KPMG

Minh Phu Seafood Joint Stock Company
and its subsidiaries

Consolidated interim financial statements for the six-month period ended 30 June 2017

Minh Phu Seafood Joint Stock Company
Corporate Information

Business Registration Certificate	6103000072	12 May 2006
	6103000072 (1st amendment)	25 May 2007
	6103000072 (2nd amendment)	12 November 2007
	2000393273	23 June 2010
	2000393273 (1st amendment)	15 October 2014
	2000393273 (2nd 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
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. 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
	Mr. Nguyen Tan Anh	Deputy General Director (until 1 March 2017)
Supervisory Board	Mr. Tran Van Khanh	Head of Board
	Ms. Nguyen Thi Hong Cuc	Member
	Ms. Do Thi Hanh	Member
Registered Office	Ward 8 Industrial Zone Ca Mau City, Ca Mau Province Vietnam	
Auditor	KPMG Limited Vietnam	

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 2017.

The Board of Directors is responsible for the preparation and fair presentation of the 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. In the opinion of the Board of Directors:

(a) the consolidated interim financial statements set out on pages 5 to 62 give a true and fair view of the consolidated financial position of Minh Phu Seafood Joint Stock Company and its subsidiaries as at 30 June 2017, and of the consolidated results of operations and the consolidated cash flows of the Group for the 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; 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 Diep
Deputy General Director

Ca Mau Province, 18 August 2017

KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84-8 3821 9266 | kpmg.com.vn

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 2017, the consolidated statements of income and 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 18 August 2017, as set out on pages 5 to 62.

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.

KPMG Limited Branch in Ho Chi Minh City, a branch of KPMG Limited, a Vietnamese limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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 2017 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.: 15-01-268/2017R

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

Ho Chi Minh City, 18 August 2017

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2017

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

	Code	Note	30/6/2017 VND	1/1/2017 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	**100**		**6,860,974,606,322**	**6,633,288,235,809**
Cash and cash equivalents	**110**	**6**	**670,985,030,939**	**1,532,279,347,669**
Cash	111		145,885,030,939	163,224,240,021
Cash equivalents	112		525,100,000,000	1,369,055,107,648
Short-term financial investments	**120**		**536,537,824,180**	**493,109,144,438**
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)	(8,613,935,111)	(10,045,101,535)
Held-to-maturity investments	123	7(b)	530,340,649,880	488,343,136,562
Accounts receivable – short-term	**130**		**1,199,439,025,068**	**1,323,538,429,976**
Accounts receivable from customers	131	8	1,001,539,543,352	1,133,057,069,435
Prepayments to suppliers	132		92,439,921,478	55,689,695,377
Loans receivable	135	9	44,000,000,000	54,000,000,000
Other short-term receivables	136	10(a)	63,423,099,775	82,755,204,701
Allowance for doubtful debts	137	11	(1,963,539,537)	(1,963,539,537)
Inventories	**140**	**12**	**4,391,378,355,618**	**3,220,430,550,915**
Inventories	141		4,411,588,366,110	3,248,000,296,472
Allowance for inventories	149		(20,210,010,492)	(27,569,745,557)
Other current assets	**150**		**62,634,370,517**	**63,930,762,811**
Short-term prepaid expenses	151	16(a)	10,472,815,879	1,504,521,290
Deductible value added tax	152		38,661,415,311	38,226,993,880
Taxes receivable from State Treasury	153	19(b)	13,500,139,327	24,199,247,641

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

	Code	Note	30/6/2017 VND	1/1/2017 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	**200**		**1,495,220,097,615**	**1,556,527,182,793**
Accounts receivable – long-term	**210**		**14,614,803,478**	**14,679,129,385**
Other long-term receivables	216	10(b)	14,614,803,478	14,679,129,385
Fixed assets	**220**		**1,014,928,299,648**	**1,155,868,294,915**
Tangible fixed assets	221	13	954,187,599,990	1,012,399,861,022
Cost	222		2,039,249,239,128	2,023,290,962,863
Accumulated depreciation	223		(1,085,061,639,138)	(1,010,891,101,841)
Intangible fixed assets	227	14	60,740,699,658	143,468,433,893
Cost	228		71,272,750,095	160,022,278,537
Accumulated amortisation	229		(10,532,050,437)	(16,553,844,644)
Long-term work in progress	**240**		**165,821,209,473**	**160,575,227,654**
Construction in progress	242	15	165,821,209,473	160,575,227,654
Long-term financial investments	**250**	**7(c)**	**108,900,000,000**	**108,900,000,000**
Investments in associates	252		101,900,000,000	101,900,000,000
Equity investments in other entities	253		7,000,000,000	7,000,000,000
Other long-term assets	**260**		**190,955,785,016**	**116,504,530,839**
Long-term prepaid expenses	261	16(b)	161,721,714,010	83,453,964,843
Deferred tax assets	262	17	26,402,583,470	28,674,630,610
Goodwill	269	18	2,831,487,536	4,375,935,386
TOTAL ASSETS (270 = 100 + 200)	**270**		**8,356,194,703,937**	**8,189,815,418,602**

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

	Code	Note	30/6/2017 VND	1/1/2017 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	**300**		**5,918,561,610,151**	**5,896,844,057,892**
Current liabilities	**310**		**3,815,218,806,049**	**2,353,310,726,812**
Accounts payable to suppliers	311		227,817,794,598	291,573,675,393
Advances from customers	312		17,710,148,523	8,632,646,619
Taxes payable to State Treasury	313	19(a)	13,115,612,488	2,849,276,515
Payables to employees	314		86,583,755,194	89,621,450,872
Accrued expenses	315	20	840,129,300	679,624,807
Other payables – short-term	319	22(a)	73,396,907,833	83,943,363,138
Short-term borrowings	320	23(a)	3,335,495,986,120	1,822,624,002,211
Bonus and welfare funds	322	25	60,258,471,993	53,386,687,257
Long-term liabilities	**330**		**2,103,342,804,102**	**3,543,533,331,080**
Long-term unearned revenue	336	21	37,825,502,385	39,038,252,385
Other payables – long-term	337	22(b)	6,836,856,000	6,776,856,000
Bonds	338	23(b)	2,039,416,666,683	3,475,916,666,679
Deferred tax liabilities	341	17	19,263,779,034	19,394,426,038
Provision – long-term	342	24	-	2,407,129,978
EQUITY (400 = 410)	**400**		**2,437,633,093,786**	**2,292,971,360,710**
Owners' equity	**410**	**26**	**2,437,633,093,786**	**2,292,971,360,710**
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		126,127,015,859	126,455,519,008
Investment and development fund	418	28	55,325,513,495	32,244,098,097
Retained profits	421		958,080,598,191	845,897,804,857
Non-controlling interest	429		500,385,187,866	490,659,160,373
TOTAL RESOURCES (440 = 300 + 400)	**440**		**8,356,194,703,937**	**8,189,815,418,602**

18 August 2017

Prepared by: Approved by:

Luu Minh Trung
Chief Accountant

Le Van Diep
Deputy General Director

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2017

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 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Revenue from sales of goods	**01**	**30**	**6,382,049,788,861**	**4,772,877,504,014**
Revenue deductions	**02**	**30**	**39,961,422,932**	**57,117,142,395**
Net revenue (10 = 01 - 02)	**10**	**30**	**6,342,088,365,929**	**4,715,760,361,619**
Cost of sales	**11**	**31**	**5,670,181,411,770**	**4,266,476,658,786**
Gross profit (20 = 10 - 11)	**20**		**671,906,954,159**	**449,283,702,833**
Financial income	21	32	72,129,016,476	52,504,273,815
Financial expenses	22	33	149,969,494,868	162,603,624,312
In which: Interest expense	23		*86,627,893,669*	*121,816,842,966*
Selling expenses	25	34	327,477,132,565	271,849,781,847
General and administration expenses	26	35	82,790,821,897	104,864,956,412
Net operating profit/(loss) (30 = 20 + 21 - 22 - 25 - 26)	**30**		**183,798,521,305**	**(37,530,385,923)**
Other income	31	35	2,517,684,244	69,466,476,017
Other expenses	32	36	407,274,257	1,625,771,514
Results of other activities (40 = 31 - 32)	**40**		**2,110,409,987**	**67,840,704,503**
Accounting profit before tax (50 = 30 + 40)	**50**		**185,908,931,292**	**30,310,318,580**
Income tax expense – current	**51**	**39**	**25,199,476,499**	**6,357,492,669**
Income tax expense – deferred	**52**	**39**	**2,141,400,136**	**4,802,327,013**
Net profit after tax (carried forward to next page) (60 = 50 - 51 - 52)	**60**		**158,568,054,657**	**19,150,498,898**

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2017 (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 30/6/2017 VND	30/6/2016 VND
Net profit after tax (brought forward from previous page) (60 = 50 - 51 - 52)	**60**		**158,568,054,657**	**19,150,498,898**
Attributable to:				
Equity holders of the Company	61		144,836,928,763	20,453,238,415
Non-controlling interest	62		13,731,125,894	(1,302,739,517)
Basic earnings per share	**70**	**40**	**2,036**	**299**

18 August 2017

Prepared by:	Approved by:
Luu Minh Trung	Le Van Diep
Chief Accountant	*Deputy General Director*

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2017
(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 30/6/2017 VND	30/6/2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	**01**		**185,908,931,292**	**30,310,318,580**
Adjustments for				
Depreciation and amortisation	02		78,641,976,172	93,744,129,407
Allowances and provisions	03		(8,786,501,489)	(19,120,393,719)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		3,753,192,241	3,416,024,149
Gains on disposals of fixed assets	05		(216,041,681)	(81,774,123)
Construction in progress written off	05		-	391,363,753
Interest income	05		(43,181,602,882)	(36,805,768,224)
Dividends income	05		(171,608,400)	(62,946,000)
Gain on revaluation of asset contributed to an associate	05		(1,212,750,000)	-
Interest expense and bonds issuance costs	06		90,127,893,673	125,316,842,970
Operating profit before changes in working capital	**08**		**304,863,488,926**	**197,107,796,793**
Change in receivables	09		130,370,694,105	150,290,856,114
Change in inventories	10		(1,163,587,771,603)	556,522,058,811
Change in payables and other liabilities	11		(50,486,866,641)	30,483,441,493
Change in prepaid expenses	12		(6,835,161,666)	3,942,610,693
			(785,675,616,879)	**938,346,763,904**
Interest paid	14		(111,062,343,367)	(127,650,716,925)
Corporate income tax paid	15		(6,507,041,210)	(25,648,529,741)
Other payments for operating activities	17		(4,720,188,407)	(40,483,136,830)
Net cash flows from operating activities	**20**		**(907,965,189,863)**	**744,564,380,408**

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

Minh Phu Seafood Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2017
(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 30/6/2017 VND	30/6/2016 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(19,419,672,770)	(9,391,424,813)
Proceeds from disposals of fixed assets	22		300,000,000	1,458,181,818
Payments for granting loans to an associate	23		-	(10,000,000,000)
Payments for term deposits	23		(55,000,000,000)	(337,302,498,440)
Collection from term deposits	24		13,000,000,000	472,525,000,000
Receipts from collecting loans to an associate	24		10,000,000,000	-
Receipts from collecting loans to employees	24		810,426,184	-
Receipts of interest and dividends	27		28,932,353,441	31,946,634,723
Cash collection from disposals of a subsidiary	29		-	33,000,000,000
Net cash flows from investing activities	**30**		**(21,376,893,145)**	**182,235,893,288**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings and bonds	33		7,341,718,068,748	3,557,876,797,444
Payments to settle loan principals	34		(7,272,369,562,536)	(4,199,182,714,945)
Net cash flows from financing activities	**40**		**69,348,506,212**	**(641,305,917,501)**
Net cash flows during the period (50 = 20 + 30 + 40)	**50**		**(859,993,576,796)**	**285,494,356,195**
Cash and cash equivalents at the beginning of the period	**60**		**1,532,279,347,669**	**864,823,486,140**
Impact of exchange rate fluctuation	**61**		**(1,300,739,934)**	**786,259,381**
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	**70**	**6**	**670,985,030,939**	**1,151,104,101,716**

18 August 2017

Prepared by:	Approved by:
Luu Minh Trung	Le Van Diep
Chief Accountant	*Deputy General Director*

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

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 include the Company and its subsidiaries, as listed in Note (d) below, (together referred to as "the Group") and the Group's interest in associates.

(b) Principal activities

The principal activities of the Group 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 Group is generally within 12 months.

(d) Group structure

As at 30 June 2017, the Company had 13 subsidiaries (1/1/2017: 12 subsidiaries) as listed below:

Subsidiaries	Principal activity	% of economic interests 30/6/2017	% of economic interests 1/1/2017
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 Phat Seafood Co., Ltd.	Process and trade in aquatic products, import materials, machinery and equipment for	95.0%	95.0%

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 economic interests 30/6/2017	1/1/2017
	aquaculture.		
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%	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%
Minh Phu Mangrove Shrimp Social Enterprise (**)	Breed aquacultural products; produce and trade in aquatic foods, consulting on activities related to breeding aquacultural and producing aquatic products.	49.92%	-

The percentage of economic interests represents the effective percentage of economic interests of the Company both directly and indirectly in the subsidiaries.

(*) On 8 August 2017, under Minutes No. 81/HDQT.MPC.17, the Company's Board of Management resolved to reduce the authorised legal capital of Minh Phu Food Co., Ltd. from VND40.8 billion to VND2 billion. At the reporting date, the Company has not fully contributed capital.

(**) On 12 January 2017, under Minutes No. 01/HĐQT.MPC.17, the Company's Board of Management resolved to establish Minh Phu Mangrove Shrimp Social Enterprise, located in Ca Mau Province with the authorised legal capital of VND18 billion. The Company hold 25% interest of this entity. Minh Phu Seafood Supply Chain Co., Ltd., a 100% owned subsidiary of the Company hold 19.44% interest and Minh Phu Aquatic Larvae Company Limited, a 98.5% owned subsidiary of the Company hold 5.56% interest. The remaining shareholders are Mr. Le Van Quang (44.44% interest) and Ms. Le Thi Diu Minh (5.56% interest).

On 8 August 2017, under Minutes No. 81/HĐQT.MPC.17, the Company's Board of Management resolved to reduce the authorised legal capital of Minh Phu Mangrove Shrimp Social Enterprise from VND18 billion to VND9.9 billion and change its capital structure. As the result, the Company hold 25.25% interest of this entity, Minh Phu Seafood Supply Chain Co., Ltd. hold 15.15% interest and Minh Phu Aquatic Larvae Company Limited hold 5.05% interest. The remaining shareholders without voting right are Mr. Le Van Quang (39.4% interest) and Ms. Le Thi Diu Minh (15.15% interest). At the reporting date, the Company and other shareholders have not fully contributed capital to this subsidiary.

Mseafood Corporation is incorporated in the State of California, USA. Ebisumo Logistic Co., Ltd is incorporate in Japan. All other subsidiaries are incorporated in Vietnam.

As at 30 June 2017, the Company had 2 associates (1/1/2017: 2 associates) as listed in Note 7(c).

As at 30 June 2017, the Group had 12,842 employees (1/1/2017: 12,477 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System 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 following significant accounting policies 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.

(iii) Loss of control

When the Group losses 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.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at 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 or its subsidiaries 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.

(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 banks, bonds, redeemable preference shares which the issuers are required to repurchase at a certain date and loans receivable held to maturity. These investments are stated at costs less allowance for diminution in value of investments.

(iii) Investments in equity instruments of other entities

Investments in equity instruments of other entities, which the Group has no control or significant influence, 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 Group'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

Accounts receivable from customers 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.

(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 acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over a period of 5 to 15 years.

(i) Construction in progress

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

(j) Long-term 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 6 - 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

Accounts payable to suppliers 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.

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the 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 employee's 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 2017 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) Bond issues

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

Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from capital surplus.

(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 capital surplus.

(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 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 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 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.

(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 funds 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 2017, 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 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 Group's aquatic segment is subject to seasonal fluctuations as a result of weather conditions and consumption demand. In particular, the cultivation of aqualculture 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.

Segment reporting

Business segments

The Group comprise the following main business segments:

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

For the six-month period ended 30 June 2017	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
External revenue	10,080,000	3,834,045,739,387	2,485,231,761,701	22,800,784,841	-	6,342,088,365,929
Inter-segment revenue	44,760,594,313	4,078,295,703,337	492,433,620,081	62,484,155,735	(4,677,974,073,466)	-
Total segment revenue	44,770,674,313	7,912,341,442,724	2,977,665,381,782	85,284,940,576	(4,677,974,073,466)	6,342,088,365,929
Segment result	(18,110,403,937)	272,905,241,991	9,422,258,187	8,755,506,227	(11,333,602,771)	261,638,999,697
Financial income						72,129,016,476
Financial expenses						(149,969,494,868)
Result from operating activities						183,798,521,305
Other income						2,517,684,244
Other expenses						(407,274,257)
Income tax						(27,340,876,635)
Net profit after tax						158,568,054,657

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

For six-month period ended 30 June 2016	**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

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

As of 30 June 2017	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	205,624,796,877	6,860,679,134,169	2,341,302,483,120	144,745,280,585	(2,446,409,725,302)	7,105,941,969,449
Investment in equity accounted associates						108,900,000,000
Unallocated assets						1,141,352,734,488
Total assets						8,356,194,703,937
Segment liabilities	249,493,758,388	6,380,452,839,108	1,621,393,154,988	19,520,515,604	(2,365,253,825,950)	5,905,606,442,138
Unallocated liabilities						12,955,168,013
Total liabilities						5,918,561,610,151
For six-month period ended 30 June 2017						
Capital expenditure	-	19,258,742,770	-	160,930,000	-	19,419,672,770
Depreciation and amortisation	7,959,238,627	56,803,569,203	10,177,003,395	2,157,717,097	1,544,447,850	78,641,976,172

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

As of 1 January 2017	Aquaculture products breeding VND	Aquatic products processing VND	Aquatic products trading VND	Others VND	Elimination VND	Consolidated VND
Segment assets	224,960,483,892	6,813,066,349,168	2,054,836,878,215	146,016,590,052	(1,729,904,597,096)	7,508,975,704,231
Investment in equity accounted associates						108,900,000,000
Unallocated assets						571,939,714,371
Total assets						8,189,815,418,602
Segment liabilities						5,866,246,380,755
Unallocated liabilities						30,597,677,137
Total liabilities						5,896,844,057,892
For the 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

(b) Geographical segments

(i) Segment revenue

	External revenue Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Vietnam	21,481,471,675	30,541,801,069
North America	2,942,588,132,459	2,333,923,479,546
Europe	424,943,311,885	455,540,720,682
Japan	1,674,192,589,500	896,428,995,313
Korea	470,156,429,560	338,380,222,184
Others	808,726,430,850	660,945,142,825
	6,342,088,365,929	4,715,760,361,619

(ii) Segment assets

	Total assets	
	30/6/2017 VND	1/1/2017 VND
Vietnam	6,829,265,605,633	6,456,274,478,810
North America	1,488,517,140,445	1,730,334,403,312
Japan	38,411,957,859	3,206,536,480
	8,356,194,703,937	8,189,815,418,602

6. Cash and cash equivalents

	30/6/2017 VND	1/1/2017 VND
Cash on hand	10,076,826,192	5,272,364,100
Cash in banks	135,808,204,747	157,951,875,921
Cash equivalents	525,100,000,000	1,369,055,107,648
	670,985,030,939	1,532,279,347,669

7. Investments

(a) Trading securities

	30/6/2017				1/1/2017			
	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:								
▪ PetrolVietnam Transportation Corporation	171,578	6,004,500,000	2,565,091,100	(3,439,408,900)	171,578	6,004,500,000	1,990,304,800	(4,155,995,200)
▪ No.8 Investment & Construction JSC	112,000	5,263,000,000	1,120,000,000	(4,143,000,000)	112,000	5,263,000,000	952,000,000	(4,311,000,000)
▪ REE Corporation	19	80,000	701,100	-	19	80,000	468,350	-
▪ Vietnam Pyramid New Technology Corporation	18,823	272,941,176	188,230,000	(84,711,176)	18,823	272,941,176	449,681,470	-
▪ Van Dien Fused Magnesium Phosphate Fertilizer JSC	163,646	3,270,588,235	2,323,773,200	(946,815,035)	163,646	3,270,588,235	2,070,121,900	(1,578,106,335)
		14,811,109,411	6,197,795,400	(8,613,935,111)		14,811,109,411	5,462,576,520	(10,045,101,535)

Movements in the allowance for diminution of trading securities during the period were as follows:

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Opening balance	10,045,101,535	8,378,460,000
Increase in allowance during the period	84,711,176	-
Written back	(1,515,877,600)	-
Closing balance	8,613,935,111	8,378,460,000

(b) Held-to-maturity investments

	30/6/2017 VND	1/1/2017 VND
Term deposits	530,340,649,880	488,343,136,562

This represented term deposits with the maturity from six to twelve months and earned interest at rates ranging from 6.5% to 6.8% per annum during the period (year ended 31 December 2016: from 4.5% to 7.6% per annum).

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

Equity investments in other entities

30 June 2017	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 Techinique Service Co., Ltd.	Ho Chi Minh City, Vietnam	49.0%	49.0%	3,900,000,000	(*)	-
▪ Mekong Logistics Joint Stock Company	Hau Giang Province, Vietnam	41.0%	49.0%	98,000,000,000	(*)	-
				101,900,000,000		-
Other						
▪ Saigon – Camau Infrastructure Corporation	Ca Mau Province, Vietnam	10.0%	10.0%	7,000,000,000	(*)	-
				108,900,000,000		-

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

1 January 2017	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 Techinique Service Co., Ltd.	Ho Chi Minh City, Vietnam	49.0%	49.0%	3,900,000,000	(*)	-
▪ Mekong Logistics Joint Stock Company	Hau Giang Province, Vietnam	41.0%	49.0%	98,000,000,000	(*)	-
				101,900,000,000		-
Other						
▪ Saigon – Camau Infrastructure Corporation	Ca Mau Province, Vietnam	10.0%	10.0%	7,000,000,000	(*)	-
				108,900,000,000		-

The Group's associates were still in their pre-operating stage as of 30 June 2017.

(*) 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.

8. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	30/6/2017 VND	1/1/2017 VND
Censea Inc.	174,870,140,197	182,288,366,943
H.T.Foods Pvt Ltd	97,103,002,474	127,870,426,591
Kailis Bros PTY Ltd	71,747,632,263	81,337,335,851
Aqua Star	31,348,142,862	114,641,990,962
Other customers	626,470,625,556	626,918,949,088
	1,001,539,543,352	1,133,057,069,435

(b) Accounts receivable from customers who are related parties

	30/6/2017 VND	1/1/2017 VND
Associate		
Saigon – Camau Infrastructure Corporation	2,058,898,500	2,058,898,500
Mekong Logistics Joint Stock Company	20,915,000	-

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

Accounts receivable from customers at 30 June 2017 included VND578,542 million (1/1/2017: VND834,148 million) pledged with banks as security for loans granted to the Group (Note 23).

9. Loans receivable

The amount represented loan to Mekong Logistics Joint Stock Company, an associate. The loan is unsecured and earned interest at rates at 7% per annum (year ended 31 December 2016: 7% per annum) and is receivable within 12 months from the date of disbursement.

Movement of loans receivable during the period were as follows:

	Six-month period ended	
	30/6/2017 VND	**30/6/2016 VND**
Opening balance	54,000,000,000	-
Increase during the period	-	10,000,000,000
Collect during the period	(10,000,000,000)	-
Closing balance	44,000,000,000	10,000,000,000

10. Other receivables

(a) Other short-term receivables

	30/6/2017 VND	**1/1/2017 VND**
Interest receivable from deposits	27,150,975,197	12,730,117,356
Short-term deposits (*)	9,736,739,870	53,711,852,950
Advance to employees	6,369,255,412	2,776,993,012
Social and health insurance receivable from employees	2,498,931,992	3,644,866,628
Loans to employees (**)	1,951,535,725	2,761,961,909
Others	15,715,661,579	7,129,412,846
	63,423,099,775	82,755,204,701

(*) 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.

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

(b) Other long-term receivables

	30/6/2017 VND	1/1/2017 VND
Antidumping tax (*)	7,308,294,900	7,372,620,807
Advance to a shrimp farmer (**)	7,306,508,578	7,306,508,578
	14,614,803,478	14,679,129,385

(*) These amounts represented the prepayments of antidumping tax to be refunded to the Group as the Group is no longer be subjected to the antidumping tax order from 18 July 2016 according to the decision of the United States of America's Department of Commerce.

(**) 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.

11. Bad and doubtful debts

	30/6/2017				1/1/2017			
	Overdue days	Carrying amount VND	Recoverable amount VND	Allowance VND	Overdue days	Carrying amount VND	Recoverable amount VND	Allowance VND
Overdue debts								
Viet Hai Export Frozen Seafood Processing Company Limited	4 – 5 years	982,302,147	-	982,302,147	3 – 4 years	982,302,147	-	982,302,147
Mo O Soc Trang Seafood Joint Stock Company	4 – 5 years	771,913,390	-	771,913,390	3 – 4 years	771,913,390	-	771,913,390
Thanh Binh Company Limited	4 – 5 years	209,324,000	-	209,324,000	3 – 4 years	209,324,000	-	209,324,000
		1,963,539,537	-	1,963,539,537		1,963,539,537	-	1,963,539,537
Of which:								
Allowance for doubtful debts – short-term				1,963,539,537				1,963,539,537

There was no movement in allowance for doubtful debts during the period.

12. Inventories

	30/6/2017		1/1/2017	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	41,799,395,074	-	78,104,217,404	-
Raw materials	127,191,001,472	-	98,875,014,292	-
Tools and supplies	5,574,117,457	-	5,662,179,015	-
Work in progress	23,218,292,948	-	35,175,086,812	-
Finished goods	4,213,805,559,159	(20,210,010,492)	3,030,183,798,949	(27,569,745,557)
	4,411,588,366,110	(20,210,010,492)	3,248,000,296,472	(27,569,745,557)

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

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Opening balance	27,569,745,557	40,307,098,016
Increase in allowance during the period	16,200,603,862	7,469,855,295
Written back	(23,555,938,927)	(26,590,249,014)
Translation differences	(4,400,000)	(126,000,000)
Closing balance	20,210,010,492	21,060,704,297

At 30 June 2017, inventories with carrying value of VND2,993,494 million (1/1/2017: VND3,292,304 million) were pledged with banks as security for loans granted to the Group (Note 23).

Included in inventories at 30 June 2017 was VND244,087 million (1/1/2017: VND384,603 million) of finished goods carried at net realisable value.

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

13. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	732,678,258,354	1,117,627,877,672	152,427,792,484	20,557,034,353	2,023,290,962,863
Additions	729,112,728	15,406,278,391	518,200,000	-	16,653,591,119
Disposals	-	-	(688,909,091)	-	(688,909,091)
Translation differences	(6,089,656)	-	-	(316,107)	(6,405,763)
Closing balance	733,401,281,426	1,133,034,156,063	152,257,083,393	20,556,718,246	2,039,249,239,128
Accumulated depreciation					
Opening balance	268,158,707,798	643,496,768,225	86,522,239,809	12,713,386,009	1,010,891,101,841
Charge for the period	10,587,074,483	55,316,485,999	7,807,816,556	1,065,797,738	74,777,174,776
Disposals	-	-	(604,950,772)	-	(604,950,772)
Translation differences	(1,370,600)	-	-	(316,107)	(1,686,707)
Closing balance	278,744,411,681	698,813,254,224	93,725,105,593	13,778,867,640	1,085,061,639,138
Net book value					
Opening balance	464,519,550,556	474,131,109,447	65,905,552,675	7,843,648,344	1,012,399,861,022
Closing balance	454,656,869,745	434,220,901,839	58,531,977,800	6,777,850,606	954,187,599,990

Included in the cost of tangible fixed assets were assets costing VND176,791 million which were fully depreciated as of 30 June 2017 (1/1/2017: VND171,070 million), but which are still in active use.

At 30 June 2017, tangible fixed assets with carrying value of VND249,646 million (1/1/2017: VND517,453 million) were pledged with banks as security for loans granted to the Group (Note 23).

14. Intangible fixed assets

	Indefinite land use rights VND	Definite land use rights VND	Software VND	Total VND
Cost				
Opening balance	18,948,576,507	110,923,425,700	30,150,276,330	160,022,278,537
Transfer to long-term prepaid expense	-	(88,742,326,115)	-	(88,742,326,115)
Translation differences	(7,202,327)	-	-	(7,202,327)
Closing balance	18,941,374,180	22,181,099,585	30,150,276,330	71,272,750,095
Accumulated amortisation				
Opening balance	-	11,941,905,291	4,611,939,353	16,553,844,644
Charge for the period	-	1,098,794,294	1,221,559,252	2,320,353,546
Transfer to long-term prepaid expense	-	(8,342,147,753)	-	(8,342,147,753)
Closing balance	-	4,698,551,832	5,833,498,605	10,532,050,437
Net book value				
Opening balance	18,948,576,507	98,981,520,409	25,538,336,977	143,468,433,893
Closing balance	18,941,374,180	17,482,547,753	24,316,777,725	60,740,699,658

Included in the cost of intangible fixed assets were assets costing VND3,061 million which were fully amortised as of 30 June 2017 (1/1/2017: VND3,016 million), but which are still in use.

At 30 June 2017 intangible fixed assets with carrying value of VND2,082 million (1/1/2017: VND98,323 million) were pledged with banks as security for loans granted to the Group (Note 23(a)).

15. Construction in progress

	Six-month period ended	
	30/6/2017	**30/6/2016**
	VND	**VND**
Opening balance	160,575,227,654	145,000,706,037
Additions during the period	5,245,981,819	726,500,000
Written off	-	(391,363,753)
Closing balance	165,821,209,473	145,335,842,284

Major constructions in progress were as follows:

	30/6/2017	**1/1/2017**
	VND	**VND**
Buildings	51,503,710,041	46,277,428,222
Land use rights	103,601,881,608	96,921,187,244
Machinery	-	6,660,994,364
Others	10,715,617,824	10,715,617,824
	165,821,209,473	160,575,227,654

16. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2017 VND	1/1/2017 VND
Tools and supplies	10,472,815,879	1,504,521,290

(b) Long-term prepaid expenses

	Prepaid land costs VND	Tools and instruments VND	Total VND
Opening balance	45,641,645,219	37,812,319,624	83,453,964,843
Additions	-	12,005,299,522	12,005,299,522
Transfer from intangible fixed assets	80,400,178,362	-	80,400,178,362
Amortisation for the period	(1,573,849,842)	(12,563,878,875)	(14,137,728,717)
Closing balance	124,467,973,739	37,253,740,271	161,721,714,010

At 30 June 2017, long-term prepaid expenses with carrying value of VND37,944 million (1/1/2017: VND54 million) were pledged with banks as security for loans granted to the Group (Note 23).

17. Deferred tax assets and liabilities

	30/6/2017 VND	1/1/2017 VND
Deferred tax assets:		
Unrealised profits arising from intra-group transactions	18,837,482,993	10,615,753,450
Provisions and allowances	-	29,439,883
Unrealised gains on revaluation of assets contributed to associate	7,565,100,477	8,588,415,525
Tax losses carry-forwards	-	9,441,021,752
Total deferred tax assets	26,402,583,470	28,674,630,610
Deferred tax liabilities:		
Allowance for diminution in the value of investments in subsidiaries	(17,890,029,536)	(17,801,645,998)
Unrealised foreign exchange gains	(130,989,345)	(1,592,780,040)
Revenue to be taxable in future	(1,242,760,153)	-
Total deferred tax liabilities	(19,263,779,034)	(19,394,426,038)
Net deferred tax assets	7,138,804,436	9,280,204,572

18. Goodwill

	VND
Cost	
Opening and closing balance	30,888,957,000
Accumulated amortisation	
Opening balance	26,513,021,614
Charge for the period	1,544,447,850
Closing balance	28,057,469,464
Net book value	
Opening balance	4,375,935,386
Closing balance	2,831,487,536

19. Taxes payable and receivable from State Treasury

(a) Taxes payable to State Treasury

	1/1/2017 VND	Incurred VND	Paid VND	Net-off VND	Translation differences VND	30/6/2017 VND
Value added tax	887,066,076	63,307,236,511	(20,481,075,195)	(42,484,663,805)	-	1,228,563,587
Import-export tax	7,837,060	56,952,198	(64,789,258)	-	-	-
Corporate income tax	1,161,687,924	25,199,476,499	(6,507,041,210)	(8,728,921,139)	5,961,208	11,131,163,282
Personal income tax	791,245,455	5,158,673,606	(5,233,445,787)	-	403,105	716,876,379
Other taxes	1,440,000	52,360,840	(14,890,400)	-	98,800	39,009,240
	2,849,276,515	93,774,699,654	(32,301,241,850)	(51,213,584,944)	6,463,113	13,115,612,488

(b) Taxes receivable from State Treasury

	1/1/2017 VND	Paid VND	Received VND	Net-off VND	30/6/2017 VND
Corporate income tax prepaid	18,393,762,239	-	-	(8,728,921,139)	9,664,841,100
Import-export tax	5,211,890,866	150,095,939	(1,668,203,887)	-	3,693,782,918
Other taxes	593,594,536	23,997,231	(476,076,458)	-	141,515,309
	24,199,247,641	174,093,170	(2,144,280,345)	(8,728,921,139)	13,500,139,327

20. Accrued expenses

	30/6/2017 VND	1/1/2017 VND
External service payable	840,129,300	638,324,807
Salary and bonus	-	41,300,000
	840,129,300	679,624,807

21. Long-term unearned revenue

Long-term unearned revenue represented the unrealised gains on revaluation of assets contributed to an associate. Movements of long-term unearned revenue were allocated to other income during the period (Note 36).

22. Other payables

(a) Other payables – short-term

	30/6/2017 VND	1/1/2017 VND
Advance from a third party (*)	31,514,421,500	31,514,421,500
Social insurance, health insurance and trade union	19,609,890,896	6,446,980,635
Interest payable	4,658,830,937	29,093,280,635
Land rental payable	3,584,519,298	3,717,279,272
Dividends payable	2,619,368,300	3,659,368,300
Others	11,409,876,902	9,512,032,796
	73,396,907,833	83,943,363,138

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

(b) Other payables – long-term

	30/6/2017 VND	1/1/2017 VND
Long-term deposits received	6,836,856,000	6,776,856,000

Other payables as at 30 June 2017 and 1 January 2017 were not overdue.

23. Borrowings and bonds

(a) Short-term borrowings

	1/1/2017 Carrying amount/ Amount within repayment capacity VND	Movements during the period				30/6/2017 Carrying amount/ Amount within repayment capacity VND
		Increase VND	Decrease VND	Revaluation VND	Translation differences VND	
Short-term borrowings	1,822,624,002,211	7,341,718,068,748	(5,832,369,562,536)	3,592,227,697	(68,750,000)	3,335,495,986,120

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

	Currency	Annual interest rate	30/6/2017 VND	1/1/2017 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ca Mau Branch				
Loan 1	USD	1.5% - 2.0%	1,427,378,088,447	599,337,540,834
Loan 2	USD	2.0%	1,078,647,817,568	509,452,670,714
Loan 3	USD	2.0%	94,448,634,360	-
Loan 4	USD	1.5%	-	10,505,069,491
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ca Mau Branch				
Loan 1	USD	2.0%	133,963,429,524	-
Loan 2	USD	1.5% - 2.1%	548,879,927,090	320,099,032,139
Loan 3	VND	4.7% - 5.0%	-	198,929,054,610
Vietnam International Commercial Joint Stock Bank				
Loan 1	USD	2.0%	43,082,089,131	48,071,657,197
Loan 2	USD	1.5%	-	82,764,127,226
Citibank – North America				
Loan 1 (*)	USD	0%	9,096,000,000	53,464,850,000
			3,335,495,986,120	1,822,624,002,211

(*) This loan represented trade financing of Mseafood Corporation – a subsidiary, were unsecured, interest free and bears commercial LC charge.

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

	Carrying amount as at	
	30/6/2017 VND	1/1/2017 VND
Accounts receivable from customers (Note 8)	172,756,463,430	495,810,528,720
Inventories (Note 12) (i)	2,993,493,962,570	2,094,520,965,407
Tangible fixed assets (Note 13) (i)	249,646,346,839	349,858,300,478
Intangible fixed assets (Note 14)	2,081,627,158	50,551,324,627
Long-term prepaid expenses (Note 16(b)) (i)	37,943,902,313	54,353,333
	3,455,922,302,310	2,990,795,472,565

(i) Inventories, tangible fixed assets and long-term prepaid expenses respectively included VND1,599.8 billion inventories, VND163.7 billion tangible fixed assets and VND37.9 long-term prepaid expenses used as security for bonds below.

(b) Bonds

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

	Currency	Interest rate (per annum)	Year of maturity	30/6/2017 VND	1/1/2017 VND
Lot 1 (*)	VND	7.50%	2020	1,485,416,666,675	2,482,916,666,673
Lot 2 (**)	VND	7.50%	2020	554,000,000,008	993,000,000,006
				2,039,416,666,683	3,475,916,666,679

(*) Corporate bonds with VND1 billion face value were issued on 20 May 2015, secured over long-term investments in subsidiaries with carrying value amount of VND445,527 million (1/1/2017: 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	
	30/6/2017 VND	1/1/2017 VND
Accounts receivable from customers (Note 8)	405,785,923,457	338,338,108,718
Inventories (Note 12)	1,599,791,661,397	1,197,782,965,407
Tangible fixed assets (Note 13)	163,660,161,095	167,594,333,992
Intangible fixed assets (Note 14)	-	47,772,000,000
Long-term prepaid expenses (Note 16(b))	37,943,902,313	-
	2,207,181,648,262	1,751,487,408,117

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.

24. Provision – long-term

Provision – long-term represented provision for severance allowance. Movements of long-term provision during the period were as follows:

	Severance allowance Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Opening balance	2,407,129,978	2,737,632,692
Transfer to bonus and welfare fund	(2,019,253,112)	-
Provision used during the period	(387,876,866)	(218,865,715)
Closing balance	-	2,518,766,977

25. Bonus and welfare funds

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	
	30/6/2017	**30/6/2016**
	VND	**VND**
Opening balance	53,386,687,257	88,371,069,916
Appropriation from retained profits	5,442,355,905	-
Transfer from severance allowance	2,019,253,112	-
Utilisation of the fund	(589,824,281)	(34,694,141,703)
Closing balance	60,258,471,993	53,676,928,213

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 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 1 July 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
Net profit for the period	-	-	-	-	-	51,631,188,441	11,109,413,515	62,740,601,956
Appropriate to equity funds	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(1,000,000,000)	(1,000,000,000)
Utilisation of fund	-	-	-	-	(36,863,480,298)	-		(36,863,480,298)
Currency translation differences	-	-	-	9,182,707,265	-	-	996,058,752	10,178,766,017
Balance at 1 January 2017	700,000,000,000	177,876,869,236	(80,162,090,861)	126,455,519,008	32,244,098,097	845,897,804,857	490,659,160,373	2,292,971,360,710
Net profit for the period	-	-	-	-	-	144,836,928,763	13,731,125,894	158,568,054,657
Appropriate to equity funds	-	-	-	-	27,211,779,524	(27,211,779,524)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(5,442,355,905)	-	(5,442,355,905)
Dividends	-	-	-	-	-	-	(3,980,368,405)	(3,980,368,405)
Utilisation of fund	-	-	-	-	(4,130,364,126)	-	-	(4,130,364,126)
Currency translation differences	-	-	-	(328,503,149)	-	-	(24,729,996)	(353,233,145)
Balance at 30 June 2017	700,000,000,000	177,876,869,236	(80,162,090,861)	126,127,015,859	55,325,513,495	958,080,598,191	500,385,187,866	2,437,633,093,786

27. Share capital

The Company's authorised and issued share capital is:

	30/6/2017		1/1/2017	
	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.

29. Off balance sheet items

(a) Lease

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

	30/6/2017 VND	1/1/2017 VND
Within one year	3,661,290,520	7,852,338,114
From two to five years	636,715,685	9,773,894,066
	4,298,006,205	17,626,232,180

(b) Foreign currencies

	30/6/2017		1/1/2017	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	3,276,258	74,502,112,605	4,255,908	96,825,836,897
JPY	230,210,337	47,193,119,085	243,756,401	47,776,254,596
		121,695,231,690		144,602,091,493

(c) Capital expenditure commitments

As the reporting date, the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	30/6/2017 VND	1/1/2017 VND
Approved and contracted	77,428,386,942	82,654,668,761

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	
	30/6/2017 VND	30/6/2016 VND
Total revenue		
▪ Finished goods sold	6,366,396,606,713	4,761,950,143,860
▪ Scraps sold	13,461,759,735	8,679,026,473
▪ Others	2,191,422,413	2,248,333,681
	6,382,049,788,861	4,772,877,504,014
Less revenue deductions		
▪ Sales allowances	-	(1,124,617,663)
▪ Sales returns	(39,961,422,932)	(55,992,524,732)
	(39,961,422,932)	(57,117,142,395)
Net revenue	6,342,088,365,929	4,715,760,361,619

31. Cost of sales

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Cost of goods sold	5,677,536,746,835	4,285,597,052,505
Allowance for inventories	(7,355,335,065)	(19,120,393,719)
	5,670,181,411,770	4,266,476,658,786

32. Financial income

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Interest income	43,181,602,882	36,805,768,224
Realised foreign exchange gains	26,157,896,333	11,573,769,297
Unrealised foreign exchange gains	431,551,471	593,168,650
Dividends	171,608,400	62,946,000
Others	2,186,357,390	3,468,621,644
	72,129,016,476	52,504,273,815

33. Financial expenses

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Interest expense	86,627,893,669	121,816,842,966
Realised foreign exchange losses	57,073,480,232	33,261,733,732
Unrealised foreign exchange losses	4,184,743,712	4,009,192,799
Bonds issuance costs	3,500,000,004	3,500,000,004
Allowance for diminution of trading securities	(1,431,166,424)	-
Others	14,543,675	15,854,811
	149,969,494,868	162,603,624,312

34. Selling expenses

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Staff costs	22,435,555,670	14,403,748,601
Materials expenses	1,496,527,687	598,776,464
Tools and supplies expenses	822,849,181	1,153,360,899
Depreciation	136,827,276	376,973,274
Transportation expenses	127,253,222,738	101,195,914,456
Warehouse rental expenses	70,956,258,398	60,486,344,602
Commission fees	71,650,484,525	66,130,088,014
Custom broker fee	5,752,817,347	3,594,474,398
Inspection costs	3,441,881,021	2,228,605,500
Others	23,530,708,722	21,681,495,639
	327,477,132,565	271,849,781,847

35. General and administration expenses

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Staff costs	43,404,595,019	39,648,323,558
Office supplies	5,146,541,226	4,694,577,156
Depreciation	6,159,976,270	10,616,913,054
Fees and duties	422,968,169	308,458,789
Outside service expenses	12,729,915,813	35,931,140,048
Bank charges	6,026,989,607	1,960,177,288
Others	8,899,835,793	11,705,366,519
	82,790,821,897	104,864,956,412

36. Other income

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Gain from disposals of fixed assets	216,041,681	81,774,123
Antidumping tax reductions	-	67,628,068,155
Gains on revaluation of assets contributed to an associate (Note 21)	1,212,750,000	-
Others	1,088,892,563	1,756,633,739
	2,517,684,244	69,466,476,017

37. Other expenses

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Loss on construction in progress written off	-	391,363,753
Others	407,274,257	1,234,407,761
	407,274,257	1,625,771,514

38. Production and business costs by element

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Raw material costs included in production costs	6,170,777,319,266	3,130,867,746,556
Labour costs and staff costs	629,623,970,977	442,207,871,155
Depreciation and amortisation	78,641,976,172	93,744,129,407
Outside services	293,833,571,380	315,524,061,897
Other expenses	132,689,593,811	76,421,251,672

39. Income tax

(a) Recognised in the statement of income

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Current tax expense		
Current period	21,820,746,508	6,357,492,669
Under provision in prior periods	3,378,729,991	-
	25,199,476,499	6,357,492,669
Deferred tax expenses		
Origination and reversal of temporary differences	2,141,400,136	4,802,327,013
	27,340,876,635	11,159,819,682

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Accounting profit before tax	185,908,931,292	30,310,318,580
Tax at the Company's tax rate	18,590,893,129	3,031,031,858
Non-deductible expenses	316,877,089	249,187,349
Tax incentives	(3,055,388,832)	(226,205,626)
Deferred tax assets not recognised	1,739,258,781	3,196,541,786
Effect of different tax rates in subsidiaries	2,309,448,755	4,116,741,499
Effect of different tax rate applied to other income	4,078,218,562	792,522,816
Under provision in prior periods	3,378,729,991	-
Non-taxable income	(17,160,840)	-
Income tax expense	27,340,876,635	11,159,819,682

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.

(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. According to Circular 96/2015/TT-BTC, income of seafood processing activities are exempted corporate income tax until further notice. All the above tax incentives are not applicable to other income which is taxed at 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. All the above tax incentives are not applicable to other income which is taxed at usual income tax rate.

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. The income tax regulations also specify that if the Company does not generate any taxable profit in three consecutive years from the first year it generates 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 exemption and reduction are not applicable to other income which is taxed at usual income tax rate.

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

Minh Phu Seafood Supply Chain Co., Ltd. ("Minh Phu Supply Chain")

Under the terms of its Business Registration Certificate, the Company is exempted from income tax for 4 years starting from the first year it generates a taxable profit and entitled to a 50% reduction in income tax for the 9 succeeding years. The income tax regulations also specify that if the Company 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 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 tax:

- 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.

Minh Phu Mangrove Shrimp Social Enterprise ("Minh Phu Mangrove")

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

40. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2017 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	
	30/6/2017	**30/6/2016**
	VND	**VND**
Net profit for the period	144,836,928,763	20,453,238,415
Appropriation to bonus and welfare funds	(5,442,355,905)	-
Net profit attributable to ordinary shareholders	139,394,572,858	20,453,238,415

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

	Six-month period ended	
	30/6/2017	**30/6/2016**
Issued ordinary shares at the beginning of the period	68,462,850	68,462,850
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 interim financial statements, there were the following significant transactions with related parties during the period:

	Six-month period ended	
	30/6/2017 VND	**30/6/2016 VND**
Associates		
Mekong Logistics Joint Stock Company		
Loan provided by the Group	-	10,000,000,000
Interest income	711,666,667	-
Purchases of service	26,840,407,593	-
Other related parties		
Long Phung Investment Corporation		
Office rental	1,183,259,782	1,190,378,837

Transactions with key management personnel

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

	Six-month period ended	
	30/6/2017 VND	**30/6/2016 VND**
Remunerations and business allowances	9,435,363,149	6,793,207,121

42. Non-cash investing activities

	30/6/2017 VND	1/1/2017 VND
Cost of fixed assets acquired but not yet paid during the period	10,636,748,026	8,156,847,858

18 August 2017

Prepared by:	Approved by:
Luu Minh Trung	Le Van Diep
Chief Accountant	*Deputy General Director*