,525                   | 122,294,672,515      |
| <b>Net book value</b>                   |                          |  |                               |                                 |                      |
| Opening balance                         | 64,620,895,315           | 83,780,821,885                             | 14,574,410,629                | 4,679,896,127                   | 167,656,023,956      |
| Closing balance                         | 61,469,899,041           | 73,701,681,970                             | 19,972,532,670                | 8,356,758,367                   | 163,500,872,048      |

Included in the cost of tangible fixed assets were assets costing VND31,579 million which were fully depreciated as of 30 June 2014 (31 December 2013: VND32,774 million), but which are still in active use.

At 30 June 2014 tangible fixed assets with a carrying value of VND86,737 million (31 December 2013: VND93,884 million) were pledged with banks as security for loans granted to the Company (Note 12).



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**9. Intangible fixed assets**

|                                 | <b>Definite land<br/>use rights<br/>VND</b> | <b>Software<br/>VND</b> | <b>Total<br/>VND</b> |
|---------------------------------|---|-------------------------|----------------------|
| <b>Cost</b>                     |   |                         |                      |
| Opening balance                 | 22,181,099,585                              | 1,752,090,618           | 23,933,190,203       |
| Additions                       | -   | 40,000,000              | 40,000,000           |
| Closing balance                 | 22,181,099,585                              | 1,792,090,618           | 23,973,190,203       |
| <b>Accumulated amortisation</b> |   |                         |                      |
| Opening balance                 | 3,517,128,668                               | 945,584,817             | 4,462,713,485        |
| Charge for the period           | 173,061,120                                 | 120,557,261             | 293,618,381          |
| Closing balance                 | 3,690,189,788                               | 1,066,142,078           | 4,756,331,866        |
| <b>Net book value</b>           |   |                         |                      |
| Opening balance                 | 18,663,970,917                              | 806,505,801             | 19,470,476,718       |
| Closing balance                 | 18,490,909,797                              | 725,948,540             | 19,216,858,337       |

Included in the cost of intangible fixed assets were assets costing VND2,060 million which were fully amortised as of 30 June 2014 (31 December 2013: VND2,060 million), but which are still in use.

At 30 June 2014 intangible fixed assets with a carrying value of VND2,271 million (31 December 2013: VND1,001 million ) were pledged with banks as security for loans granted to the Company (Note 12).

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**10. Construction in progress**

|                                      | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|--------------------------------------|--|--|
| Opening balance                      | 39,794,475,673                           | 6,904,209,436                            |
| Additions during the period          | 2,783,682,819                            | 5,721,472,000                            |
| Transfers to tangible fixed assets   | (7,299,321,819)                          | -  |
| Transfers to intangible fixed assets | -  | (3,661,635,400)                          |
|                                      | <hr/>                                    | <hr/>                                    |
| Closing balance                      | 35,278,836,673                           | 8,964,046,036                            |
|                                      | <hr/>                                    | <hr/>                                    |

Major constructions in progress were as follows:

|                     | <b>30/6/2014<br/>VND</b> | <b>31/12/2013<br/>VND</b> |
|---------------------|--------------------------|---------------------------|
| Machinery           | 23,336,602,673           | 23,256,841,673            |
| Accounting software | 11,942,234,000           | 11,097,634,000            |
| Motor vehicles      | -                        | 5,440,000,000             |
|                     | <hr/>                    | <hr/>                     |
|                     | 35,278,836,673           | 39,794,475,673            |
|                     | <hr/>                    | <hr/>                     |

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**11. Long-term investments**

|  | <b>30/6/2014</b>              | <b>31/12/2013</b>             |
|--|-------------------------------|-------------------------------|
|  | <b>VND</b>                    | <b>VND</b>                    |
| <b>Investments in subsidiaries</b>                                   |                               |                               |
| ▪ Mseafood Corporation   | 323,162,400,000               | 323,162,400,000               |
| ▪ Minh Phu Hau Giang Seafood Joint Stock Company                     | 585,000,000,000               | 585,000,000,000               |
| ▪ Minh Qui Seafood Co., Ltd  | 195,000,000,000               | 195,000,000,000               |
| ▪ Minh Phat Seafood Co., Ltd   | 95,000,000,000                | 95,000,000,000                |
| ▪ Minh Phu - Kien Giang Seafood Co., Ltd                             | 148,650,000,000               | 148,650,000,000               |
| ▪ Minh Phu Aquatic Larvae Co., Ltd                                   | 29,550,000,000                | 29,550,000,000                |
| ▪ Minh Phu - Loc An Aquaculture Co., Ltd                             | 150,000,000,000               | 150,000,000,000               |
| ▪ Minh Phu Bio Co., Ltd  | 4,500,000,000                 | 4,500,000,000                 |
| ▪ Minh Phu Hoa Dien Aquaculture One Member Company                   | 36,100,000,422                | 36,100,000,422                |
|  | <hr/> 1,566,962,400,422       | <hr/> 1,566,962,400,422       |
| <b>Investments in associates</b>                                     |                               |                               |
| ▪ 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/> 6,080,000,000           | <hr/> 2,180,000,000           |
| <b>Other long-term investments</b>                                   |                               |                               |
| ▪ Saigon – Camau Infrastructure Corporation                          | 7,000,000,000                 | 7,000,000,000                 |
|  | <hr/> 1,580,042,400,422       | <hr/> 1,576,142,400,422       |
| Allowance for diminution in value of the long-term investments       | (95,794,927,106)              | (88,275,927,080)              |
|  | <hr/> <hr/> 1,484,247,473,316 | <hr/> <hr/> 1,487,866,473,342 |

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

|   | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|---|--|--|
| Opening balance                         | 88,275,927,080                           | 111,246,470                              |
| Increase in allowance during the period | 7,519,000,026                            | 42,884,945,000                           |
| Closing balance                         | <u>95,794,927,106</u>                    | <u>42,996,191,470</u>                    |

Details of the investments in subsidiaries and associates were as follows:

| <b>Name</b>                                    | <b>Principal activity</b>   | <b>Business Registration<br/>Certificate</b>   | <b>% of ownership</b> |                   |
|--|---|--|-----------------------|-------------------|
|  |   |  | <b>30/6/2014</b>      | <b>31/12/2013</b> |
| <b>Subsidiaries</b>                            |   |  |                       |                   |
| Mseafood Corporation                           | Trade in aquatic products.  | 2370515 issued by the State of California, the United States of America on 27 December 2001.         | 90.0%                 | 90.0%             |
| Minh Phu Hau Giang Seafood Joint Stock Company | Process and trade in fish powder, aquatic products, bio-diesel from fish oil, aquatic products; trade in goods, materials, machinery and equipment for aquaculture; invest and trade in infrastructure; conduct construction of civil and industrial works. | 642041000003 issued by the Management Board of Hau Giang Industrial Zone on 18 November 2013.        | 67.5%                 | 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%             |

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| 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 aquacultural products; process, preserve aquatic products; produce aquatic breeds; trade in machinery and equipment for aquaculture.   | 56-02-000417 issued by the Planning and Investment Department of Kien Giang Province on 16 January 2006.     | 99.1%          | 99.1%      |
| Minh Phu Aquatic Larvae Co., Ltd                 | Produce, supply and trade in aquatic breeds; process, preserve aquatic products; trade in foods and materials for livestock, poultry and aquaculture.  | 4302000139 issued by the Planning and Investment Department of Ninh Thuan Province on 9 February 2006.       | 98.5%          | 98.5%      |
| Minh Phu – Loc An Aquaculture Co., Ltd           | Breed aquacultural products; produce and trade in aquatic foods, trade in machinery and equipment for aquaculture.   | 2000393273 issued by the Planning and Investment Department of Ba Ria-Vung Tau Province on 11 November 2010. | 100%           | 100%       |
| Minh Phu Bio Co., Ltd                            | Produce biological products and fertilizer for agriculture.  | 6104000049 issued by the Planning and Investment Department of Ca Mau Province on 8 July 2008.               | 100%           | 100%       |
| Minh Phu Hoa Dien Aquaculture One Member Company | Produce aquatic breed; breed, process, and preserve aquatic products; produce and trade in aquatic food, trade in machinery and equipment for aquaculture; trade in food and materials for livestock, poultry and aquaculture. | 1701635962 issued by the Planning and Investment Department of Kien Giang Province on 22 December 2011.      | 100%           | 100%       |

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| 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%           | -          |
| <b>Associates</b>  |  |  |                |            |
| Minh Phu Hau Giang Port Corporation                        | Construct seaport for container and goods transportation, warehouses, seaport for petrol, gas and oil transportation; trade in petrol, oil, gas, materials and machineries for manufacturing.  | 6300108975 issued by the Planning and Investment Department of Hau Giang Province on 24 February 2010. | 40%            | 40%        |
| Minh Phu 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%            | -          |

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(\*) 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.

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**12. Short-term borrowings**

|                       | <b>30/6/2014</b>  | <b>31/12/2013</b> |
|-----------------------|-------------------|-------------------|
|                       | <b>VND</b>        | <b>VND</b>        |
| Short-term borrowings | 3,621,881,229,620 | 3,176,963,800,481 |

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

|  | <b>Currency</b> | <b>30/6/2014</b>         | <b>31/12/2013</b>        |
|--|-----------------|--------------------------|--------------------------|
|  |                 | <b>VND</b>               | <b>VND</b>               |
| Vietnam Joint Stock Commercial Bank for Industry and Trade - Ca Mau Branch |                 |                          |                          |
| Loan 1   | USD             | 2,365,872,570,833        | 857,580,903,298          |
| Loan 2   | JPY             | 24,789,948,435           | -                        |
| Loan 3   | VND             | -                        | 1,316,490,920,363        |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ca Mau Branch   |                 |                          |                          |
| Loan 4   | USD             | 437,019,101,904          | 48,850,334,350           |
| Loan 5   | VND             | -                        | 251,303,572,295          |
| HSBC Bank (Vietnam) Ltd  |                 |                          |                          |
| Loan 6   | USD             | 21,816,283,232           | 111,533,287,940          |
| Loan 7   | VND             | -                        | 57,186,434,252           |
| Bank for Investment and Development of Vietnam JSC – Ca Mau Branch         |                 |                          |                          |
| Loan 8   | USD             | 636,634,614,880          | 105,742,923,868          |
| Loan 9   | VND             | -                        | 350,295,288,267          |
| Vietnam International Bank   |                 |                          |                          |
| Loan 10  | USD             | 135,748,710,336          | -                        |
| Loan 11  | VND             | -                        | 77,980,135,848           |
|  |                 | <b>3,621,881,229,620</b> | <b>3,176,963,800,481</b> |

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

|                                      | Carrying amount as at |                   |
|--------------------------------------|-----------------------|-------------------|
|                                      | 30/6/2014<br>VND      | 31/12/2013<br>VND |
| Cash in banks (Note 4)               | 188,565,153           | -                 |
| Term deposits (Note 5)               | 69,200,000,000        | -                 |
| Accounts receivable – trade (Note 6) | 1,129,286,316,495     | 986,375,543,653   |
| Inventories (Note 7)                 | 2,117,860,445,387     | 899,571,113,388   |
| Tangible fixed assets (Note 8)       | 86,737,078,501        | 93,883,839,192    |
| Intangible fixed assets (Note 9)     | 2,270,558,745         | 1,000,777,859     |
|                                      | 3,405,542,964,281     | 1,980,831,274,092 |

**13. Accounts payable – trade**

|                                 | 30/6/2014<br>VND | 31/12/2013<br>VND |
|---------------------------------|------------------|-------------------|
| Trade payables to subsidiaries  | 152,579,220,723  | 184,730,017,378   |
| Trade payables to third parties | 256,980,371,639  | 242,561,529,884   |
|                                 | 409,559,592,362  | 427,291,547,262   |

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

**14. Taxes payable to State Treasury**

|                      | 30/6/2014<br>VND | 31/12/2013<br>VND |
|----------------------|------------------|-------------------|
| Corporate income tax | 49,984,735,291   | 10,992,243,422    |
| Personal income tax  | 1,826,804,312    | 818,943,090       |
|                      | 51,811,539,603   | 11,811,186,512    |



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**15. Other payables**

|  | <b>30/6/2014</b> | <b>31/12/2013</b> |
|--|------------------|-------------------|
|  | <b>VND</b>       | <b>VND</b>        |
| Dividends payable                                  | 110,229,527,750  | 6,727,187,750     |
| Social insurance, health insurance and trade union | 7,067,509,459    | 1,576,154,677     |
| Short-term deposits received                       | 7,000,000,000    | 7,000,000,000     |
| Commission payable                                 | 392,099,083      | 392,098,154       |
| Others   | 367,005,181      | 1,127,570,899     |
|  | <hr/>            | <hr/>             |
|  | 125,056,141,473  | 16,823,011,480    |
|  | <hr/>            | <hr/>             |

**16. Bonus and welfare fund**

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

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

|                         | <b>1/1/2014 to</b> | <b>1/1/2013 to</b> |
|-------------------------|--------------------|--------------------|
|                         | <b>30/6/2014</b>   | <b>30/6/2013</b>   |
|                         | <b>VND</b>         | <b>VND</b>         |
| Opening balance         | 59,683,042,566     | 74,330,747,641     |
| Appropriation           | 8,238,708,735      | -                  |
| Utilisation of the fund | (13,151,662,623)   | (11,670,409,561)   |
|                         | <hr/>              | <hr/>              |
| Closing balance         | 54,770,088,678     | 62,660,338,080     |
|                         | <hr/>              | <hr/>              |

**17. Provision for severance allowance**

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

|                                  | <b>1/1/2014 to</b> | <b>1/1/2013 to</b> |
|----------------------------------|--------------------|--------------------|
|                                  | <b>30/6/2014</b>   | <b>30/6/2013</b>   |
|                                  | <b>VND</b>         | <b>VND</b>         |
| Opening balance                  | 1,744,824,005      | 2,061,029,364      |
| Provision made during the period | 860,646,804        | -                  |
| Utilised during the period       | (667,932,821)      | (201,626,615)      |
|                                  | <hr/>              | <hr/>              |
| Closing balance                  | 1,937,537,988      | 1,859,402,749      |
|                                  | <hr/>              | <hr/>              |

**Minh Phu Seafood Joint Stock Company**

**Notes to the separate interim financial statements for the six-month period ended 30 June 2014 (continued)**

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**18. Changes in owners' equity**

|   | Share capital<br>VND | Capital surplus<br>VND | Treasury shares<br>VND | Investment and development fund<br>VND | Financial reserves<br>VND | Retained profits<br>VND | Total<br>VND      |
|---|----------------------|------------------------|------------------------|--|---------------------------|-------------------------|-------------------|
| <b>Balance at 1 January 2013</b>        | 700,000,000,000      | 177,876,869,236        | -                      | 42,568,431,702                         | 13,769,908,805            | 375,313,954,371         | 1,309,529,164,114 |
| Net profit for the period               | -                    | -                      | -                      | -                                      | -                         | 34,181,156,579          | 34,181,156,579    |
| Repurchases of treasury shares          | -                    | -                      | (18,537,405,861)       | -                                      | -                         | -                       | (18,537,405,861)  |
| Utilisation of fund                     | -                    | -                      | -                      | (12,338,266,818)                       | -                         | -                       | (12,338,266,818)  |
| <b>Balance at 30 June 2013</b>          | 700,000,000,000      | 177,876,869,236        | (18,537,405,861)       | 30,230,164,884                         | 13,769,908,805            | 409,495,110,950         | 1,312,834,648,014 |
| Net profit for the period               | -                    | -                      | -                      | -                                      | -                         | 48,205,930,770          | 48,205,930,770    |
| Utilisation of fund                     | -                    | -                      | -                      | (13,709,564,095)                       | -                         | -                       | (13,709,564,095)  |
| <b>Balance at 31 December 2013</b>      | 700,000,000,000      | 177,876,869,236        | (18,537,405,861)       | 16,520,600,789                         | 13,769,908,805            | 457,701,041,720         | 1,347,331,014,689 |
| Net profit for the period               | -                    | -                      | -                      | -                                      | -                         | 156,000,333,522         | 156,000,333,522   |
| 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 26)                     | -                    | -                      | -                      | -                                      | -                         | (103,502,340,000)       | (103,502,340,000) |
| Utilisation of fund                     | -                    | -                      | -                      | (6,853,043,970)                        | -                         | -                       | (6,853,043,970)   |
| <b>Balance at 30 June 2014</b>          | 700,000,000,000      | 177,876,869,236        | (29,525,445,861)       | 17,906,265,554                         | 17,889,263,172            | 489,602,263,405         | 1,373,749,215,506 |

**Minh Phu Seafood Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended**  
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**19. 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              |
| <b>Authorised and issued shares capital</b> |                  |                  |                  |                  |
| Ordinary shares                             | 70,000,000       | 700,000,000,000  | 70,000,000       | 700,000,000,000  |
| <b>Treasury shares</b>                      |                  |                  |                  |                  |
| Ordinary shares                             | (998,440)        | (29,525,445,861) | (630,560)        | (18,537,405,861) |
| <b>Shares currently in circulation</b>      |                  |                  |                  |                  |
| 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**  
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**20. Total revenue**

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

Net sales comprised:

|                         | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|-------------------------|--|--|
| Total revenue           |  |  |
| ▪ Finished goods sold   | 5,213,732,558,236                        | 3,359,365,103,136                        |
| ▪ Raw materials sold    | 16,614,924,082                           | 2,225,259,669                            |
| ▪ Scraps sold           | 10,774,424,196                           | 7,938,207,880                            |
|                         | <hr/> 5,241,121,906,514                  | <hr/> 3,369,528,570,685                  |
| Less revenue deductions |  |  |
| ▪ Sales returns         | (110,349,984,117)                        | (40,420,777,944)                         |
|                         | <hr/> 5,130,771,922,397                  | <hr/> 3,329,107,792,741                  |
| Net revenue             |  |  |

**21. Cost of sales**

|                           | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|---------------------------|--|--|
| Finished goods sold       | 4,693,838,791,113                        | 3,086,315,521,623                        |
| Raw materials goods       | 16,553,976,957                           | 1,279,287,765                            |
| Allowance for inventories | 5,944,981,181                            | (29,106,158,723)                         |
|                           | <hr/> 4,716,337,749,251                  | <hr/> 3,058,488,650,665                  |

**Minh Phu Seafood Joint Stock Company**  
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**22. Financial income**

|                                 | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|---------------------------------|--|--|
| Interest income                 | 19,202,802,820                           | 37,757,025,299                           |
| Realised foreign exchange gains | 5,348,588,845                            | 2,680,842,191                            |
| Dividends                       | 377,525,647                              | -  |
| Others                          | -  | 371,824,000                              |
|                                 | <hr/>                                    | <hr/>                                    |
|                                 | 24,928,917,312                           | 40,809,691,490                           |
|                                 | <hr/>                                    | <hr/>                                    |

**23. Financial expenses**

|                                    | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|------------------------------------|--|--|
| Interest expense                   | 55,154,384,656                           | 84,700,438,151                           |
| Allowance for investments          | 7,519,000,026                            | 42,714,785,000                           |
| Realised foreign exchange losses   | 2,958,045,155                            | 100,705,812                              |
| Unrealised foreign exchange losses | 25,972,683,405                           | 21,714,312,317                           |
| Others                             | 27,470,098                               | 2,249,224,559                            |
|                                    | <hr/>                                    | <hr/>                                    |
|                                    | 91,631,583,340                           | 151,479,465,839                          |
|                                    | <hr/>                                    | <hr/>                                    |

**24. Income tax**

**(a) Deferred tax assets**

Deferred tax assets were attributable to the following:

|                                   | <b>30/6/2014<br/>VND</b> | <b>31/12/2013<br/>VND</b> |
|-----------------------------------|--------------------------|---------------------------|
| Unrealised foreign exchange gains | 209,560,767              | 209,560,767               |
| Provision for severance allowance | 413,728,500              | 413,728,500               |
|                                   | <hr/>                    | <hr/>                     |
|                                   | 623,289,267              | 623,289,267               |
|                                   | <hr/>                    | <hr/>                     |

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**Notes to the separate interim financial statements for the six-month period ended**  
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**(b) Recognised in the statement of income**

|   | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|---|--|--|
| <b>Current tax expense</b>                        |  |  |
| Current period                                    | 44,179,379,688                           | 9,813,427,205                            |
| <b>Deferred tax expense</b>                       |  |  |
| Origination and reversal of temporary differences | -  | 1,580,291,655                            |
|   | <hr/> 44,179,379,688                     | <hr/> 11,393,718,860                     |

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

|                               | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|-------------------------------|--|--|
| Profit before tax             | 200,179,713,210                          | 45,574,875,439                           |
| Tax at the Company's tax rate | 44,039,536,906                           | 11,393,718,860                           |
| Non-deductible expenses       | 222,898,424                              | -  |
| Tax exempt income             | (83,055,642)                             | -  |
| Income tax expense            | <hr/> 44,179,379,688                     | <hr/> 11,393,718,860                     |

**(d) Applicable tax rates**

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

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

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**25. 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**

|  | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|--|--|--|
| Net profit attributable to ordinary shareholders | 156,000,333,522                          | 34,181,156,579                           |

**(ii) Weighted average number of ordinary shares**

|   | <b>1/1/2014 to<br/>30/6/2014</b> | <b>1/1/2013 to<br/>30/6/2013</b> |
|---|----------------------------------|----------------------------------|
| Issued ordinary shares at the beginning of the period                                 | 69,369,440                       | 70,000,000                       |
| Effect of treasury shares repurchased in April 2014                                   | (118,980)                        | (152,543)                        |
| Effect of treasury shares repurchased in May 2014                                     | (1,823)                          | (28,822)                         |
| Weighted average number of ordinary shares at the beginning and the end of the period | 69,248,637                       | 69,818,635                       |

**26. 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).

## 27. Financial instruments

### (a) Financial risk management

#### (i) Overview

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

- credit risk
- liquidity risk
- market risk.

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

#### (ii) Risk management framework

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

### (b) Credit risk

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

#### (i) Exposure to credit risk

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

|                                    | Note  | 30/6/2014<br>VND  | 31/12/2013<br>VND |
|------------------------------------|-------|-------------------|-------------------|
| Cash in banks and cash equivalents | (ii)  | 2,331,266,367     | 1,121,457,890,890 |
| Term deposits                      | (ii)  | 541,500,000,000   | 102,362,500,000   |
| Loan receivables                   | (iii) | 7,306,508,578     | 7,306,508,578     |
| Trade and other receivables        | (iv)  | 1,186,448,957,826 | 1,033,172,033,960 |
|                                    |       | 1,737,586,732,771 | 2,264,298,933,428 |



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

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

**(iii) Loan receivables from shrimp farmer**

Loans to shrimp farmer were for operational support and were unsecured, interest free and payable on demand. According to loan agreements, the shrimp farmer has the commitment to sell all shrimps to the Company. Management assessed that the Company can recover the loans through future shrimp purchase.

**(iv) Trade and other receivables**

The Company's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer. In response to the risk, management of the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. In additions, the Company asks for collateral from customers for each sale order, normally in the form of letter of credit. Receivables are due within 15 days to 90 days from the date of billing. Debtors with balances that are more than 90 days outstanding are requested to settle the balances before further credit is granted.

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

|                             | <b>30/6/2014</b>  | <b>31/12/2013</b> |
|-----------------------------|-------------------|-------------------|
|                             | <b>VND</b>        | <b>VND</b>        |
| Not past due                | 1,123,488,136,474 | 1,021,715,374,467 |
| Past due 0 – 30 days        | 62,230,210,376    | 7,050,777,613     |
| Past due 31 – 180 days      | 40,777,430        | 1,868,804,970     |
| Past due more than 180 days | 3,056,015,826     | 6,465,734,406     |
|                             | <hr/>             | <hr/>             |
|                             | 1,188,815,140,106 | 1,037,100,691,456 |
|                             | <hr/>             | <hr/>             |

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**Notes to the separate interim financial statements for the six-month period ended**  
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Movements in the allowance for doubtful debts during the period were as follows:

|                 | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|-----------------|--|--|
| Opening balance | 3,928,657,496                            | 8,100,847,934                            |
| Written back    | (1,562,475,216)                          | -  |
| Closing balance | <u>2,366,182,280</u>                     | <u>8,100,847,934</u>                     |

**(c) Liquidity risk**

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

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

|                               | <b>Carrying<br/>amount<br/>VND</b> | <b>Contractual<br/>cash flows<br/>VND</b> | <b>Within<br/>1 year<br/>VND</b> |
|-------------------------------|------------------------------------|---|----------------------------------|
| <b>As at 30 June 2014</b>     |                                    |   |                                  |
| Short-term borrowings         | 3,621,881,229,620                  | 3,647,010,467,496                         | 3,647,010,467,496                |
| Accounts payable – trade      | 409,559,592,362                    | 409,559,592,362                           | 409,559,592,362                  |
| Payables to employees         | 42,960,054,463                     | 42,960,054,463                            | 42,960,054,463                   |
| Other payables                | 125,056,141,473                    | 125,056,141,473                           | 125,056,141,473                  |
|                               | <u>4,199,457,017,918</u>           | <u>4,224,586,255,794</u>                  | <u>4,224,586,255,794</u>         |
| <b>As at 31 December 2013</b> |                                    |   |                                  |
| Short-term borrowings         | 3,176,963,800,481                  | 3,225,773,858,229                         | 3,225,773,858,229                |
| Accounts payable – trade      | 427,291,547,262                    | 427,291,547,262                           | 427,291,547,262                  |
| Payables to employees         | 59,910,700,803                     | 59,910,700,803                            | 59,910,700,803                   |
| Other payables                | 16,823,011,480                     | 16,823,011,480                            | 16,823,011,480                   |
|                               | <u>3,680,989,060,026</u>           | <u>3,729,799,117,774</u>                  | <u>3,729,799,117,774</u>         |

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**Notes to the separate interim financial statements for the six-month period ended**  
**30 June 2014 (continued)**

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**(d) Market risk**

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

**(i) Currency risk**

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

*Exposure to currency risk*

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

|                             | 30 June 2014  |               | 31 December 2013 |            |
|-----------------------------|---------------|---------------|------------------|------------|
|                             | USD           | JPY           | USD              | JPY        |
| Cash and cash equivalents   | 54,817        | 334,966       | 175,422          | 28,304,539 |
| Accounts receivable – trade | 47,461,811    | 13,481,220    | 31,058,449       | 46,873,726 |
| Short-term borrowings       | (168,655,818) | (119,758,205) | (53,231,049)     | -          |
| Accounts payable – trade    | (5,540,300)   | -             | (165,013)        | -          |
|                             | (126,679,490) | (105,942,019) | (22,162,191)     | 75,178,265 |

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

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

**Minh Phu Seafood Joint Stock Company**  
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Below is an analysis of the possible impact on the net profit of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 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                             | 31/12/2013      |
|                        | VND                                   | VND             |
| USD (1% strengthening) | (21,074,197,269)                      | (3,508,828,890) |
| JPY (3% strengthening) | (513,161,952)                         | (2,142,580,553) |

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

**(ii) Interest rate risk**

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

|                                  | 30/6/2014           | 31/12/2013          |
|----------------------------------|---------------------|---------------------|
|                                  | VND                 | VND                 |
| <b>Fixed rate instruments</b>    |                     |                     |
| Cash equivalents                 | -                   | 1,110,549,522,222   |
| Term deposits                    | 541,500,000,000     | 102,362,500,000     |
|                                  | <hr/>               | <hr/>               |
|                                  | 541,500,000,000     | 1,212,912,022,222   |
| <hr/>                            |                     |                     |
| <b>Variable rate instruments</b> |                     |                     |
| Cash in banks                    | 2,331,266,367       | 10,908,368,668      |
| Short-term borrowings            | (3,621,881,229,620) | (3,176,963,800,481) |
|                                  | <hr/>               | <hr/>               |
|                                  | (3,619,549,963,253) | (3,166,055,431,813) |

Variable rate instruments expose the Company to risk of changes in interest rate. No policy was in place pertaining to the mitigation of any potential volatility of the interest rate. An increased of 100 basic points in interest rate would have decreased the Company's net profit by VND28,232 million (six-month period ended 30 June 2013: VND23,898 million).

**Minh Phu Seafood Joint Stock Company**

**Notes to the separate interim financial statements for the six-month period ended 30 June 2014 (continued)**

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**(e) Fair value**

**(i) Fair values versus carrying amounts**

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

|   | 30/06/2014            |                   | 31/12/2013            |                   |
|---|-----------------------|-------------------|-----------------------|-------------------|
|   | Carrying value<br>VND | Fair value<br>VND | Carrying value<br>VND | Fair value<br>VND |
| Categorised as loans and receivables:         |                       |                   |                       |                   |
| ▪ Cash and cash equivalents                   | 2,331,266,367         | 2,331,266,367     | 1,121,457,890,890     | 1,121,457,890,890 |
| ▪ Trade and other receivables                 | 1,186,448,957,826     | (*)               | 1,033,172,033,960     | (*)               |
| ▪ Other financial assets                      | 548,806,508,578       | (*)               | 109,669,008,578       | (*)               |
| 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                       | 1,484,247,473,316     | (*)               | 1,487,866,473,342     | (*)               |
| Categorised as liabilities at amortised cost: |                       |                   |                       |                   |
| ▪ Trade and other payables                    | (534,615,733,835)     | (*)               | (444,114,558,742)     | (*)               |
| ▪ Borrowings                                  | (3,621,881,229,620)   | (*)               | (3,176,963,800,481)   | (*)               |
|   | (919,851,647,957)     |                   | 145,898,156,958       |                   |

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

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(ii) *Basis for determining fair values*

*Investments in equity and debt securities*

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

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

**28. Significant transactions with related parties**

**Identity of related parties**

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

**Significant transactions with subsidiaries and associates**

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

|                                   | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|-----------------------------------|--|--|
| <b>Minh Qui Seafood Co., Ltd</b>  |  |  |
| Purchases of finished goods       | 1,121,599,226                            | 9,504,892,943                            |
| Sales of finished goods           | 104,590,441,950                          | 114,471,738,898                          |
| Factory rental fees               | 9,000,000,000                            | 9,000,000,000                            |
| <b>Minh Phat Seafood Co., Ltd</b> |  |  |
| Purchases of finished goods       | 5,203,488,935                            | -  |
| Sales of finished goods           | 15,341,548,056                           | 58,583,959,450                           |
| Factory rental fees               | 9,900,000,000                            | 9,900,000,000                            |

**Minh Phu Seafood Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended**  
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|   | 1/1/2014 to<br>30/6/2014<br>VND | 1/1/2013 to<br>30/6/2013<br>VND |
|---|---------------------------------|---------------------------------|
| <b>Minh Phu Hau Giang Seafood JSC</b>                             |                                 |                                 |
| Purchases of raw materials  | 1,442,417,312                   | 2,048,924,504                   |
| Purchases of finished goods                                       | 1,277,198,032,070               | 893,249,213,697                 |
| Sales of raw materials  | 1,701,311,929                   | 1,322,980,737                   |
| Sales of finished goods   | 888,859,087,350                 | 373,509,298,757                 |
| Rental income   | 1,000,000,000                   | -                               |
| Processing fees   | 32,648,866                      | 160,069,120                     |
| Warehouse rental  | 1,379,826,357                   | 2,464,982,637                   |
| <b>Minh Phu Kien Giang Seafood Co., Ltd</b>                       |                                 |                                 |
| Purchases of raw materials  | 7,011,214,050                   | 7,469,465,550                   |
| Sales of merchandise  | 11,709,450,100                  | 10,783,106,270                  |
| <b>Minh Phu Loc An Aquaculture Co., Ltd</b>                       |                                 |                                 |
| Purchases of raw materials  | -                               | 166,848,000                     |
| Sales of raw materials  | 1,738,832,400                   | 1,722,526,762                   |
| Compensation income   | -                               | 70,000,000                      |
| <b>Minh Phu Organic Shrimp Farming Co., Ltd</b>                   |                                 |                                 |
| Purchases of raw materials  | -                               | 175,829,768                     |
| <b>Mseafood Corporation</b>                                       |                                 |                                 |
| Sales of finished goods   | 1,384,134,726,489               | 760,204,725,464                 |
| Return goods  | 73,744,746,190                  | -                               |
| <b>Minh Phu Hoa Dien Aquaculture One Member Company</b>           |                                 |                                 |
| Purchases of raw materials  | 2,915,778,200                   | 2,317,959,810                   |
| Sales of merchandise  | 2,136,574,900                   | 2,536,477,230                   |
| Capital contribution  | -                               | 1,936,792,260                   |
| <b>Minh Phu Aquamekong Aquaculture Technique Service Co., Ltd</b> |                                 |                                 |
| Capital contribution  | 3,900,000,000                   | -                               |
| <b>Long Phung Investment Corporation</b>                          |                                 |                                 |
| Office rental   | 1,110,784,592                   | 1,107,416,850                   |

**Minh Phu Seafood Joint Stock Company**  
**Notes to the separate interim financial statements for the six-month period ended**  
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**Transactions with key management personnel**

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

|                                       | <b>1/1/2014 to<br/>30/6/2014<br/>VND</b> | <b>1/1/2013 to<br/>30/6/2013<br/>VND</b> |
|---------------------------------------|--|--|
| Remunerations and business allowances | 3,535,271,945                            | 2,627,294,002                            |

**29. Capital commitments**

**(a) Capital expenditure**

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

|                         | <b>30/6/2014<br/>VND</b> | <b>31/12/2013<br/>VND</b> |
|-------------------------|--------------------------|---------------------------|
| Approved and contracted | 9,660,871,499            | 14,443,418,999            |

**(b) Leases**

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

|                 | <b>30/6/2014<br/>VND</b> | <b>31/12/2013<br/>VND</b> |
|-----------------|--------------------------|---------------------------|
| Within one year | 19,858,851,920           | 39,369,720,427            |



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

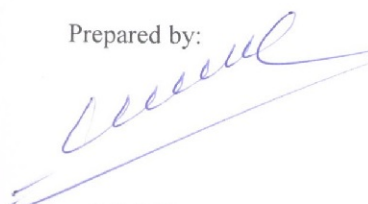
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**30. Production and business costs by element**

|   | 1/1/2014 to<br>30/6/2014<br>VND | 1/1/2013 to<br>30/6/2013<br>VND |
|---|---------------------------------|---------------------------------|
| Raw material costs included in production costs | 4,449,650,149,486               | 2,860,821,719,416               |
| Labour costs and staff costs                    | 222,587,664,651                 | 155,957,749,241                 |
| Depreciation and amortisation                   | 12,669,315,379                  | 12,019,972,035                  |
| Outside services                                | 125,626,485,347                 | 93,447,789,118                  |
| Other expenses                                  | 57,066,918,011                  | 52,334,574,863                  |

15 August 2014

Prepared by:



Luu Minh Trung  
Chief Accountant

Approved by:




Le Van Quang  
General Director