

**Minh Phu Seafood Joint Stock Company**

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

## 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
	2000393273 (1 <sup>st</sup> amendment)	15 October 2014
	2000393273 (2 <sup>nd</sup> amendment)	15 December 2015

The Business Registration Certificate and its updates were issued by the 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
	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)

<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
	Ms. Le Thi Diu Minh	Deputy General Director

<b>Supervisory Board</b>	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)

<b>Registered Office</b>	Ward 8 Industrial Zone Ca Mau City, Ca Mau Province Vietnam
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<b>Auditor</b>	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 separate interim financial statements of the Company for the six-month period ended 30 June 2016.

The Board of Directors is responsible for the preparation and fair presentation of the separate 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 separate interim financial statements set out on pages 5 to 46 give a true and fair view of the unconsolidated financial position of the Company as at 30 June 2016, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company for the 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 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 the accompanying separate interim financial statements for issue.



On behalf of the Board of Directors

*Le Van Quang*  
General Director

Ca Mau Province, 22 August 2016

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**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 separate interim financial statements of Minh Phu Seafood Joint Stock Company (“the Company”), which comprise the unconsolidated balance sheet as at 30 June 2016, the unconsolidated statements of income and unconsolidated 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 46.

### **Management’s Responsibility**

The Company’s Board of Directors is responsible for the preparation and fair presentation of these separate 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 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 separate 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 separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of Minh Phu Seafood Joint Stock Company as at 30 June 2016 and of its unconsolidated results of operations and its unconsolidated 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



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

  
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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**  
**Unconsolidated balance sheet as at 30 June 2016**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2016 VND	1/1/2016 VND
<b>ASSETS</b>				
<b>Current assets</b>				
<b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>4,095,972,663,921</b>	<b>4,569,800,842,952</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>683,015,580,513</b>	<b>631,784,693,548</b>
Cash	111		47,825,580,513	430,784,693,548
Cash equivalents	112		635,190,000,000	201,000,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>553,532,649,411</b>	<b>597,432,649,411</b>
Trading securities	121	6(a)	14,811,109,411	14,811,109,411
Allowance for diminution in the value of trading securities	122	6(a)	(8,378,460,000)	(8,378,460,000)
Held-to-maturity investments	123	6(b)	547,100,000,000	591,000,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>1,394,661,595,548</b>	<b>1,291,275,175,873</b>
Accounts receivable from customers	131	7	1,219,901,901,590	1,157,634,625,248
Prepayments to suppliers	132		34,644,344,014	20,257,962,711
Loan receivable	135	8	10,000,000,000	-
Other short-term receivables	136	9(a)	130,115,349,944	113,382,587,914
<b>Inventories</b>	<b>140</b>	<b>10</b>	<b>1,438,350,244,062</b>	<b>1,986,749,874,765</b>
Inventories	141		1,443,464,468,765	2,003,063,231,125
Allowance for inventories	149		(5,114,224,703)	(16,313,356,360)
<b>Other current assets</b>	<b>150</b>		<b>26,412,594,387</b>	<b>62,558,449,355</b>
Short-term prepaid expenses	151	14(a)	574,405,935	1,140,368,410
Deductible value added tax	152		11,880,516,671	45,375,430,083
Taxes receivable from State				
Treasury	153	17(b)	11,830,270,645	14,963,775,722
Other current assets	155		2,127,401,136	1,078,875,140

*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 2016 (continued)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2016 VND	1/1/2016 VND
<b>Long-term assets</b>				
<b>(200 = 210 + 220 + 240 + 250 + 260)</b>	<b>200</b>		<b>1,621,520,389,403</b>	<b>1,660,779,289,458</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>7,306,508,578</b>	-
Other long-term receivables	216	9(b)	7,306,508,578	-
<b>Fixed assets</b>	<b>220</b>		<b>234,934,451,097</b>	<b>250,661,032,725</b>
Tangible fixed assets	221	11	200,103,596,456	214,958,247,944
Cost	222		378,236,663,316	379,219,715,770
Accumulated depreciation	223		(178,133,066,860)	(164,261,467,826)
Intangible fixed assets	227	12	34,830,854,641	35,702,784,781
Cost	228		41,753,286,703	41,753,286,703
Accumulated amortisation	229		(6,922,432,062)	(6,050,501,922)
<b>Long-term work in progress</b>	<b>240</b>		<b>4,160,994,364</b>	<b>3,560,994,364</b>
Construction in progress	242	13	4,160,994,364	3,560,994,364
<b>Long-term financial investments</b>	<b>250</b>	<b>6(c)</b>	<b>1,365,738,960,671</b>	<b>1,396,138,926,105</b>
Investments in subsidiaries	251		1,633,817,400,000	1,632,862,400,000
Investments in associates	252		3,900,000,000	3,900,000,000
Equity investments in other entities	253		7,000,000,000	7,000,000,000
Allowance for diminution in the value of long-term investments	254		(278,978,439,329)	(247,623,473,895)
<b>Other long-term assets</b>	<b>260</b>		<b>9,379,474,693</b>	<b>10,418,336,264</b>
Long-term prepaid expenses	261	14(b)	9,066,342,831	10,418,336,264
Deferred tax assets	262	15	313,131,862	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>5,717,493,053,324</b>	<b>6,230,580,132,410</b>
<b>(270 = 100 + 200)</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 2016 (continued)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2016 VND	1/1/2016 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>4,107,697,354,655</b>	<b>4,656,373,297,563</b>
<b>Current liabilities</b>	<b>310</b>		<b>1,626,285,215,609</b>	<b>1,677,046,013,691</b>
Accounts payable to suppliers	311	16	128,446,677,100	133,905,993,612
Advances from customers	312		15,780,644,814	19,810,399,585
Taxes payable to State Treasury	313	17(a)	159,739,797	873,868,347
Payables to employees	314		38,129,618,221	34,741,037,045
Other payables	319	18	18,900,797,762	22,370,424,180
Short-term borrowings	320	19(a)	1,385,779,975,633	1,391,622,664,937
Bonus and welfare fund	322	20	39,087,762,282	73,721,625,985
<b>Long-term liabilities</b>	<b>330</b>		<b>2,481,412,139,046</b>	<b>2,979,327,283,872</b>
Bonds	338	19(b)	2,480,416,666,671	2,977,916,666,669
Deferred tax liabilities	341	15	-	196,279,113
Provision – long-term	342	21	995,472,375	1,214,338,090
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>1,609,795,698,669</b>	<b>1,574,206,834,847</b>
<b>Owners' equity</b>	<b>410</b>	<b>22</b>	<b>1,609,795,698,669</b>	<b>1,574,206,834,847</b>
Share capital	411	23	700,000,000,000	700,000,000,000
Capital surplus	412		177,876,869,236	177,876,869,236
Treasury shares	415	23	(80,162,090,861)	(80,162,090,861)
Investment and development fund	418	24	46,653,201,824	52,223,331,236
Retained profits	421		765,427,718,470	724,268,725,236
<b>TOTAL RESOURCES</b> <b>(440 = 300 + 400)</b>	<b>440</b>		<b>5,717,493,053,324</b>	<b>6,230,580,132,410</b>

22 August 2016

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 2016**

**Form B 02a – DN**

*(Issued under Circular No. 200/2014/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	26	3,216,784,988,846	3,428,015,117,343
Revenue deductions	02	26	30,696,949,692	90,965,105,339
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>26</b>	<b>3,186,088,039,154</b>	<b>3,337,050,012,004</b>
Cost of sales	11	27	2,937,387,812,040	3,113,664,117,223
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>248,700,227,114</b>	<b>223,385,894,781</b>
Financial income	21	28	60,795,249,474	243,577,646,493
Financial expenses	22	29	137,251,133,474	164,532,152,229
<i>In which: Interest expense</i>	23		79,702,715,959	63,011,356,055
Selling expenses	25	30	103,003,321,831	118,176,391,201
General and administration expenses	26	31	27,533,805,869	29,729,253,380
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>41,707,215,414</b>	<b>154,525,744,464</b>
Other income	31		1,857,231,137	2,012,149,025
Other expenses	32		726,403,904	1,310,409,821
<b>Results of other activities</b> <b>(40 = 31 - 32)</b>	<b>40</b>		<b>1,130,827,233</b>	<b>701,739,204</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>42,838,042,647</b>	<b>155,227,483,668</b>
Income tax expense – current	51	33	2,188,460,388	-
Income tax benefit – deferred	52	33	(509,410,975)	(4,815,206,950)
<b>Net profit after tax</b> <b>(60 = 50 - 51 - 52)</b>	<b>60</b>		<b>41,158,993,234</b>	<b>160,042,690,618</b>

22 August 2016

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 cash flows for the six-month period ended 30 June 2016**  
**(Indirect method)**

**Form B 03a – DN**  
*(Issued under Circular No. 200/2014/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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Accounting profit before tax</b>	<b>01</b>		<b>42,838,042,647</b>	<b>155,227,483,668</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		16,733,759,661	14,513,579,212
Allowances and provisions	03		20,155,833,777	40,255,235,880
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		1,012,026,677	50,350,616,289
Gains on disposals of tangible fixed assets	05		(81,774,123)	(90,000,000)
Dividends and interest income	05		(56,438,885,482)	(222,419,181,505)
Losses from liquidation of a subsidiary	05		-	212,507,759
Interest expense and bonds issuance costs	06		82,202,715,961	63,011,356,055
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>106,421,719,118</b>	<b>101,061,597,358</b>
Change in receivables	09		(53,649,876,471)	(28,338,025,569)
Change in inventories	10		559,598,762,360	(866,246,725,059)
Change in payables and other liabilities	11		(6,940,535,410)	(432,763,923,022)
Change in prepaid expenses	12		1,917,955,908	(2,694,527,700)
			<b>607,348,025,505</b>	<b>(1,228,981,603,992)</b>
Interest paid	14		(85,264,199,578)	(56,200,449,892)
Income tax paid	15		-	(23,421,391,161)
Other payments for operating activities	17		(40,422,858,830)	(14,655,459,817)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>481,660,967,097</b>	<b>(1,323,258,904,862)</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 2016**  
**(Indirect method – continued)**

**Form B 03a – DN**  
*(Issued under Circular No. 200/2014/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
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(2,983,585,728)	(39,762,194,530)
Proceeds from disposals of tangible fixed assets	22		1,458,181,818	90,000,000
Payments for granting loan to a related party	23		(10,000,000,000)	-
Payments for term deposits	23		(281,100,000,000)	(113,000,000,000)
Collections of term deposits	24		325,000,000,000	448,700,000,000
Payments for investments in subsidiaries	25		(955,000,000)	(97,820,000,000)
Collections on investments in a subsidiary	26		-	37,326,643
Receipts of interest and dividends	27		41,401,279,578	85,657,720,713
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>72,820,875,668</b>	<b>283,902,852,826</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings and bonds	33		2,132,032,442,643	5,210,161,282,042
Payments to settle loan principals	34		(2,636,721,998,815)	(3,279,397,255,575)
Payment for bonds issuance costs	34		-	(24,472,222,222)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(504,689,556,172)</b>	<b>1,906,291,804,245</b>
<b>Net cash flows during the period (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>49,792,286,593</b>	<b>866,935,752,209</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>		<b>631,784,693,548</b>	<b>55,147,726,132</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>		<b>1,438,600,372</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>5</b>	<b>683,015,580,513</b>	<b>922,083,478,341</b>

22 August 2016

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 2016**

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/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 separate 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.

**(b) Principal activities**

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.

**(c) Normal operating cycle**

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

**(d) Company structure**

As at 30 June 2016, the Company had 12 subsidiaries (1/1/2016: 10 subsidiaries) and one associate (1/1/2016: 1 associate) as listed in Note 6(c).

As at 30 June 2016, the Company had 5,885 employees (1/1/2016: 6,476 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

The separate 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. The Company prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements.

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(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.

**(c) Annual accounting period**

The annual accounting period of the Company 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 financial statement presentation purpose.

**3. Summary of significant accounting policies**

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

**(a) 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 unconsolidated interim 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.

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

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(c) Investments**

**(i) Trading securities**

Trading securities are those held by the Company 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.

**(ii) Held-to-maturity investments**

Held-to-maturity investments are those that the Company'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 subsidiaries and associates**

For the purpose of these separate interim financial statements, investments in subsidiaries and associates are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value 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.

**(iv) 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.

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(d) Accounts receivable**

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

**(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 for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the unconsolidated statement of income in the period in which the cost is 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

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(g) 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 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.

**(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.

**(h) Construction in progress**

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

**(i) Long-term prepaid expenses**

***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.

**(j) Trade and other payables**

Trade and other payables are stated at their cost.





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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(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.

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.

**(l) Bonds issues**

***Straight bonds***

At initial recognition, straight bonds issued are measured at cost which comprises proceed 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.

**(m) 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.

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

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(n) Taxation**

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the unconsolidated 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 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.

**(o) Revenue and other income**

**(i) Goods sold**

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

**(p) Operating lease payments**

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

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(q) Borrowing costs**

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

**(r) Related parties**

Parties are considered to be related to the Company 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 Company 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 Company's operation 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 Company 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 Company reported revenue of VND3,186,088 million (for the six-month period ended 30 June 2015: VND3,337,050 million) and profit before tax of VND42,838 million (for the six-month period ended 30 June 2015: VND155,227 million).

**5. Cash and cash equivalents**

	<b>30/6/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	2,676,811,616	1,338,483,773
Cash in banks	45,148,768,897	429,446,209,775
Cash equivalents	635,190,000,000	201,000,000,000
	<hr/>	<hr/>
	683,015,580,513	631,784,693,548
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**Minh Phu Seafood Joint Stock Company**

**Notes to the separate interim financial statements for the six-month period ended 30 June 2016 (continued)**

**Form B 09a – DN**  
(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

	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
▪ Petrol Vietnam 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.

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(b) Held-to-maturity investments**

	<b>30/6/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Term deposits	547,100,000,000	591,000,000,000

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This represented term deposits with the maturity of less than a year and earned interest at rates ranging from 6.3% to 7.0% per annum during the period (year ended 31 December 2015: from 5.0% to 7.0% per annum).

At 30 June 2016, term deposits with carrying value of VND547,100 million (1/1/2016: VND591,000 million) were pledged with banks as security for loans granted to the Company (Note 19(a)).

**Minh Phu Seafood Joint Stock Company**

**Notes to the separate interim financial statements for the six-month period ended 30 June 2016 (continued)**

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**(c) Equity investments in other entities**

**30 June 2016**

Equity investments in:

**Subsidiaries**

- Mseafood Corporation
- Minh Phu Hau Giang Seafood Joint Stock Company
- Minh Qui Seafood Co., Ltd.
- Minh Phat Seafood Co., Ltd.
- Minh Phu – Kien Giang Seafood Co., Ltd.
- Minh Phu Aquatic Larvae Co., Ltd.
- Minh Phu – Loc An Aquaculture Co., Ltd.
- Minh Phu Bio Co., Ltd.
- Minh Phu Seafood Supply Chain Co., Ltd.
- Minh Phu Hau Giang Port Corporation
- Ebisumo Logistic Co., Ltd. (\*)
- Minh Phu Food Co., Ltd. (\*\*)

	Address	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
	State of California, the United States of America	90.0%	90.0%	323,162,400,000	(***)	-
	Hau Giang Province, Vietnam	67.5%	67.5%	585,000,000,000	(***)	-
	Ca Mau Province, Vietnam	97.5%	97.5%	195,000,000,000	(***)	-
	Ca Mau Province, Vietnam	95.0%	95.0%	95,000,000,000	(***)	-
	Kien Giang Province, Vietnam	99.1%	99.1%	148,650,000,000	(***)	(114,011,536,403)
	Ninh Thuan Province, Vietnam	98.5%	98.5%	29,550,000,000	(***)	(14,377,471,144)
	Ba Ria – Vung Tau Province, Vietnam	100.0%	100.0%	150,000,000,000	(***)	(150,000,000,000)
	Ca Mau Province, Vietnam	100.0%	100.0%	4,500,000,000	(***)	(478,185,312)
	Hau Giang Province, Vietnam	100.0%	100.0%	2,000,000,000	(***)	-
	Hau Giang Province, Vietnam	50.0%	50.0%	100,000,000,000	(***)	-
	Tokyo City, Japan	100.0%	100.0%	935,000,000	(***)	-
	Hau Giang Province, Vietnam	100.0%	100.0%	20,000,000	(***)	-
				<b>1,633,817,400,000</b>		<b>(278,867,192,859)</b>
	Ho Chi Minh City, Vietnam	49.0%	49.0%	3,900,000,000	(***)	-

**Associate**

- Minh Phu Aquamekong Aquaculture Technique Service Co., Ltd.

## Minh Phu Seafood Joint Stock Company

### Notes to the separate interim financial statements for the six-month period ended 30 June 2016 (continued)

Form B 09a – DN  
(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

	Address	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
<b>30 June 2016</b>						
<b>Other</b>						
▪ Saigon – Camau Infrastructure Corporation	Ca Mau Province, Vietnam	10.0%	10.0%	7,000,000,000	(***)	(111,246,470)
				1,644,717,400,000		(278,978,439,329)
<b>1 January 2016</b>						
Equity investments in:						
<b>Subsidiaries</b>						
▪ Mseafood Corporation						
▪ Minh Phu Hau Giang Seafood Joint Stock Company	State of California, the United States of America	90.0%	90.0%	323,162,400,000	(***)	-
▪ Minh Qui Seafood Co., Ltd.	Hau Giang Province, Vietnam	67.5%	67.5%	585,000,000,000	(***)	-
▪ Minh Phat Seafood Co., Ltd.	Ca Mau Province, Vietnam	97.5%	97.5%	195,000,000,000	(***)	-
▪ Minh Phu – Kien Giang Seafood Co., Ltd.	Ca Mau Province, Vietnam	95.0%	95.0%	95,000,000,000	(***)	-
▪ Minh Phu Aquatic Larvae Co., Ltd.	Kien Giang Province, Vietnam	99.1%	99.1%	148,650,000,000	(***)	(107,464,380,566)
▪ Minh Phu – Loc An Aquaculture Co., Ltd.	Ninh Thuan Province, Vietnam Ba Ria – Vung Tau Province, Vietnam	98.5%	98.5%	29,550,000,000	(***)	(7,207,120,489)
▪ Minh Phu Bio Co., Ltd.	Ca Mau Province, Vietnam	100.0%	100.0%	150,000,000,000	(***)	(132,481,977,701)
▪ Minh Phu Seafood Supply Chain Co., Ltd.	Hau Giang Province, Vietnam	100.0%	100.0%	4,500,000,000	(***)	(358,748,669)
▪ Minh Phu Hau Giang Port Corporation	Hau Giang Province, Vietnam	50.0%	50.0%	2,000,000,000	(***)	-
				100,000,000,000	(***)	-
				1,632,862,400,000		(247,512,227,425)

## Minh Phu Seafood Joint Stock Company

### Notes to the separate interim financial statements for the six-month period ended 30 June 2016 (continued)

Form B 09a – DN

(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

1 January 2016	Address	% of equity owned	% of voting rights	Carrying amount VND	Fair value VND	Allowance for diminution in value VND
<b>Associates</b>						
<ul style="list-style-type: none"> <li>▪ Minh Phu Aquamekong Aquaculture Technique Service Co., Ltd.</li> </ul>	Ho Chi Minh City, Vietnam	49.0%	49.0%	3,900,000,000	(***)	-
<b>Other</b>						
<ul style="list-style-type: none"> <li>▪ Saigon – Camau Infrastructure Corporation</li> </ul>	Ca Mau Province, Vietnam	10.0%	10.0%	7,000,000,000	(***)	(111,246,470)
				<u>1,643,762,400,000</u>		<u>(247,623,473,895)</u>

(\* ) On 15 May 2015, under Minutes No. 155/BB.HDQT.2015, the Board of Management resolved to establish Ebisumo Logistic Co., Ltd., located in Tokyo City, Japan with the authorised legal capital of USD600,000, equivalent to VND13,098,000,000. At the reporting date, the Company has not fully contributed the capital.

(\* ) 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. At the reporting date, the Company has not fully contributed the capital.

(\*\*\*) The Company has not determined fair values of these financial instruments for disclosure in the separate 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.

At 30 June 2016 long-term investments with carrying value of VND482,895 million (1/1/2016: VND514,250 million) were pledged with banks as security for long-term bonds issued by the Company (Note 19(b)).



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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

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

	<b>Six-month period ended</b>	
	<b>30/6/2016</b>	<b>30/6/2015</b>
	<b>VND</b>	<b>VND</b>
Opening balance	247,623,473,895	185,471,093,012
Increase in allowance during the period	31,354,965,434	38,811,753,098
Allowance utilised during the period	-	(20,426,119,010)
Closing balance	<u>278,978,439,329</u>	<u>203,856,727,100</u>

**7. Accounts receivable from customers**

**(a) Accounts receivable from customers detailed by significant customers**

	<b>30/6/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Mseafood Corporation	776,401,587,236	868,708,294,026
Minh Phu Hau Giang Seafood Joint Stock Company	173,481,083,446	-
Other customers	270,019,230,908	288,926,331,222
	<u>1,219,901,901,590</u>	<u>1,157,634,625,248</u>

**(b) Accounts receivable from customers who are related parties**

	<b>30/6/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
<b>Subsidiaries</b>		
Mseafood Corporation	776,401,587,236	868,708,294,026
Minh Phu Hau Giang Seafood Joint Stock Company	173,481,083,446	-
Minh Phu – Kien Giang Seafood Co., Ltd.	58,595,622,188	58,595,622,188
Minh Phu – Loc An Aquaculture Co., Ltd.	22,968,315,317	22,968,315,317
Minh Phu Seafood Supply Chain Co., Ltd.	247,500,000	82,500,000
Minh Qui Seafood Co., Ltd.	24,373,249,833	-
<b>Associate</b>		
Saigon – Camau Infrastructure Corporation	<u>2,058,898,500</u>	<u>2,058,898,500</u>

The trade related amounts due from related parties were unsecured, interest free and are due in 15 – 90 days from invoice date.

Accounts receivable at 30 June 2016 included VND1,129,902 million (1/1/2016: VND1,157,635 million) pledged with banks as security for loans granted to the Company (Note 19(a)).

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**8. Loan receivable**

The amount represented loan to Mekong Logistic Company Limited, a related party. 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.

**9. Other receivables**

**(a) Other short-term receivables**

	<b>30/6/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Dividends receivable	28,526,358,941	16,000,000,000
Receivables from subsidiaries (*)	68,018,749,501	76,254,886,474
Interest receivable from deposits	13,026,453,910	10,515,206,947
Others	20,543,787,592	10,612,494,493
	130,115,349,944	113,382,587,914

(\*) Receivables from subsidiaries represented loans to subsidiaries to support for working capital. The loans were unsecured, interest free and receivable upon demand.

**(b) Other long-term receivables**

Other long-term receivables 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.

**10. Inventories**

	<b>30/6/2016</b>		<b>1/1/2016</b>	
	<b>Cost</b>	<b>Allowance</b>	<b>Cost</b>	<b>Allowance</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Raw materials	52,289,862,225	-	44,673,238,392	-
Tools and supplies	1,748,438,592	-	1,111,611,014	-
Finished goods	1,389,426,167,948	(5,114,224,703)	1,957,278,381,719	(16,313,356,360)
	1,443,464,468,765	(5,114,224,703)	2,003,063,231,125	(16,313,356,360)

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

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

	<b>Six-month period ended</b>	
	<b>30/6/2016</b>	<b>30/6/2015</b>
	<b>VND</b>	<b>VND</b>
Opening balance	16,313,356,360	18,543,250,146
Increase in allowance during the period	-	1,443,482,782
Written back	(11,199,131,657)	-
	<hr/>	<hr/>
Closing balance	5,114,224,703	19,986,732,928
	<hr/>	<hr/>

At 30 June 2016 inventories with carrying value of VND1,438,350 million (1/1/2016: VND1,986,750 million) were pledged with banks as security for loans granted to the Company (Note 19(a)).

Included in finished goods at 30 June 2016 was VND169,197 million (1/1/2016: VND327,351 million) of finished goods carried at net realisable value.

## Minh Phu Seafood Joint Stock Company

### Notes to the separate interim financial statements for the six-month period ended 30 June 2016 (continued)

Form B 09a – DN  
(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

## Tangible fixed assets

Cost	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Opening balance	116,788,442,263	203,419,906,294	46,470,141,322	12,541,225,891	379,219,715,770
Additions	952,785,455	761,993,000	626,077,273	42,730,000	2,383,585,728
Disposals	-	-	(3,366,638,182)	-	(3,366,638,182)
Closing balance	117,741,227,718	204,181,899,294	43,729,580,413	12,583,955,891	378,236,663,316
<b>Accumulated depreciation</b>					
Opening balance	43,005,928,554	95,605,868,678	19,929,207,381	5,720,463,213	164,261,467,826
Charge for the period	3,958,299,714	8,986,279,330	2,325,663,481	591,586,996	15,861,829,521
Disposals	-	-	(1,990,230,487)	-	(1,990,230,487)
Closing balance	46,964,228,268	104,592,148,008	20,264,640,375	6,312,050,209	178,133,066,860
<b>Net book value</b>					
Opening balance	73,782,513,709	107,814,037,616	26,540,933,941	6,820,762,678	214,958,247,944
Closing balance	70,776,999,450	99,589,751,286	23,464,940,038	6,271,905,682	200,103,596,456

Included in tangible fixed assets were assets costing VND54,316 million which were fully depreciated as at 30 June 2016 (1/1/2016: VND47,876 million), but which are still in active use.

At 30 June 2016 tangible fixed assets with net book value of VND63,451 million (1/1/2016: VND69,781 million) were pledged with banks as security for loans granted to the Company (Note 19(a)).

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**12. Intangible fixed assets**

	<b>Definite land use rights VND</b>	<b>Software VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening and closing balance	22,181,099,585	19,572,187,118	41,753,286,703
<b>Accumulated amortisation</b>			
Opening balance	4,181,094,158	1,869,407,764	6,050,501,922
Charge for the period	172,485,892	699,444,248	871,930,140
Closing balance	4,353,580,050	2,568,852,012	6,922,432,062
<b>Net book value</b>			
Opening balance	18,000,005,427	17,702,779,354	35,702,784,781
Closing balance	17,827,519,535	17,003,335,106	34,830,854,641

Included in the cost of intangible fixed assets were assets costing VND2,625 million which were fully amortised as at 30 June 2016 (1/1/2016: VND2,625 million), but which are still in use.

At 30 June 2016 intangible fixed assets with net book value of VND2,144 million (1/1/2016: VND2,176 million) were pledged with banks as security for loans granted to the Company (Note 19(a)).

**13. Construction in progress**

	<b>Six-month period ended</b>	
	<b>30/6/2016</b>	<b>30/6/2015</b>
	<b>VND</b>	<b>VND</b>
Opening balance	3,560,994,364	17,973,392,000
Additions during the period	600,000,000	24,918,570,000
Transfer to long-term prepaid expenses	-	(1,087,012,500)
Closing balance	4,160,994,364	41,804,949,500

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

Major constructions in progress were as follows:

	<b>30/6/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Machinery	4,160,994,364	3,560,994,364

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**14. Prepaid expenses**

**(a) Short-term prepaid expenses**

	<b>30/6/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Prepaid tools and supplies expenses	574,405,935	1,140,368,410

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**(b) Long-term prepaid expenses**

	<b>Tools and instruments VND</b>
Opening balance	10,418,336,264
Additions	1,869,362,859
Amortisation for the period	(3,221,356,292)
Closing balance	9,066,342,831

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**15. Deferred tax assets and liabilities**

**Recognised deferred tax assets and liabilities**

	<b>Tax rate</b>	<b>30/6/2016 VND</b>	<b>1/1/2016 VND</b>
Deferred tax assets:			
Provision for severance allowance	10%	99,547,238	121,433,809
Unrealised foreign exchange losses	10%	213,584,624	-
Deferred tax liabilities:			
Unrealised foreign exchange gains	10%	-	(317,712,922)
Net deferred tax assets/(liabilities)		313,131,862	(196,279,113)

**16. Accounts payable to suppliers**

**(a) Accounts payable to suppliers detailed by significant suppliers**

	<b>30/6/2016</b>		<b>1/1/2016</b>	
	<b>Cost VND</b>	<b>Amount within payment capacity VND</b>	<b>Cost VND</b>	<b>Amount within payment capacity VND</b>
Minh Phat Seafood Co., Ltd.	36,055,972,727	36,055,972,727	26,565,972,727	26,565,972,727
Minh Phu Hau Giang Seafood JSC	-	-	36,922,698,573	36,922,698,573
Other suppliers	92,390,704,373	92,390,704,373	70,417,322,312	70,417,322,312
	128,446,677,100	128,446,677,100	133,905,993,612	133,905,993,612

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(b) Accounts payable to suppliers who are related parties**

	30/6/2016		1/1/2016	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
<b>Subsidiaries</b>				
Minh Phu Hau Giang Seafood JSC	-	-	36,922,698,573	36,922,698,573
Minh Phat Seafood Co., Ltd.	36,055,972,727	36,055,972,727	26,565,972,727	26,565,972,727
Minh Qui Seafood Co., Ltd.	7,230,000,000	7,230,000,000	6,750,000,000	6,750,000,000
Minh Phu Seafood Supply Chain Co., Ltd.	-	-	92,897,700	92,897,700

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

The accounts payable to suppliers as at 30 June 2016 and 1 January 2016 were not overdue.

**17. Taxes payable to/receivable from State Treasury**

**(a) Taxes payable to State Treasury**

	1/1/2016 VND	Incurred VND	Paid VND	Net-off VND	30/6/2016 VND
Corporate income tax	-	2,188,460,388	-	(2,188,460,388)	-
Personal income tax	873,868,347	1,873,130,713	(2,587,259,263)	-	159,739,797
	873,868,347	4,061,591,101	(2,587,259,263)	(2,188,460,388)	159,739,797



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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(b) Taxes receivable from State Treasury**

	1/1/2016 VND	Paid VND	Received VND	Net-off VND	30/6/2016 VND
Corporate income tax	13,155,642,862	-	-	(2,188,460,388)	10,967,182,474
Import-export tax	1,750,235,640	21,202,203	(1,003,414,202)	-	768,023,641
Other taxes	57,897,220	37,167,310	-	-	95,064,530
	14,963,775,722	58,369,513	(1,003,414,202)	(2,188,460,388)	11,830,270,645

**18. Other payables**

	30/6/2016 VND	1/1/2016 VND
Dividends payable	2,619,368,300	2,619,368,300
Interest payable	6,696,650,928	12,258,134,547
Social insurance, health insurance and union fee	5,097,143,062	4,231,955,107
Short-term deposits received	2,500,000,000	2,500,000,000
Commission payable	392,099,083	682,257,718
Others	1,595,536,389	78,708,508
	18,900,797,762	22,370,424,180

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

Minh Phu Seafood Joint Stock Company

Notes to the separate interim financial statements for the six-month period ended 30 June 2016 (continued)

Form B 09a – DN

(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**9. 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	1,391,622,664,937	1,391,622,664,937	2,130,879,309,511	(2,136,721,998,815)	1,385,779,975,633	1,385,779,975,633

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

Terms and conditions of outstanding 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	USD	1.5%	410,198,535,669	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ca Mau Branch				
Loan 3	VND	4.7% - 5.0%	285,712,015,891	312,221,609,610
Bank for Investment and Development of Vietnam JSC - Ca Mau Branch				
Loan 4	VND	-	-	315,300,918,770
Loan 5	USD	1.5%	44,454,697,621	-
Vietnam International Commercial Joint Stock Bank - Ca Mau Branch				
Loan 6	VND	5.0%	46,251,214,110	-
Loan 7	USD	1.5%	20,659,069,201	-
			<b>1,385,779,975,633</b>	<b>1,391,622,664,937</b>

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

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

	Carrying amount as at	
	30/6/2016 VND	1/1/2016 VND
Term deposits (Note 6(b))	547,100,000,000	591,000,000,000
Accounts receivable from customers (Note 7)	1,219,901,901,590	1,157,634,625,248
Inventories (Note 10)	1,438,350,244,062	1,986,749,874,765
Tangible fixed assets (Note 11)	63,451,256,823	69,781,370,775
Intangible fixed assets (Note 12)	2,144,458,514	2,175,874,192
	3,270,947,860,989	3,807,341,744,980

**(b) Bonds**

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

	Currency	Interest rate (per annum)	Year of maturity	30/6/2016 VND	1/1/2016 VND
Long-term non-convertible corporate bonds					
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
				2,480,416,666,671	2,977,916,666,669

- (\*) 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) (Note 6(c)) 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.

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**20. 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 employees in accordance with the Company's bonus and welfare policies. Movements of bonus and welfare fund during the period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2016</b>	<b>30/6/2015</b>
	<b>VND</b>	<b>VND</b>
Opening balance	73,721,625,985	54,525,794,658
Appropriation	-	27,101,848,228
Utilisation	(34,633,863,703)	(7,428,414,871)
	<hr/>	<hr/>
Closing balance	39,087,762,282	74,199,228,015
	<hr/>	<hr/>

**21. Long-term provision**

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

	<b>Severance allowance</b>	
	<b>Six-month period ended</b>	
	<b>30/6/2016</b>	<b>30/6/2015</b>
	<b>VND</b>	<b>VND</b>
Opening balance	1,214,338,090	1,531,000,202
Provision utilised during the period	(218,865,715)	(118,950,446)
	<hr/>	<hr/>
Closing balance	995,472,375	1,412,049,756
	<hr/>	<hr/>

**Minh Phu Seafood Joint Stock Company**

**Notes to the separate interim financial statements for the six-month period ended 30 June 2016 (continued)**

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**Changes in owners' equity**

	Share capital VND	Capital surplus VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Total VND
<b>Balance at 1 January 2015</b>	700,000,000,000	177,876,869,236	(80,162,090,861)	26,369,260,894	662,220,640,706	1,486,304,679,975
Net profit for the period	-	-	-	-	160,042,690,618	160,042,690,618
Appropriation to equity funds	-	-	-	40,652,772,342	(40,652,772,342)	-
Appropriation to bonus and welfare funds	-	-	-	-	(27,101,848,228)	(27,101,848,228)
Dividends (*)	-	-	-	-	(343,661,025,000)	(343,661,025,000)
Utilisation of fund	-	-	-	(7,108,094,500)	-	(7,108,094,500)
<b>Balance at 1 July 2015</b>	700,000,000,000	177,876,869,236	(80,162,090,861)	59,913,938,736	410,847,685,754	1,268,476,402,865
Net loss for the period	-	-	-	-	(30,239,985,518)	(30,239,985,518)
Dividends reversed (*)	-	-	-	-	343,661,025,000	343,661,025,000
Utilisation of fund	-	-	-	(7,690,607,500)	-	(7,690,607,500)
<b>Balance at 1 January 2016</b>	700,000,000,000	177,876,869,236	(80,162,090,861)	52,223,331,236	724,268,725,236	1,574,206,834,847
Net profit for the period	-	-	-	-	41,158,993,234	41,158,993,234
Utilisation of fund	-	-	-	(5,570,129,412)	-	(5,570,129,412)
<b>Balance at 30 June 2016</b>	700,000,000,000	177,876,869,236	(80,162,090,861)	46,653,201,824	765,427,718,470	1,609,795,698,669

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.

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BT*  
*dated 22 December 2014 of the Ministry of Finance)*

**23. 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
<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	(1,537,150)	(80,162,090,861)	(1,537,150)	(80,162,090,861)
<b>Shares currently in circulation</b>				
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.

**24. 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.

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BT*  
*dated 22 December 2014 of the Ministry of Finance)*

**25. Off balance sheet items**

**(a) Lease**

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

	<b>30/6/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Within one year	22,832,250,960	42,906,481,920
Within two to five years	6,895,050,000	8,274,060,000
	<hr/>	<hr/>
	<b>29,727,300,960</b>	<b>51,180,541,920</b>
	<hr/> <hr/>	<hr/> <hr/>

**(b) Foreign currencies**

	<b>30/6/2016</b>		<b>1/1/2016</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
USD	731,415	16,317,864,189	18,103,521	408,053,366,946
JPY	36,889,402	8,041,889,636	91,665,403	17,049,765,702
		<hr/>		<hr/>
		<b>24,359,753,825</b>		<b>425,103,132,648</b>
		<hr/> <hr/>		<hr/> <hr/>



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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BT*  
*dated 22 December 2014 of the Ministry of Finance)*

**26. Revenue from sales of goods**

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

Net revenue comprised:

	<b>Six-month period ended</b>	
	<b>30/6/2016</b>	<b>30/6/2015</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Finished goods sold	3,210,175,392,333	3,419,395,287,314
▪ Raw materials sold	1,595,304,720	2,597,472,035
▪ Scraps sold	5,014,291,793	6,022,357,994
	<hr/>	<hr/>
	3,216,784,988,846	3,428,015,117,343
Less revenue deductions		
▪ Sales allowances	(1,071,215,943)	-
▪ Sales returns	(29,625,733,749)	(90,965,105,339)
	<hr/>	<hr/>
	(30,696,949,692)	(90,965,105,339)
Net revenue	<hr/>	<hr/>
	3,186,088,039,154	3,337,050,012,004

**27. Cost of sales**

	<b>Six-month period ended</b>	
	<b>30/6/2016</b>	<b>30/6/2015</b>
	<b>VND</b>	<b>VND</b>
Finished goods sold	2,947,042,929,971	3,110,505,471,456
Raw materials goods	1,544,013,726	1,715,162,985
Allowance for inventories	(11,199,131,657)	1,443,482,782
	<hr/>	<hr/>
	2,937,387,812,040	3,113,664,117,223

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BT*  
*dated 22 December 2014 of the Ministry of Finance)*

**28. Financial income**

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Interest income	27,849,580,541	36,714,623,423
Dividends	28,589,304,941	185,704,558,082
Realised foreign exchange gains	4,356,363,992	21,158,464,988
	60,795,249,474	243,577,646,493

**29. Financial expenses**

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Interest expense	79,702,715,959	63,011,356,055
Allowance for diminution in value of investments	31,354,965,434	38,811,753,098
Realised foreign exchange losses	22,665,570,591	11,606,141,250
Unrealised foreign exchange losses	1,012,026,677	50,350,616,289
Bonds issuance costs	2,500,000,002	-
Losses from liquidation of a subsidiary	-	212,507,759
Others	15,854,811	539,777,778
	137,251,133,474	164,532,152,229

**30. Selling expenses**

	Six-month period ended	
	30/6/2016	30/6/2015
	VND	VND
Staff costs	5,942,449,999	5,475,961,693
Transportation expenses	50,846,229,144	65,269,597,281
Warehouse rental expenses	25,969,414,049	34,028,980,694
Commission fees	9,188,409,343	6,356,862,349
Others	11,056,819,296	7,044,989,184
	103,003,321,831	118,176,391,201

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BT*  
*dated 22 December 2014 of the Ministry of Finance)*

**31. General and administration expenses**

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
Staff costs	11,180,677,593	10,311,416,777
Office supplies	2,936,392,367	3,395,564,053
Depreciation expenses	2,734,340,432	2,214,143,456
Outside service expenses	6,360,614,725	4,278,480,253
Bank charges	662,316,187	1,108,761,051
Others	3,659,464,565	8,420,887,790
	27,533,805,869	29,729,253,380

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

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
Raw material costs included in production costs	2,116,630,550,460	2,569,781,940,503
Labour costs and staff costs	214,929,736,496	226,100,040,982
Depreciation and amortisation	16,733,759,661	14,513,579,212
Outside services	135,819,202,067	164,419,521,308
Other expenses	15,959,477,285	35,898,925,888

**33. Income tax**

**(a) Recognised in the statement of income**

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
<b>Current tax expense</b>		
Current period	2,188,460,388	-
<b>Deferred tax benefit</b>		
Origination of temporary differences	(509,410,975)	(812,915,525)
Benefit of tax losses recognised	-	(4,002,291,425)
Income tax expense/(benefit)	1,679,049,413	(4,815,206,950)

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BT*  
*dated 22 December 2014 of the Ministry of Finance)*

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

	<b>Six-month period ended</b>	
	<b>30/6/2016</b>	<b>30/6/2015</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	42,838,042,647	155,227,483,668
Tax at the Company's tax rate	4,283,804,265	15,522,748,367
Effect of different tax rate applied to trading income	135,115,309	(1,990,551,900)
Non-deductible expenses	119,060,333	204,170,091
Non-taxable income	(2,858,930,494)	(18,551,573,508)
Income tax expense/(benefit)	1,679,049,413	(4,815,206,950)

**(c) Applicable tax rates**

Under the prevailing Corporate 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 20% on trading activities (2015: 22%).

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BT*  
*dated 22 December 2014 of the Ministry of Finance)*

**34. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the separate interim financial statements, the Company had the following significant transactions with related parties during the period:

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
<b>Minh Qui Seafood Co., Ltd.</b>		
Sales of finished goods	104,657,842,441	183,416,004,739
Factory rental fees	9,000,000,000	9,000,000,000
Dividends	26,063,698,023	34,432,489,222
<b>Minh Phat Seafood Co., Ltd.</b>		
Sales of finished goods	-	7,974,840,413
Factory rental fees	9,900,000,000	9,900,000,000
Dividends	2,462,660,918	16,083,246,379
<b>Minh Phu Hau Giang Seafood JSC</b>		
Purchases of raw materials	3,999,339,754	887,691,680
Purchases of finished goods	205,415,901,462	595,453,056,950
Sales of raw materials	1,595,304,720	2,597,472,035
Sales of finished goods	532,544,679,016	491,188,585,751
Warehouse rental	411,169,984	1,105,571,745
Dividends	-	134,999,999,481
<b>Minh Phu Kien Giang Seafood Co., Ltd.</b>		
Purchases of raw materials	-	4,464,340,915
<b>Minh Phu Loc An Aquaculture Co., Ltd.</b>		
Rental income	-	140,000,000
<b>Mseafood Corporation</b>		
Sales of finished goods	1,377,384,480,199	1,045,952,727,239
Return goods	4,119,337,142	6,839,501,490
<b>Minh Phu Hoa Dien Aquaculture One Member Company</b>		
Capital collection from liquidation	-	37,326,643
<b>Minh Phu Seafood Supply Chain Co., Ltd.</b>		
Service provided	3,045,927,000	13,536,831,000
Rental income	150,000,000	-



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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BT*  
*dated 22 December 2014 of the Ministry of Finance)*

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
<b>Minh Phu Hau Giang Port Corporation</b>		
Capital contribution	-	97,820,000,000
<b>Ebisumo Logistic Co., Ltd.</b>		
Capital contribution	935,000,000	-
<b>Minh Phu Food Co., Ltd.</b>		
Capital contribution	20,000,000	-
<b>Mekong Logistic Co., Ltd.</b>		
Loan provided by the Company	10,000,000,000	-
<b>Long Phung Investment Corporation</b>		
Office rental	1,190,378,837	1,129,630,711

**Transactions with key management personnel**

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

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
Remunerations and business allowances	3,485,234,929	3,315,703,998

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

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BT*  
*dated 22 December 2014 of the Ministry of Finance)*

**35. Non-cash activities**

	Six-month period ended	
	30/6/2016 VND	30/6/2015 VND
Transfer from investments in Minh Phu Hoa Dien Aquaculture One Member Company to accounts receivable from Minh Phu - Kien Giang Seafood Co., Ltd.	-	9,075,680,545
Transfer from investments in Minh Phu Hoa Dien Aquaculture One Member Company to accounts payable to Minh Phu - Kien Giang Seafood Co., Ltd.	-	6,348,366,465

22 August 2016

Prepared by:

*Luu Minh Trung*  
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 Chief Accountant

Approved by:

*Le Van Quang*  
 Le Van Quang  
 General Director

