



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

Consolidated interim financial
statements for the six-month period
ended 30 June 2016

Minh Phu Seafood Joint Stock Company

Corporate Information

Business Registration Certificate	6103000072	12 May 2006
	6103000072 (1 st amendment)	25 May 2007
	6103000072 (2 nd amendment)	12 November 2007
	2000393273	23 June 2010
	2000393273 (1 st amendment)	15 October 2014
	2000393273 (2 nd amendment)	15 December 2015

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

Board of Management	Mr. Le Van Quang	Chairman
	Ms. Chu Thi Binh	Vice chairwoman
	Mr. Chu Van An	Member
	Mr. Le Van Diep	Member
	Mr. Le Ngoc Anh	Member
	Ms. Le Thi Diu Minh	Member
	Ms. Dinh Anh Tuyet	Member (until 7 May 2016)
	Mr. Jean-Eric Jacquemin	Member (until 7 May 2016)

Board of Directors	Mr. Le Van Quang	General Director
	Ms. Chu Thi Binh	Deputy General Director
	Mr. Chu Van An	Deputy General Director
	Mr. Thai Hoang Hung	Deputy General Director
	Mr. Nguyen Tan Anh	Deputy General Director
	Mr. Le Van Diep	Deputy General Director
	Mr. Bui Anh Dung	Deputy General Director
	Mr. Le Ngoc Anh	Deputy General Director
	Ms. Le Thi Diu Minh	Deputy General Director

Supervisory Board	Ms. Pham Hoang Yen	Head of Board (from 7 May 2016)
	Mr. Nguyen Thien Tam	Head of Board (until 7 May 2016)
	Mr. Tran Van Khanh	Member
	Ms. Nguyen Thi Hong Cuc	Member
	Ms. Do Thi Hanh	Member
	Ms. Le Thi Thanh Thuy	Member (until 7 May 2016)

Registered Office	Ward 8 Industrial Zone Ca Mau City, Ca Mau Province Vietnam
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Auditor	KPMG Limited Vietnam
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Minh Phu Seafood Joint Stock Company
Statement of the Board of Directors

The Board of Directors of Minh Phu Seafood Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries (together referred to as “the Group”) for the six-month period ended 30 June 2016.

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

- (a) the consolidated interim financial statements set out on pages 5 to 61 give a true and fair view of the consolidated financial position of the Group as at 30 June 2016, and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period then ended in accordance with Vietnamese Accounting Standard, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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



On behalf of the Board of Directors

Le Van Quang
General Director

Ca Mau Province, 22 August 2016



KPMG Limited Branch

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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Minh Phu Seafood Joint Stock Company

We have reviewed the accompanying consolidated interim financial statements of Minh Phu Seafood Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated balance sheet as at 30 June 2016, the consolidated statements of income and the consolidated cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Directors on 22 August 2016, as set out on pages 5 to 61.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Minh Phu Seafood Joint Stock Company and its subsidiaries as at 30 June 2016 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, 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

Review Report No.: 15-01-268/2016R



Nguyễn Thanh Nghi

Practicing Auditor Registration

Certificate No. 0304-2013-007-1

Deputy General Director

Ho Chi Minh City, 22 August 2016

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2016

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2016 VND	1/1/2016 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		6,645,715,028,844	7,264,438,888,490
Cash and cash equivalents	110	6	1,151,104,101,716	864,823,486,140
Cash	111		102,177,501,716	578,823,486,140
Cash equivalents	112		1,048,926,600,000	286,000,000,000
Short-term financial investments	120		758,773,616,221	894,002,745,737
Trading securities	121	7(a)	14,811,109,411	14,811,109,411
Allowance for diminution in the value of trading securities	122	7(a)	(8,378,460,000)	(8,378,460,000)
Held-to-maturity investments	123	7(b)	752,340,966,810	887,570,096,326
Accounts receivable – short-term	130		914,847,010,532	1,114,455,345,950
Accounts receivable from customers	131	8	774,106,807,684	1,024,840,613,115
Prepayments to suppliers	132		23,096,940,442	24,453,712,846
Loan receivable	135	9	10,000,000,000	-
Other short-term receivables	136	10(a)	109,606,801,943	67,124,559,526
Allowance for doubtful debts	137	11	(1,963,539,537)	(1,963,539,537)
Inventories	140	12	3,769,357,188,100	4,312,733,437,709
Inventories	141		3,790,417,892,397	4,353,040,535,725
Allowance for inventories	149		(21,060,704,297)	(40,307,098,016)
Other current assets	150		51,633,112,275	78,423,872,954
Short-term prepaid expenses	151	16(a)	3,047,173,122	1,702,953,528
Deductible value added tax	152		20,675,497,940	51,481,759,271
Taxes receivable from State Treasury	153	19(b)	27,910,441,213	25,239,160,155

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2016 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2016 VND	1/1/2016 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		1,914,883,423,103	1,960,709,044,784
Accounts receivable – long-term	210		294,808,071,658	240,968,677,481
Other long-term receivables	216	10(b)	294,808,071,658	240,968,677,481
Fixed assets	220		1,230,735,928,750	1,315,798,837,474
Tangible fixed assets	221	13	1,083,739,379,132	1,166,508,919,101
Cost	222		2,006,409,801,384	2,001,193,042,633
Accumulated depreciation	223		(922,670,422,252)	(834,684,123,532)
Intangible fixed assets	227	14	146,996,549,618	149,289,918,373
Cost	228		161,372,030,700	161,463,696,680
Accumulated amortisation	229		(14,375,481,082)	(12,173,778,307)
Long-term work in progress	240		145,335,842,284	145,000,706,037
Construction in progress	242	15	145,335,842,284	145,000,706,037
Long-term financial investments	250	7(c)	114,271,100,000	114,271,100,000
Investments in associates	252		107,271,100,000	107,271,100,000
Equity investments in other entities	253		7,000,000,000	7,000,000,000
Other long-term assets	260		129,732,480,411	144,669,723,792
Long-term prepaid expenses	261	16(b)	93,897,864,919	99,156,557,781
Deferred tax assets	262	17	29,914,232,256	38,048,334,925
Goodwill	269	18	5,920,383,236	7,464,831,086
TOTAL ASSETS (270 = 100 + 200)	270		8,560,598,451,947	9,225,147,933,274

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2016 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2016 VND	1/1/2016 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		6,302,682,978,912	6,981,587,955,942
Current liabilities	310		2,762,865,586,029	2,941,719,921,692
Accounts payable to suppliers	311		221,060,440,561	185,066,153,541
Advances from customers	312		16,623,938,232	15,504,424,887
Taxes payable to State Treasury	313	19(a)	1,242,682,124	17,331,488,346
Payables to employees	314		68,495,158,452	63,684,615,987
Accrued expenses	315	20	78,165,164,836	124,043,225,171
Other payables – short-term	319	22(a)	80,588,165,577	62,164,819,324
Short-term borrowings	320	23(a)	2,243,013,108,034	2,385,554,124,520
Bonus and welfare fund	322	25	53,676,928,213	88,371,069,916
Long-term liabilities	330		3,539,817,392,883	4,039,868,034,250
Long-term unearned revenue	336	21	39,038,252,385	39,038,252,385
Other payables – long-term	337	22(b)	4,216,856,000	4,216,856,000
Bonds	338	23(b)	3,472,416,666,675	3,968,916,666,671
Deferred tax liabilities	341	17	21,626,850,846	24,958,626,502
Provision – long-term	342	24	2,518,766,977	2,737,632,692
EQUITY (400 = 410)	400		2,257,915,473,035	2,243,559,977,332
Owners' equity	410	26	2,257,915,473,035	2,243,559,977,332
Share capital	411	27	700,000,000,000	700,000,000,000
Capital surplus	412		177,876,869,236	177,876,869,236
Treasury shares	415	27	(80,162,090,861)	(80,162,090,861)
Foreign exchange differences	417		117,272,811,743	115,856,340,820
Investment and development fund	418	28	69,107,578,395	74,079,253,264
Retained profits	421		794,266,616,416	774,411,832,544
Non-controlling interest	429		479,553,688,106	481,497,772,329
TOTAL RESOURCES (440 = 300 + 400)	440		8,560,598,451,947	9,225,147,933,274

22 August 2016

Prepared by:

Luu Minh Trung
Chief Accountant

Approved by:

Le Van Quang
General Director



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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2016

Form B 02a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2016 VND	30/6/2015 VND
Revenue from sales of goods	01	30	4,772,877,504,014	4,798,044,887,682
Revenue deductions	02	30	57,117,142,395	108,533,884,751
Net revenue (10 = 01 - 02)	10	30	4,715,760,361,619	4,689,511,002,931
Cost of sales	11	31	4,266,476,658,786	4,255,326,452,301
Gross profit (20 = 10 - 11)	20		449,283,702,833	434,184,550,630
Financial income	21	32	52,504,273,815	139,149,136,301
Financial expenses	22	33	162,603,624,312	204,257,580,513
<i>In which: Interest expense</i>	23		<i>121,816,842,966</i>	<i>98,948,641,864</i>
Selling expenses	25	34	271,849,781,847	302,846,867,352
General and administration expenses	26	35	104,864,956,412	89,001,274,446
Net operating loss {30 = 20 + (21 - 22) - (25 + 26)}	30		(37,530,385,923)	(22,772,035,380)
Other income	31	36	69,466,476,017	15,253,859,391
Other expenses	32	37	1,625,771,514	5,401,240,158
Results of other activities (40 = 31 - 32)	40		67,840,704,503	9,852,619,233
Accounting profit/(loss) before tax (50 = 30 + 40)	50		30,310,318,580	(12,919,416,147)
Income tax expense – current	51	39	6,357,492,669	25,264,109,780
Income tax expense/(benefit) – deferred	52	39	4,802,327,013	(21,142,981,384)
Net profit/(loss) after tax (carried forward to next page) (60 = 50 - 51 - 52)	60		19,150,498,898	(17,040,544,543)

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

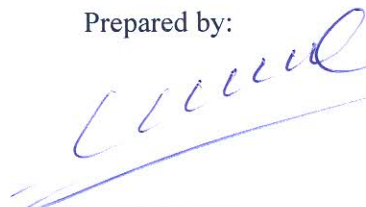
Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2016
(continued)

Form B 02a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2016 VND	30/6/2015 VND
Net profit/(loss) after tax (brought forward from previous page) (60 = 50 - 51 - 52)	60		19,150,498,898	(17,040,544,543)
Attributable to:				
Equity holders of the Company	61		20,453,238,415	11,099,670,774
Non-controlling interest	62		(1,302,739,517)	(28,140,215,317)
Basic earnings per share	70	40	299	162

22 August 2016

Prepared by:



Luu Minh Trung
Chief Accountant

Approved by:



Le Van Quang
General Director

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2016
(Indirect method)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2016 VND	30/6/2015 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit/(loss) before tax	01		30,310,318,580	(12,919,416,147)
Adjustments for				
Depreciation and amortisation	02		93,744,129,407	84,926,454,639
Allowances and provisions	03		(19,120,393,719)	(1,660,916,658)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		3,416,024,149	84,257,777,442
Gains on disposals of fixed assets	05		(81,774,123)	(180,000,000)
Gains on revaluation of assets contributed to an associate	05		-	(40,631,650,442)
Construction in progress written off	05		391,363,753	-
Interest income	05		(36,805,768,224)	(58,417,208,466)
Dividend income	05		(62,946,000)	(188,823,000)
Interest expense and bonds issuance costs	06		125,316,842,970	98,948,641,864
Operating profit before changes in working capital	08		197,107,796,793	154,134,859,232
Change in receivables	09		150,290,856,114	104,264,507,141
Change in inventories	10		556,522,058,811	(1,694,483,276,730)
Change in payables and other liabilities	11		30,483,441,493	(11,349,547,796)
Change in prepaid expenses	12		3,942,610,693	415,477,752
			938,346,763,904	(1,447,017,980,401)
Interest paid	14		(127,650,716,925)	(92,137,735,701)
Income tax paid	15		(25,648,529,741)	(37,215,468,720)
Other payments for operating activities	17		(40,483,136,830)	(14,733,436,817)
Net cash flows from operating activities	20		744,564,380,408	(1,591,104,621,639)

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2016
(Indirect method - continued)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2016 VND	30/6/2015 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(9,391,424,813)	(106,219,459,029)
Proceeds from disposals of fixed assets	22		1,458,181,818	180,000,000
Payments for granting loans to an associate	23		(10,000,000,000)	-
Payments for term deposits	23		(337,302,498,440)	(131,800,000,000)
Collection from term deposits	24		472,525,000,000	892,197,601,693
Payments for investments in associates	25		-	(8,609,978,829)
Receipts of interest and dividends	27		31,946,634,723	69,723,074,179
Acquisition of subsidiary, net of cash acquired	29		-	(3,260,046,575)
Cash collection from disposals of a subsidiary	29		33,000,000,000	-
Net cash flows from investing activities	30		182,235,893,288	712,211,191,439
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from capital contribution by non-controlling interest	31		-	100,000,000
Proceeds from borrowings and bonds	33		3,557,876,797,444	10,618,758,067,765
Payments to settle loan principals	34		(4,199,182,714,945)	(8,719,284,924,699)
Payments for bonds issuance costs	34		-	(24,472,222,222)
Net cash flows from financing activities	40		(641,305,917,501)	1,875,100,920,844

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2016
(Indirect method - continued)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2016 VND	30/6/2015 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50		285,494,356,195	996,207,490,644
Cash and cash equivalents at the beginning of the period	60		864,823,486,140	82,925,910,682
Impact of exchange rate fluctuation	61		786,259,381	(1,001,397,475)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	6	1,151,104,101,716	1,078,132,003,851

22 August 2016

Prepared by:

Luu Minh Trung
Luu Minh Trung
Chief Accountant

Approved by:

Le Van Quang
Le Van Quang
General Director



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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2016

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

1. Reporting entity

(a) Ownership structure

Minh Phu Seafood Joint Stock Company (“the Company”) is incorporated as a joint stock company under Business Registration Certificate No. 2000393273 issued by Ca Mau Province’s Department of Planning and Investment on 23 June 2010.

The consolidated interim financial statements of the Company for the six-month period ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

(b) Principal activities

The principal activities of the Group are to breed, process and trade in aquatic products; to trade in aquatic breeds and aquatic foods; and to trade in machinery and equipment for aquaculture.

(c) Normal operating cycle

The normal operating cycle of the Group is generally within 12 months.

(d) Group structure

As at 30 June 2016, the Company had 12 subsidiaries (1/1/2016: 11 subsidiaries) as listed below:

Subsidiaries	Principal activity	% of ownership	
		30/6/2016	1/1/2016
Mseafood Corporation	Trade in aquatic products.	90.0%	90.0%
Minh Phu Hau Giang Seafood Joint Stock Company	Process and trade in fish powder, aquatic products, bio-diesel fuel from fish oil, aquatic products; trade in goods, materials, machinery and equipment for aquaculture; invest and trade in infrastructure; conduct construction of civil and industrial works.	67.5%	67.5%
Minh Qui Seafood Co., Ltd.	Process and trade in aquatic products, import materials, machinery and equipment for aquaculture.	97.5%	97.5%

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Subsidiaries	Principal activity	% of ownership	
		30/6/2016	1/1/2016
Minh Phat Seafood Co., Ltd.	Process and trade in aquatic products, import materials, machinery and equipment for aquaculture.	95.0%	95.0%
Minh Phu - Kien Giang Seafood Co., Ltd.	Breed aquaculture products; process, preserve aquatic products; produce aquatic breeds; trade in machinery and equipment for aquaculture.	99.1%	99.1%
Minh Phu Aquatic Larvae Co., Ltd.	Produce, supply and trade in aquatic breeds; process, preserve aquatic products; trade in food and materials for livestock, poultry and aquaculture.	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.	100%	100%
Minh Phu Bio Co., Ltd.	Produce biological products and fertilizer for agriculture.	100%	100%
Minh Phu Seafood Supply Chain Co., Ltd.	Breed aquacultural products; process, preserve aquatic products; produce aquatic breeds; trade in machinery and equipment for aquaculture.	100%	100%
Ebisumo Logistic Co., Ltd.	Trade in aquatic products.	100%	100%
Minh Phu Food Co., Ltd. (*)	Trade in agricultural and forest products.	100%	-
Minh Phu Hau Giang Port Corporation	Construct container terminal, petrol and gas terminal; trade in gas, petrol; trade in machinery and equipment for production.	83.72%	83.72%

(*) On 23 March 2016, under Minutes No. 233/HDQT.MPC.16, the Board of Management resolved to establish Minh Phu Food Co., Ltd., located in Hau Giang Province, Vietnam with the authorised legal capital of VND40,800,000,000. The Company has not fully contributed the capital at the reporting date.

As at 30 June 2016, the Company had 3 associates (1/1/2016: 3 associates) as listed in Note 7(c).

As at 30 June 2016, the Group had 11,498 employees (1/1/2016: 12,956 employees).

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2016 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for consolidated interim financial statement presentation purpose.

3. Summary of significant accounting policies

The accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the latest consolidated annual financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

Minh Phu Seafood Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2016 (continued)

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(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the separate financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

(iv) Associates

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

(v) Transactions eliminated on consolidation

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

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(b) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of the account transfer buying rates and selling rates at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the consolidated interim statement of income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to VND at exchange rates at the end of the annual accounting period. The income and expenses of foreign operations are translated to VND at exchange rates at the dates of transactions.

Foreign currency differences arising from the translation of foreign operations are recognised in the consolidated balance sheet under the caption “Foreign exchange differences” in equity.

(c) Cash and cash equivalents

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

(d) Investments

(i) Trading securities

Trading securities are those held by the Group for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities’ carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

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(ii) Held-to-maturity investments

Held-to-maturity investments are those that the Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at costs less allowance for doubtful debts.

(iii) Investments in equity instruments of other entities

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. 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.

(e) Accounts receivable

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

(f) Inventories

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

The Group applies the perpetual method of accounting for inventory.

(g) Tangible fixed assets

(i) Cost

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

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(ii) Depreciation

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

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

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

- those granted by the State for which land use payments are collected;
- those acquired in a legitimate transfer; and
- rights to use leased land obtained before the effective date of Land Law (2003) for which payments have been made in advance for more than 5 years and supported by land use rights certificate issued by competent authority.

Land use rights with definite period of use 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 the period of use.

Land use rights with indefinite period of use are stated at cost and not amortised.

(ii) Software

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

(i) Construction in progress

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

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(j) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease of from 6 to 20 years.

(ii) 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 prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(k) Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

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

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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.

Provision for severance allowance to be paid to the existing eligible employees as of 30 June 2016 has been made based on the eligible employees’ years of service, being the total employees’ years of service less the number of years for which the employees participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company, if any, and their average salary for the six-month period prior to the end of the annual accounting period.

(n) Bonds issued

Straight bonds

At initial recognition, straight bonds are measured at cost which comprises proceeds from issuance net of issuance costs. Any discount, premium or issuance costs are amortised on a straight-line basis over the term of the bond.

(o) Share capital

(i) *Ordinary shares*

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(ii) *Repurchase and reissue of ordinary shares (treasury shares)*

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

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(m) Taxation

Income tax on the consolidated profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated interim 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 end of the annual accounting period, 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 end of the annual accounting period.

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.

(p) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the consolidated interim statement of income when 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. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Interest income

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

(iii) Dividend income

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

(q) Operating lease payments

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

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(r) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(s) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare fund for the annual accounting period) of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options. For the six-month period ended 30 June 2016, the Company did not have any potential dilutive shares.

(t) Segment reporting

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

(u) Related parties

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Group and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

4. Seasonality of operations

The Group's aquatic segment is subject to seasonal fluctuations as a result of weather conditions and consumption demand. In particular, the cultivation of aquaculture breeding in key geographic areas are adversely affected by dry seasons, which occur primarily from January to May. The Group attempts to minimise the seasonal impact by managing inventories to meet demand during this period. This segment typically has lower revenue and results for the first half of the year because the consumption demand of customers for the first half of the year is significant lower as compared to the second half of the year as results of festival seasons around the world.

For the six-month period ended 30 June 2016, the aquatic segment reported revenue of VND4,715,760 million (for the six-month period ended 30 June 2015: VND4,689,511 million) and profit before tax of VND30,310 million (for the six-month period ended 30 June 2015: loss VND12,919 million).



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5. Segment reporting

(a) Business segments

The Group comprise the following main business segments:

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

<i>For six-month period ended 30 June 2016</i>	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
External revenue	-	2,694,765,147,817	2,004,191,752,287	16,803,461,515	-	4,715,760,361,619
Inter-segment revenue	47,201,852,316	2,595,471,327,148	52,574,982,310	22,652,708,200	(2,717,900,869,974)	-
Total segment revenue	47,201,852,316	5,290,236,474,965	2,056,766,734,597	39,456,169,715	(2,717,900,869,974)	4,715,760,361,619
Segment result	(31,573,579,291)	157,004,013,526	(57,090,262,773)	(6,261,644,345)	10,490,437,457	72,568,964,574
Financial income						52,504,273,815
Financial expenses						(162,603,624,312)
Result from operating activities						(37,530,385,923)
Other income						69,466,476,017
Other expenses						(1,625,771,514)
Income tax						(11,159,819,682)
Net profit after tax						19,150,498,898

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<i>For six-month period ended 30 June 2015</i>	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
External revenue	148,796,000	2,568,034,269,195	2,099,507,343,109	21,820,594,627	-	4,689,511,002,931
Inter-segment revenue	29,448,617,197	2,870,149,182,978	30,218,776,404	79,896,547,472	(3,009,713,124,051)	-
Total segment revenue	29,597,413,197	5,438,183,452,173	2,129,726,119,513	101,717,142,099	(3,009,713,124,051)	4,689,511,002,931
Segment result	(33,252,880,436)	8,238,318,889	15,865,387,430	14,670,898,057	36,814,684,892	42,336,408,832
Financial income						139,149,136,301
Financial expenses						(204,257,580,513)
Result from operating activities						(22,772,035,380)
Other income						15,253,859,391
Other expenses						(5,401,240,158)
Income tax						(4,121,128,396)
Net loss after tax						(17,040,544,543)

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<i>As at 30 June 2016</i>	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	272,666,710,369	6,820,416,177,360	1,896,705,471,490	126,370,802,528	(1,473,287,343,173)	7,642,871,818,574
Investment in equity accounted associates	-	1,471,010,060,671	-	98,000,000,000	(1,454,738,960,671)	114,271,100,000
Unallocated assets						803,455,533,373
Total assets						8,560,598,451,947
Segment liabilities	245,160,367,045	6,206,383,255,189	1,228,976,647,606	13,033,705,313	(1,412,834,650,073)	6,280,719,325,080
Unallocated liabilities						21,963,653,832
Total liabilities						6,302,682,978,912
For six-month period ended 30 June 2016						
Capital expenditure	-	9,264,924,813	-	126,500,000	-	9,391,424,813
Depreciation and amortisation	10,721,873,121	79,006,704,924	158,338,635	2,312,764,877	1,544,447,850	93,744,129,407

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<i>As at 1 January 2016</i>	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	281,974,726,408	7,283,134,202,193	1,849,825,944,332	129,427,067,667	(1,387,056,879,992)	8,157,305,060,608
Investment in equity accounted associates						107,271,100,000
Unallocated assets						960,571,772,666
Total assets						9,225,147,933,274
Segment liabilities	-	-	-	-	-	6,928,831,801,649
Unallocated liabilities						52,756,154,293
Total liabilities						6,981,587,955,942
<i>For six-month period ended 30 June 2015</i>						
Capital expenditure	511,574,344	94,987,588,204	-	10,720,296,481	-	106,219,459,029
Depreciation and amortisation	10,454,841,549	70,364,082,575	157,887,582	2,405,195,083	1,544,447,850	84,926,454,639

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(b) Geographical segments

(i) Segment revenue

	External revenue	
	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Vietnam	30,541,801,069	177,464,166,054
North America	2,333,923,479,546	2,309,044,257,245
Europe	455,540,720,682	316,237,767,393
Japan	896,428,995,313	882,216,556,335
Korea	338,380,222,184	328,992,644,882
Others	660,945,142,825	675,555,611,022
	4,715,760,361,619	4,689,511,002,931

(ii) Segment assets

	Total assets	
	30/6/2016	1/1/2016
	VND	VND
Vietnam	6,952,097,362,093	7,551,260,469,265
North America	1,604,244,835,350	1,673,887,464,009
Japan	4,256,254,504	-
	8,560,598,451,947	9,225,147,933,274

6. Cash and cash equivalents

	30/6/2016	1/1/2016
	VND	VND
Cash on hand	4,071,629,144	4,117,069,597
Cash in banks	98,105,872,572	574,706,416,543
Cash equivalents	1,048,926,600,000	286,000,000,000
	1,151,104,101,716	864,823,486,140

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Investments

Trading securities

	30/6/2016				1/1/2016			
	Quantity	Carrying amount VND	Fair value VND	Allowance for diminution in value VND	Quantity	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Short-term investments in shares:								
▪ PetroVietnam Transportation Corporation	141,800	6,004,500,000	1,956,840,000	(4,019,300,000)	141,800	6,004,500,000	1,446,360,000	(4,019,300,000)
▪ No.8 Investment & Construction JSC	112,000	5,263,000,000	952,000,000	(4,359,160,000)	112,000	5,263,000,000	952,000,000	(4,359,160,000)
▪ REE Corporation	8	80,000	164,000	-	8	80,000	201,600	-
▪ Vietnam Pyramid New Technology Corporation	18,823	272,941,176	449,681,470	-	18,823	272,941,176	449,681,470	-
▪ Van Dien Fused Magnesium Phosphate Fertilizer JSC	125,882	3,270,588,235	2,202,935,000	-	125,882	3,270,588,235	2,265,876,000	-
		14,811,109,411	5,561,620,470	(8,378,460,000)		14,811,109,411	5,114,119,070	(8,378,460,000)

There was no movement in the allowance for diminution in value of investments during the period.

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(b) Held-to-maturity investments

	30/6/2016	1/1/2016
	VND	VND
Term deposits	752,340,966,810	887,570,096,326

This represented term deposits with the maturity of less than a year and earned interest at rates ranging from 4.9% to 6.5% per annum during the period (year end 31 December 2015: from 5.0% to 7.0% per annum).

At 30 June 2016, term deposits with carrying value of VND629,100 million (1/1/2016: VND687,070 million) were pledged with banks as security for loans granted to the Group (Note 23(a)).

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(c) Equity investments in other entities

30 June 2016

Equity investments in:

Associates

- Minh Phu Aquamekong Aquaculture
- Technique Service Co., Ltd.
- Mekong Logistic Company Limited
- Vietnam Food Company Limited

Ho Chi Minh City, Vietnam
Hau Giang Province, Vietnam
Ca Mau Province, Vietnam

	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
	49.0%	49.0%	3,900,000,000	(*)	-
	41.0%	49.0%	98,000,000,000	(*)	-
	23.6%	35.0%	5,371,100,000	(*)	-
			107,271,100,000		-
Other					
▪ Saigon – Camau Infrastructure Corporation	10.0%	10.0%	7,000,000,000	(*)	-
			114,271,100,000		-

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1 January 2016	Address	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
Equity investments in:						
Associates						
■ Minh Phu Aquamekong Aquaculture Technique Service Co., Ltd.	Ho Chi Minh City, Vietnam	49.0%	49.0%	3,900,000,000	(*)	-
■ Mekong Logistic Company Limited	Hau Giang Province, Vietnam	41.0%	49.0%	98,000,000,000	(*)	-
■ Vietnam Food Company Limited	Ca Mau Province, Vietnam	23.6%	35.0%	5,371,100,000	(*)	-
				107,271,100,000		-
Other						
■ Saigon – Camau Infrastructure Corporation	Ca Mau Province, Vietnam	10.0%	10.0%	7,000,000,000	(*)	-
				114,271,100,000		-

The Group's associates were still in their pre-operating stage as of 30 June 2016.

(*)

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

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8. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	30/6/2016	1/1/2016
	VND	VND
Censea Inc.	164,227,366,265	208,362,590,678
H.T. Foods PVT Ltd	85,653,413,389	53,996,760,888
Kailis Bros PTY Ltd	35,747,636,538	133,140,037,118
Other customers	488,478,391,492	629,341,224,431
	<hr/>	
	774,106,807,684	1,024,840,613,115
	<hr/> <hr/>	

(b) Accounts receivable from customers who are related parties

	30/6/2016	1/1/2016
	VND	VND
Associate		
Saigon – Camau Infrastructure Corporation	2,058,898,500	2,058,898,500
Minh Phu Aquamekong Aquaculture Technique Service Co., Ltd.	42,167,500	-
	<hr/>	

The trade related amounts due from related parties were unsecured, interest free and are receivable upon demand.

Accounts receivable from customers at 30 June 2016 included VND370,031 million (1/1/2016: VND454,473 million) pledged with banks as security for loans granted to the Group (Note 23).

9. Loan receivable

The amount represented loan to Mekong Logistic Company Limited, an associate. The loan is unsecured and earned interest at rates at 7% per annum (year ended 31 December 2015: nil) and is receivable within 12 months from the date of disbursement.

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10. Other receivables

(a) Other short-term receivables comprised

	30/6/2016	1/1/2016
	VND	VND
Interest receivable from deposits	18,977,940,419	14,055,860,918
Receivable from disposal of a subsidiary	-	33,000,000,000
Loans to employees (*)	3,540,290,013	4,300,361,909
Social and health insurance receivable from employees	6,208,965,767	2,383,050,863
Advance to employees	3,329,570,111	2,116,731,258
Short-term deposits (**)	52,431,102,950	-
Others	25,118,932,683	11,268,554,578
	109,606,801,943	67,124,559,526

(*) Loans to employees were unsecured, interest free and are receivable on demand.

(**) Short-term deposit represented amounts deposit at the bank for opening letter of credit to purchase merchandise. The amount is interest free and receivable within one year.

(b) Other long-term receivables comprised

	30/6/2016	1/1/2016
	VND	VND
Antidumping tax (*)	287,501,563,080	240,968,677,481
Advance to a shrimp farmer (**)	7,306,508,578	-
	294,808,071,658	240,968,677,481

(*) These amounts represented the prepayments of antidumping tax. Prior to 18 July 2016, pursuant to the United States of America's Antidumping Law, Mseafood Corporation ("Mseafood"), a subsidiary specializing in shrimp imports from the Group into the United States of America, is required to pay antidumping tax based on the annual administrative review decision of the United States of America's Department of Commerce ("DOC"). For each annual period, Mseafood is required to make a provisional payment based on the specific tax rate stipulated by DOC. On 18 July 2016, DOC issued a decision to implement the bilateral agreement between the United States of America and Vietnam in order to resolve the dispute over shrimp antidumping lawsuit with the World Trade Organisation. As a result, the Group will no longer be subject to the antidumping tax order from 18 July 2016. In addition, part of the prepayments of antidumping tax will be refunded to the Group. At the reporting date, the Group is in the process to finalise the refunded amount.

(**) The amount represented the advance to a shrimp farmer to support for the shrimp hatching, which were secured by the farmer's land use rights. The advance is interest free and receivable within 2 years.

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Bad and doubtful debts

	30/6/2016		1/1/2016	
	Overdue days	Carrying amount VND	Recoverable amount VND	Allowance VND
Overdue debts				
Viet Hai Export Frozen Seafood Processing Company Limited	3 – 4 years	982,302,147	-	982,302,147
Mo O Soc Trang Seafood Joint Stock Company	3 – 4 years	771,913,390	-	771,913,390
Thanh Binh Company Limited	3 – 4 years	209,324,000	-	209,324,000
		<u>1,963,539,537</u>	<u>-</u>	<u>1,963,539,537</u>

Of which:

Allowance for doubtful debts – short-term

1,963,539,537

1,963,539,537

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12. Inventories

	30/6/2016		1/1/2016	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	-	-	23,689,618,439	-
Raw materials	137,096,245,076	-	120,548,459,934	-
Tools and supplies	7,995,533,958	-	6,436,274,665	-
Work in progress	72,686,914,868	-	68,155,627,012	-
Finished goods	3,572,639,198,495	(21,060,704,297)	4,134,210,555,675	(40,307,098,016)
	<u>3,790,417,892,397</u>	<u>(21,060,704,297)</u>	<u>4,353,040,535,725</u>	<u>(40,307,098,016)</u>

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

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
Opening balance	40,307,098,016	33,124,519,437
Increase in allowance during the period	7,469,855,295	11,270,303,816
Written back	(26,590,249,014)	(12,931,220,474)
Translation differences	(126,000,000)	103,200,163
Closing balance	<u>21,060,704,297</u>	<u>31,566,802,942</u>

At 30 June 2016 inventories with carrying value of VND2,813,523 million (1/1/2016: VND3,292,565 million) were pledged with banks as security for loans granted to the Group (Note 23).

Included in inventories at 30 June 2016 was VND295,649 million (1/1/2016: VND841,226 million) of finished goods carried at net realisable value.

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13. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	730,633,809,720	1,096,288,639,494	154,184,169,783	20,086,423,636	2,001,193,042,633
Additions	1,290,185,962	6,705,931,578	626,077,273	42,730,000	8,664,924,813
Disposals	-	-	(3,366,638,182)	-	(3,366,638,182)
Translation differences	(77,504,700)	-	-	(4,023,180)	(81,527,880)
Closing balance	731,846,490,982	1,102,994,571,072	151,443,608,874	20,125,130,456	2,006,409,801,384
Accumulated depreciation					
Opening balance	217,024,646,153	534,546,614,746	72,599,800,674	10,513,061,959	834,684,123,532
Charge for the period	25,819,343,327	54,776,000,868	8,280,530,030	1,122,104,557	89,997,978,782
Disposals	-	-	(1,990,230,487)	-	(1,990,230,487)
Translation differences	(17,426,395)	-	-	(4,023,180)	(21,449,575)
Closing balance	242,826,563,085	589,322,615,614	78,890,100,217	11,631,143,336	922,670,422,252
Net book value					
Opening balance	513,609,163,567	561,742,024,748	81,584,369,109	9,573,361,677	1,166,508,919,101
Closing balance	489,019,927,897	513,671,955,458	72,553,508,657	8,493,987,120	1,083,739,379,132

Included in the cost of tangible fixed assets were assets costing VND132,846 million which were fully depreciated as of 30 June 2016 (1/1/2016: VND121,328 million), but which are still in active use.

At 30 June 2016 tangible fixed assets with net book value of VND561,819 million (1/1/2016: VND615,262 million) were pledged with banks as security for loans granted to the Group (Note 23).

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14. Intangible fixed assets

	Indefinite land use rights VND	Definite land use rights VND	Software VND	Total VND
Cost				
Opening balance	18,751,494,650	112,561,925,700	30,150,276,330	161,463,696,680
Translation differences	(91,665,980)	-	-	(91,665,980)
Closing balance	18,659,828,670	112,561,925,700	30,150,276,330	161,372,030,700
Accumulated amortisation				
Opening balance	-	9,893,130,579	2,280,647,728	12,173,778,307
Charge for the period	-	1,115,884,383	1,085,818,392	2,201,702,775
Closing balance	-	11,009,014,962	3,366,466,120	14,375,481,082
Net book value				
Opening balance	18,751,494,650	102,668,795,121	27,869,628,602	149,289,918,373
Closing balance	18,659,828,670	101,552,910,738	26,783,810,210	146,996,549,618

Included in the cost of intangible fixed assets were assets costing VND2,742 million which were fully amortised as of 30 June 2016 (1/1/2016: VND2,742 million), but which are still in use.

At 30 June 2016 intangible fixed assets with net book value of VND85,870 million (1/1/2016: VND86,845 million) were pledged with banks as security for loans granted to the Group (Note 23).

15. Construction in progress

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
Opening balance	145,000,706,037	250,025,933,670
Additions during the period	726,500,000	38,041,938,069
Increase through business combination	-	9,413,893,104
Transfer to tangible fixed assets	-	(14,149,239,151)
Transfers to investment in associates as capital contribution	-	(55,552,872,889)
Transfer to long-term prepayments	-	(1,087,012,500)
Written-off	(391,363,753)	-
Closing balance	145,335,842,284	226,692,640,303

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Major constructions in progress were as follows:

	30/6/2016	1/1/2016
	VND	VND
Buildings	33,098,725,544	32,972,225,543
Land use rights	97,360,504,552	97,360,504,552
Machinery	4,160,994,364	3,560,994,364
Others	10,715,617,824	11,106,981,578
	<hr/>	<hr/>
	145,335,842,284	145,000,706,037
	<hr/>	<hr/>

16. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2016	1/1/2016
	VND	VND
Prepaid tools and supplies expenses	3,047,173,122	1,702,953,528
	<hr/>	<hr/>

(b) Long-term prepaid expenses

	Prepaid land	Tools and	Total
	costs	instruments	
	VND	VND	VND
Opening balance	48,800,936,169	50,355,621,612	99,156,557,781
Additions	-	10,085,751,033	10,085,751,033
Amortisation for the period	(1,585,441,109)	(13,759,002,786)	(15,344,443,895)
	<hr/>	<hr/>	<hr/>
Closing balance	47,215,495,060	46,682,369,859	93,897,864,919
	<hr/>	<hr/>	<hr/>

At 30 June 2016, long-term prepaid expenses with carrying value of VND1,347 million (1/1/2016: VND1,357 million) were pledged with banks as security for loans granted to the Group (Note 23(a)).

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17. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

	Tax rate	30/6/2016 VND	1/1/2016 VND
Deferred tax assets:			
Unrealised profits arising from intra-group transactions	44% - 52%	11,542,223,234	19,989,457,765
Provisions and allowances	10%	128,987,121	29,439,883
Unrealised gains on revaluation of assets contributed to associate	20% - 22%	8,588,415,525	8,588,415,525
Unrealised foreign exchange losses	10%	213,584,624	-
Tax losses carry-forwards	5%	9,441,021,752	9,441,021,752
		<hr/>	<hr/>
Total deferred tax assets		29,914,232,256	38,048,334,925
Deferred tax liabilities:			
Allowance for diminution in the value of investments in subsidiaries	10%	(21,626,850,846)	(24,762,347,389)
Unrealised foreign exchange gains	10%	-	(196,279,113)
		<hr/>	<hr/>
Total deferred tax liabilities		(21,626,850,846)	(24,958,626,502)
		<hr/>	<hr/>
Net deferred tax assets		8,287,381,410	13,089,708,423

18. Goodwill

	VND
Cost	
Opening and closing balance	30,888,957,000
	<hr/>
Accumulated amortisation	
Opening balance	23,424,125,914
Charge for the period	1,544,447,850
	<hr/>
Closing balance	24,968,573,764
	<hr/>
Net book value	
Opening balance	7,464,831,086
Closing balance	5,920,383,236
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19. Taxes payable to/receivable from State Treasury

(a) Taxes payable to State Treasury

	1/1/2016 VND	Incurred VND	Paid VND	Net-off VND	Translation differences VND	30/6/2016 VND
Value added tax	469,721,555	16,552,976,721	(1,572,473,726)	(14,859,246,866)	-	590,977,684
Corporate income tax	15,590,600,974	6,357,492,669	(18,014,267,893)	(3,864,067,783)	(36,735,363)	33,022,604
Personal income tax	1,270,715,817	4,122,608,199	(4,775,511,138)	-	418,958	618,231,836
Other taxes	450,000	22,242,721	(22,242,721)	-	-	450,000
	17,331,488,346	27,055,320,310	(24,384,495,478)	(18,723,314,649)	(36,316,405)	1,242,682,124

(b) Taxes receivable from State Treasury

	1/1/2016 VND	Paid VND	Received VND	Net-off VND	Translation differences VND	30/6/2016 VND
Corporate income tax	14,866,929,847	7,634,261,848	-	(3,864,067,783)	857,875	18,637,981,787
Import-export tax	9,811,447,027	56,913,784	(1,171,300,191)	-	-	8,697,060,620
Personal income tax	560,783,281	37,167,310	(22,551,785)	-	-	575,398,806
	25,239,160,155	7,728,342,942	(1,193,851,976)	(3,864,067,783)	857,875	27,910,441,213

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20. Accrued expenses

	30/6/2016	1/1/2016
	VND	VND
Antidumping tax payable for the period from 1 February 2012 to 31 January 2013	55,731,428,570	83,969,328,994
Antidumping tax payable for the period from 1 February 2013 to 31 January 2014	22,353,571,430	37,994,001,633
External service payable	80,164,836	2,079,894,544
	78,165,164,836	124,043,225,171

Antidumping tax as of and for the year ended 31 December 2013 and 31 December 2014 were charged directly to the consolidated statement of income. On 18 July 2016, the Department of Commerce (“DOC”) resolved to rescind the antidumping tax administrative reviews for the antidumping tax order on certain frozen warmwater shrimp from the Group and the accrued expense for previous periods were finalised. As a result, there is no further accrued expense for antidumping tax from now onwards.

21. Long-term unearned revenue

Long-term unearned revenue represented the unrealised gains on revaluation of assets contributed to an associate.



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22. Other payables

(a) Other payables – short-term

	30/6/2016	1/1/2016
	VND	VND
Interest payable	21,963,653,832	27,797,527,791
Dividends payable	5,177,652,973	4,379,739,291
Short-term deposits received	5,585,767,098	7,524,694,852
Social insurance, health insurance and trade union	6,627,969,116	3,678,815,570
Land rental payable	3,850,039,246	4,058,505,504
Advance from a third party (*)	30,455,006,191	7,140,634,883
Commission payable	392,099,083	708,008,981
Others	6,535,978,038	6,876,892,452
	80,588,165,577	62,164,819,324

(*) This represented cash advance received from a third party under Cooperation Agreement dated 12 August 2015 for breeding and trading aquacultural products.

(b) Other payables – long-term

	30/6/2016	1/1/2016
	VND	VND
Long-term deposits received	4,216,856,000	4,216,856,000

Other payables as at 30 June 2016 and 1 January 2016 were not overdue.

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23. Borrowings and bonds

(a) Short-term borrowings

	1/1/2016		Movements during the period		30/6/2016	
	Carrying amount VND	Amount within repayment capacity VND	Increase VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	2,385,554,124,520	2,385,554,124,520	3,556,641,698,459	(3,699,182,714,945)	2,243,013,108,034	2,243,013,108,034

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

	Currency	Annual interest rate	30/6/2016 VND	1/1/2016 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ca Mau Branch				
Loan 1	VND	5.0%	578,504,443,141	764,100,136,557
Loan 2	VND	5.0%	2,804,530,014	18,370,579,932
Loan 3	VND	5.0%	426,346,695,609	831,009,062,191
Loan 4	USD	1.5%	410,198,535,669	-
Loan 5	USD	1.5%	251,770,861,530	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ca Mau Branch				
Loan 1	VND	5.0%	285,712,015,891	312,221,609,610
Loan 2	VND	5.0%	120,848,078,355	115,544,370,180
Bank for Investment and Development of Vietnam JSC - Ca Mau Branch				
Loan 1	VND	4.7% - 5.0%	-	315,300,918,770
Loan 2	USD	1.5%	44,454,697,621	-
Vietnam International Commercial Joint Stock Bank				
Loan 1	VND	5.0%	46,251,214,110	29,007,447,280
Loan 2	USD	1.5%	20,659,069,201	-
Citibank – North America				
Loan 1	USD	Floating	55,462,966,893	-
			2,243,013,108,034	2,385,554,124,520

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

	Carrying amount as at	
	30/6/2016 VND	1/1/2016 VND
Held-to-maturity investments (term deposits) (Note 7(b))	629,100,000,000	678,070,096,326
Accounts receivable from customers (Note 8)	163,608,706,836	212,776,000,238
Inventories (Note 12)	1,438,350,244,062	1,986,749,874,765
Tangible fixed assets (Note 13)	308,844,083,332	335,907,164,351
Intangible fixed assets (Note 14)	2,144,458,514	2,175,874,192
Long-term prepaid expenses (Note 16(b))	1,347,087,172	1,356,937,172
	2,543,394,579,916	3,217,035,947,044

(b) Bonds

Terms and conditions of long-term non-convertible corporate bonds were as follows:

	Currency	Interest rate (per annum)	Year of maturity	30/6/2016 VND	1/1/2016 VND
Lot 1	VND	9.65%	2017	-	500,000,000,000
Lot 2 (*)	VND	7.50%	2020	2,480,416,666,671	2,477,916,666,669
Lot 3 (**)	VND	7.50%	2020	992,000,000,004	991,000,000,002
				3,472,416,666,675	3,968,916,666,671

(*) Corporate bonds with VND1 billion face value were issued on 20 May 2015 which were secured over long-term investments in subsidiaries with carrying value amount of VND482,895 million (1/1/2016: VND514,250 million) and were non-convertible. The bonds will be redeemed fully on 20 May 2020. The bonds are presented at total face value less issuance costs. The issuance costs are amortised on a straight-line basis over the term of the bond.

(**) Corporate bonds with VND1 billion face value were issued on 3 July 2015 and were non-convertible. The bonds were secured by the following assets of the Group:

	Carrying amount as at	
	30/6/2016 VND	1/1/2016 VND
Accounts receivable from customers (Note 8)	206,422,837,847	241,697,077,566
Inventories (Note 12)	1,375,172,802,960	1,305,814,882,463
Tangible fixed assets (Note 13)	252,974,633,677	279,354,841,532
Intangible fixed assets (Note 14)	83,725,391,203	84,668,789,694
	1,918,295,665,687	1,911,535,591,255

The bonds will be redeemed fully on 3 July 2020. The bonds are presented at total face value less issuance costs. The issuance costs are amortised on a straight-line basis over the term of the bond.

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24. Provision – long-term

Movements of long-term provision during the period were as follows:

	Severance allowance	
	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Opening balance	2,737,632,692	3,054,294,804
Provision used during the period	(218,865,715)	(118,950,446)
	<hr/>	<hr/>
Closing balance	2,518,766,977	2,935,344,358
	<hr/>	<hr/>

25. Bonus and welfare fund

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's and subsidiaries' employees in accordance with the Group's bonus and welfare policies. Movements of bonus and welfare fund during the period were as follows:

	Six-month period ended	
	30/6/2016	
	VND	30/6/2015
	VND	VND
Opening balance	88,371,069,916	69,295,144,089
Appropriation	-	27,842,978,301
Utilisation	(34,694,141,703)	(8,247,521,944)
	<hr/>	<hr/>
Closing balance	53,676,928,213	88,890,600,446
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26. Changes in owners' equity

	Share capital VND	Capital surplus VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2015	700,000,000,000	177,876,869,236	(80,162,090,861)	98,893,770,789	47,138,548,094	843,274,384,403	488,198,004,221	2,275,219,485,882
Capital contribution by non-controlling interest	-	-	-	-	-	-	100,000,000	100,000,000
Net profit/(loss) for the period	-	-	-	-	-	11,099,670,774	(28,140,215,317)	(17,040,544,543)
Appropriation to equity funds	-	-	-	-	40,998,277,097	(40,998,277,097)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(27,842,978,301)	-	(27,842,978,301)
Dividends (*)	-	-	-	-	-	(343,661,025,000)	(66,729,371,510)	(410,390,396,510)
Utilisation of funds	-	-	-	-	(6,366,964,427)	-	-	(6,366,964,427)
Currency translation differences	-	-	-	7,853,760,217	-	-	872,640,024	8,726,400,241
Balance at 1 July 2015	700,000,000,000	177,876,869,236	(80,162,090,861)	106,747,531,006	81,769,860,764	441,871,774,779	394,301,057,418	1,822,405,002,342

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	Share capital VND	Capital surplus VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 July 2015	700,000,000,000	177,876,869,236	(80,162,090,861)	106,747,531,006	81,769,860,764	441,871,774,779	394,301,057,418	1,822,405,002,342
Net profit/(loss) for the period	-	-	-	-	-	21,346,532,765	(11,251,875,587)	10,094,657,178
Appropriation to equity funds	-	-	-	-	741,130,073	(741,130,073)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	741,130,073	-	741,130,073
Dividends (*)	-	-	-	-	-	343,661,025,000	64,969,000,519	408,630,025,519
Utilisation of funds	-	-	-	-	(8,431,737,573)	-	-	(8,431,737,573)
Currency translation differences	-	-	-	9,108,809,814	-	-	1,012,089,979	10,120,899,793
Transactions with non-controlling interest	-	-	-	-	-	(32,467,500,000)	32,467,500,000	-
Balance at 1 January 2016	700,000,000,000	177,876,869,236	(80,162,090,861)	115,856,340,820	74,079,253,264	774,411,832,544	481,497,772,329	2,243,559,977,332

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	Share capital VND	Capital surplus VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2016	700,000,000,000	177,876,869,236	(80,162,090,861)	115,856,340,820	74,079,253,264	774,411,832,544	481,497,772,329	2,243,559,977,332
Net profit/(loss) for the period	-	-	-	-	-	20,453,238,415	(1,302,739,517)	19,150,498,898
Appropriate to equity funds	-	-	-	-	598,454,543	(598,454,543)	-	-
Dividends	-	-	-	-	-	-	(797,913,682)	(797,913,682)
Utilisation of funds	-	-	-	-	(5,570,129,412)	-	-	(5,570,129,412)
Currency translation differences	-	-	-	1,416,470,923	-	-	156,568,976	1,573,039,899
Balance at 30 June 2016	700,000,000,000	177,876,869,236	(80,162,090,861)	117,272,811,743	69,107,578,395	794,266,616,416	479,553,688,106	2,257,915,473,035

(*)

The General Meeting of Shareholders of the Company on 18 April 2015 resolved to distribute dividends amounting to VND5,000 per share equivalent to VND343,661 million. However, on 19 August 2015, the General Meeting of Shareholders of the Company resolved to reverse this amount after finalising the business performance for the year ended 31 December 2015.

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27. Share capital

The Company's authorised and issued share capital is:

	30/6/2016		1/1/2016	
	Number of shares	VND	Number of shares	VND
Authorised and issued shares capital				
Ordinary shares	70,000,000	700,000,000,000	70,000,000	700,000,000,000
Treasury shares				
Ordinary shares	(1,537,150)	(80,162,090,861)	(1,537,150)	(80,162,090,861)
Shares currently in circulation				
Ordinary shares	68,462,850	619,837,909,139	68,462,850	619,837,909,139

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.

There was no movement in share capital during the period.

28. Investment and development fund

Investment and development fund was appropriated from retained profits in accordance with the resolution of General Meeting of Shareholders. This fund was established for the purpose of future business expansion.

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29. Off balance sheet items

(a) Lease

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

	30/6/2016	1/1/2016
	VND	VND
Within one year	5,303,876,194	4,843,200,084
From two to five years	10,077,370,243	11,923,125,147
	15,381,246,437	16,766,325,231
	15,381,246,437	16,766,325,231

(b) Foreign currencies

	30/6/2016		1/1/2016	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	1,286,924	28,555,444,229	23,982,647	540,568,762,313
JPY	44,192,242	9,834,844,396	91,665,403	17,049,765,702
		38,390,288,625		557,618,528,015
		38,390,288,625		557,618,528,015

(c) Capital expenditure commitments

As at 30 June 2016 the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	30/6/2016	1/1/2016
	VND	VND
Approved and contracted	88,194,065,367	83,605,999,898
	88,194,065,367	83,605,999,898
	88,194,065,367	83,605,999,898

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30. Revenue from sales of goods

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

Net revenue comprised:

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Total revenue		
▪ Finished goods sold	4,761,950,143,860	4,792,022,529,688
▪ Scraps sold	8,679,026,473	6,022,357,994
▪ Others	2,248,333,681	-
	4,772,877,504,014	4,798,044,887,682
Less revenue deductions		
▪ Sales allowances	(1,124,617,663)	(5,042,164,315)
▪ Sales returns	(55,992,524,732)	(103,491,720,436)
	(57,117,142,395)	(108,533,884,751)
Net revenue	4,715,760,361,619	4,689,511,002,931

31. Cost of sales

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Finished goods sold	4,285,597,052,505	4,256,987,368,959
Allowance for inventories	(19,120,393,719)	(1,660,916,658)
	4,266,476,658,786	4,255,326,452,301

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32. Financial income

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Interest income	36,805,768,224	58,417,208,466
Dividend income	62,946,000	188,823,000
Realised foreign exchange gains	11,573,769,297	39,076,252,668
Unrealised foreign exchange gains	593,168,650	835,201,725
Realised gains on revaluation of assets contributed to an associate	-	40,631,650,442
Others	3,468,621,644	-
	52,504,273,815	139,149,136,301

33. Financial expenses

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Interest expense	121,816,842,966	98,948,641,864
Realised foreign exchange losses	24,820,430,242	17,420,376,410
Unrealised foreign exchange losses	4,009,192,799	85,092,979,167
Bonds issuance costs amortisation	3,500,000,004	-
Others	8,457,158,301	2,795,583,072
	162,603,624,312	204,257,580,513

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34. Selling expenses

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
Staff costs	14,403,748,601	13,247,936,865
Materials expenses	598,776,464	1,076,126,278
Tools and supplies expenses	1,153,360,899	646,908,806
Depreciation expenses	376,973,274	375,207,498
Transportation expenses	101,195,914,456	117,506,614,415
Warehouse rental expenses	60,486,344,602	75,169,810,499
Commission fees	66,130,088,014	71,812,918,565
Custom broker fee	3,594,474,398	4,622,589,125
Inspection costs	2,228,605,500	4,388,168,681
Market research expenses	3,545,267,760	2,433,496,411
Others	18,136,227,879	11,567,090,209
	271,849,781,847	302,846,867,352

35. General and administration expenses

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
Staff costs	39,648,323,558	43,508,417,085
Materials expenses	1,605,134,361	149,662,407
Office supplies	3,089,442,795	5,045,765,702
Depreciation expenses	10,616,913,054	5,482,903,574
Fees and duties	308,458,789	1,085,012,953
Outside service expenses	35,931,140,048	14,278,710,051
Bank charges	1,960,177,288	4,185,056,667
Others	11,705,366,519	15,265,746,007
	104,864,956,412	89,001,274,446

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36. Other income

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Gain from disposals of fixed assets	81,774,123	180,000,000
Antidumping tax reductions	67,628,068,155	13,272,233,244
Others	1,756,633,739	1,801,626,147
	<hr/>	<hr/>
	69,466,476,017	15,253,859,391
	<hr/>	<hr/>

37. Other expenses

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Construction in progress written-off	391,363,753	-
Penalties	-	1,998,371,189
Others	1,234,407,761	3,402,868,969
	<hr/>	<hr/>
	1,625,771,514	5,401,240,158
	<hr/>	<hr/>

38. Production and business costs by element

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Raw material costs included in production costs	5,859,631,131,853	3,325,284,178,871
Labour costs and staff costs	442,207,871,155	509,624,994,859
Depreciation and amortisation	93,744,129,407	84,926,454,639
Outside services	315,524,061,897	332,404,566,755
Other expenses	76,421,251,672	103,081,301,563
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39. Income tax

(a) Recognised in the statement of income

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Current tax expense		
Current period	6,357,492,669	25,264,109,780
Deferred tax expenses/(benefit)		
Origination and reversal of temporary differences	4,802,327,013	(21,142,981,384)
	11,159,819,682	4,121,128,396

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Accounting profit/(loss) before tax	30,310,318,580	(12,919,416,147)
Tax at the Company's tax rate	3,031,031,858	(1,291,941,615)
Non-deductible expenses	249,187,349	543,118,716
Tax incentives	(226,205,626)	-
Deferred tax assets not recognised	3,196,541,786	11,043,087,160
Effect of different tax rates in subsidiaries	4,116,741,499	(6,173,135,865)
Effect of different tax rate applied to other income	792,522,816	-
Income tax expense	11,159,819,682	4,121,128,396

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

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(c) Applicable tax rates

The Company

Under the terms of Income Tax Law, the Company has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits on processing and producing activities in aquatic products and the usual income tax rate on trading activities.

The Subsidiaries

Mseafood Corporation (“Mseafood”)

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

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

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

Under the terms of its Business Registration Certificate, Minh Phu Hau Giang has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2011 to 2026 and 20% thereafter. The provisions of Minh Phu Hau Giang’s Business Registration Certificate allow it to be exempted from income tax from 2012 to 2015 and receive a 50% reduction in income tax from 2016 to 2024. All the above tax incentives are not applicable to other income which is taxed at the usual income tax rate.

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

Under the terms of Income Tax Law, Minh Qui has an obligation to pay the government corporate income tax at the usual income tax rate of taxable profit.

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

Under the terms of Income Tax Law, Minh Phat has an obligation to pay the government corporate income tax at the usual income tax rate of taxable profit.

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

Under the terms of its Business Registration Certificate, Minh Phu - Kien Giang has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2006 to 2020 and 20% thereafter. The provisions of Minh Phu - Kien Giang’s Business Registration Certificate allow it to be exempted from income tax from 2007 to 2009 and receive a 50% reduction in income tax from 2010 to 2018.

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

Under the terms of its Investment Certificate, Minh Phu Larvae has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2006 to 2020 and 20% thereafter. The provisions of Minh Phu Larvae’s Investment Certificate allow it to be exempted from income tax from 2009 to 2012 and receive a 50% reduction in income tax from 2013 to 2019.

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

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

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

Under the terms of its Investment Certificate, Minh Phu Bio has an obligation to pay the government corporate income tax at the rate of 10% of taxable profits from 2009 to 2023 and 20% thereafter. The provisions of Minh Phu Bio’s Investment Certificate allow it to be exempted from income tax from 2009 to 2012 and receive a 50% reduction in income tax from 2013 to 2021.

Minh Phu Seafood Supply Chain Co., Ltd. (“Minh Phu Supply Chain”)

Under the terms of its Business Registration Certificate, Minh Phu Supply Chain has an obligation to pay the government corporate income tax at the usual income tax rate of taxable profit.

Minh Phu Hau Giang Port Corporation

Under the terms of its Business Registration Certificate, Minh Phu Hau Giang Port Corporation has an obligation to pay the government corporate income tax at the usual income tax rate of taxable profit.

Ebisumo Logistic Co., Ltd. (“Ebisumo”)

Under the regulations of Japan, Ebisumo has the obligation to pay two types of corporate income taxes:

- Corporate income tax: at the rate of 15% on the first JPY8 million of taxable income and 23.4% on the over JPY8 million of taxable income.
- National local corporate tax: at the fixed rate of 4.4% of its corporate tax liabilities.

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

Under the terms of its Business Registration Certificate, Minh Phu Food has an obligation to pay the government corporate income tax at the usual income tax rate of taxable profit.

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40. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2016 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to Bonus and welfare fund for the annual accounting period and a weighted average number of ordinary shares outstanding, calculated as follows:

(i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Net profit attributable to ordinary shareholders	20,453,238,415	11,099,670,774

(ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2016	30/6/2015
Issued ordinary shares at the beginning of the period	68,462,850	68,462,850
Effect of treasury shares repurchased during the period	-	-
Weighted average number of ordinary shares the end of the period	68,462,850	68,462,850

41. Significant transactions with related parties

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

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Associates		
Mekong Logistic Company Limited		
Capital contribution by cash and assets in kind	-	200,000,000,000
Loan provided by the Group	10,000,000,000	-
Shareholder		
Long Phung Investment Corporation		
Office rental	1,190,378,837	1,129,630,711

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Transactions with key management personnel

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

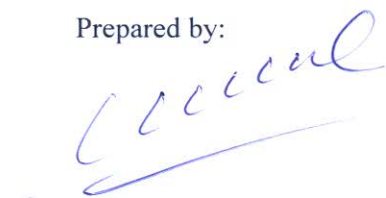
	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Remunerations and business allowances	6,793,207,121	5,831,719,735

42. Non-cash activities

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Net-off refunded value added tax with corporation income tax payable	-	8,949,440,014

22 August 2016

Prepared by:



Luu Minh Trung
 Chief Accountant

Approved by:



Le Van Quang
 General Director