



*June 1, 2016*

*Dear valued investors,*

Please find some highlights in our business last month

## **1. Export value in May climbed to new height**

Export value in May saw an unprecedented high record at USD28.5m, up by nearly 50% yoy. Average selling price for fillet increased by 15% compared to last quarter's, while total volume shot up by over 50%.

Profit from Q2 is expected to grow strong as volume will pick up further by end of Q2 when the new processing workshop at VDTG started operation which helps total capacity ramps up by 25%.

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## **2. Update on VDTG's new workshop status**

Ground breaking date: May 18, 2015

Expected time of operation: End of Q2.2016

Planned capex: VND341bn (USD15.5m)

Designed capacity: 150MT of raw materials/day

Major components: Filleting workshop, Value-added products workshop, fish oil and fishmeal workshop, cold storage

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*Van Duc Tien Giang's cold storage under construction*

**3. Notice of Court Decision regarding Amended Final Results of Antidumping Duty Administrative Review 7 (2009-2010): Vinh Hoan's rate remains USD0/kg, other 10 companies' rate adjusted up to USD0.19/kg**

On May 26, 2015, the US International Trade Administration released the notice of Amended Final Results of Antidumping Duty Administrative Review ("AR7").

After Department of Commerce ("DOC") published the AR7 final results on March 14, 2012, Vinh Hoan and Petitioners timely filed complaints with the Court and challenged certain aspects of the results. On December 18, 2012, the Court remanded DOC's AR7 final results. In the AR7 Remand filed on June 26, 2015, DOC recalculated the weighted-average dumping margin for 2 compulsory respondents, aka QVD Food Co. Ltd. ("QVD") and Vinh Hoan Corporation ("Vinh Hoan") using revised surrogate values for by-products. The weighted-average margin for Vinh Hoan remained USD0/kg, while QVD's margin changed from original USD0.03/kg to USD 0.19/kg.

QVD's revised margin also applies for other 9 companies not individually examined, which included Bien Dong Seafood ("Bien Dong"). The Department will instruct U.S. Customs and Border Protection to require a cash deposit of \$0.19/kg for each specified exporter, for entries of subject merchandise, entered or withdrawn from warehouse, for consumption, on or after April 11, 2016. *For Bien Dong, this will result in a \$0.16/kg more in its cash deposit rate, from \$0.03/kg to \$0.19/kg.*

The Court's judgments, together with recent warning from US' Food Safety and Inspection Service (FSIS) on Golden Quality's batch of catfish found to contain banned chemicals and antibiotics, are alleged to limit the Vietnam pangasius supply to US market, especially considering that only 3 Vietnamese exporters are currently shipping to this market (Vinh Hoan, Bien Dong, Golden Quality), as well as will cause the selling price to hike.

For details, please [click here](#)

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## **4. The US Senate passes catfish inspection rollback**

By Ian Kullgren (POLITICO Pro)

On May 25, 2016, the US Senate voted to reverse a controversial change to catfish inspections, turning up the heat in a trade disagreement between the U.S. and Vietnam as President Barack Obama wraps up his trip to Hanoi. In an 55-43 vote, the Senate passed a resolution (S.J. Res. 28) that would undo a regulation stemming from a change made in the 2008 farm bill transferring catfish oversight from the FDA to the Agriculture Department's Food Safety Inspection Service, the body that inspects meat for U.S. consumption.

The resolution is the latest attempt to repeal the program, which opponents have called blatantly wasteful but Southern members of Congress and the catfish farmers they represent have fiercely defended.

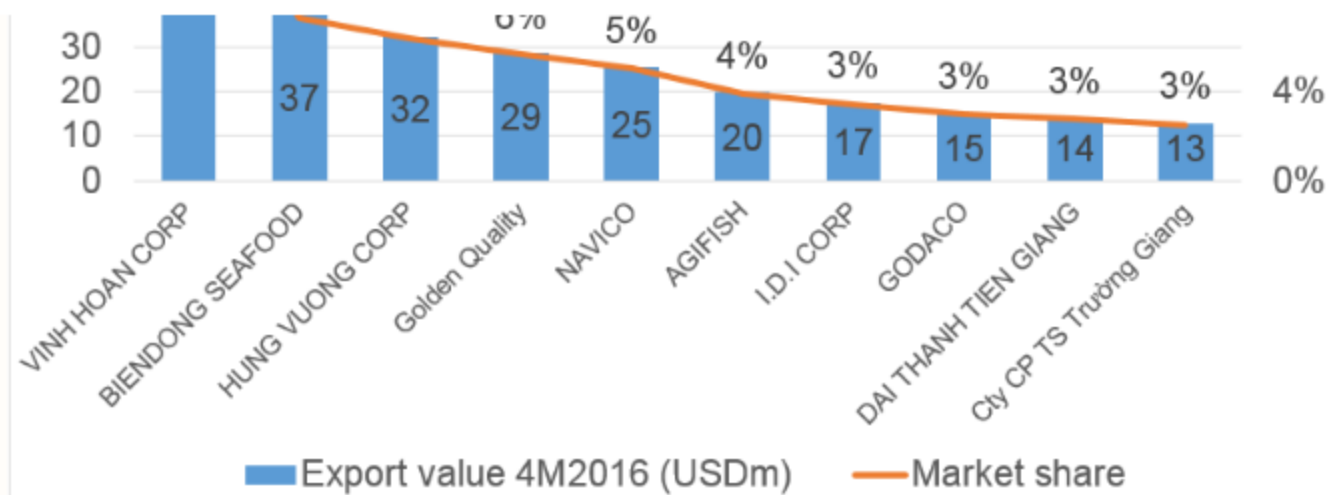
By bringing the measure directly to the floor, opponents of the program - including Sen. John McCain, who sponsored the resolution, Kelly Ayotte and Jeanne Shaheen - circumvent the committee process and Sen. Thad Cochran, one of the staunchest proponents of the new safety regulations.

The resolution now heads to the House. If the House passes the measure, President Barack Obama is not expected to veto it. His administration has called the catfish inspection change wasteful and proposed cutting it from the budget.

## 5. End of April, Vinh Hoan remained market leading position

TOP 10 PANGASIIUS EXPORTERS 4M.2016





## 6. Announcement on the dividend schedule

BoD approved the schedule for 2015's final dividend and 2016's interim dividend as below:

Rate (per par value): 15% (Final: 5%, interim: 10%)

Type: Cash

Announcement: May 24, 2016

Record date: June 15, 2016

Payment date: from July 08, 2016

