



VINH HOAN

# STRATEGIC DEVELOPMENT

ANNUAL REPORT 2016





.....

## GENERAL INFORMATION

Trading Name: **VINH HOAN CORPORATION**

English name: **VINH HOAN CORPORATION**

Abbreviation: **VINH HOAN CORP.**

Business Registration No.: **1400112623**

Charter Capital: **VND 924,039,430,000**

Address: **AH30, W11, Cao Lanh City, Dong Thap province**

Tel: **0673 891 166**

Fax: **0673 891 062**

Website: **vinhhoan.com**

Ticker: **VHC**

.....





# TABLE OF CONTENTS

<b>06</b>	<b>I. STRATEGIC DEVELOPMENT IN 2016 &amp; THREE-YEAR BUSINESS PLAN (2017-2019)</b>	<b>56</b>	<b>VI. BUSINESS PERFORMANCE</b>
08	• Strategic development in 2016	58	• Board of Directors and Executive Board Introduction
13	• Three-year plan (2017-2019)	66	• Report of the Executive Board
<b>14</b>	<b>II. DEVELOPMENT DIRECTION</b>	84	• Report of the Board of Directors
16	• Message from the Chairwoman	91	• Report of the Supervisory Board
18	• SWOT analysis	<b>94</b>	<b>VII. SUSTAINABILITY REPORT</b>
<b>22</b>	<b>III. BASIC FINANCIAL INFORMATION</b>	96	• Report on Sustainability
<b>32</b>	<b>IV. THE 20-YEAR JOURNEY</b>	99	• Social Responsibility in 2016
<b>40</b>	<b>V. COMPANY INTRODUCTION</b>	<b>102</b>	<b>VIII. 2016 CONSOLIDATED FINANCIAL STATEMENTS</b>
42	• Vision - Mission - Core values		
44	• Company history		
46	• Principal business activities - Business location - Competitive landscape		
52	• Corporate structure - Organization chart		



# STRATEGIC DEVELOPMENT IN 2016 & THREE-YEAR BUSINESS PLAN (2017-2019)

- Strategic Development In 2016
- Three-year Business Plan (2017-2019)

# STRATEGIC DEVELOPMENT IN 2016

---

In early 2016, Vinh Hoan set its three-year target of revenue reaching VND 10,000 billion by 2018 and annual revenue growth rate at 15% - 20%, by combining expansion in production capacity and development in products and markets. The company also presented to its shareholders and investors the vision to 2020: doubling 2016's revenue and EBITDA. Acknowledging that this vision would comprise big plans with many challenges, the company has taken these plans seriously and exerted great efforts during the recent year.

First year results of the "Big Plans" has shown record-high profit, up 76% and exceeding the target by 62%. Revenue in 2016 increased by 12% and more importantly, the company has taken strategic moves for its growth story in the coming years.

## GAIN NEW MARKETS, EXPAND DIRECT SALES CHANNELS AND BRANDED SALES

---

In addition to maintaining its existing markets, the company focused on expanding direct distribution channels and exploring new markets. By the end of 2016, this strategy has proved successful when Vinh Hoan gained five more new markets including Pakistan, Thailand, India, Greece and Reunion, expanding its customer network to approximately 300 in over 40 countries. The markets with outstanding growth were Japan, China and Mexico with growth rate of 230%, 137%, and 73% respectively. Notably, the company successfully introduced products of Vinh Foods brand into Mercadona- the largest supermarket chain in Spain.

## DEVELOP NEW PRODUCTS TO KEEP STABLE REVENUE AND INCREASE PROFIT MARGIN

---

Barramundi had an impressive growth in 2016, growing by approximately 40% versus 2015 thanks to the development of sales to supermarkets. After the trial operations in 2015, last year the Company continued farming, processing and developing markets for tilapia with sales exceeding US\$1 million in 2016. The value-added products recorded an increase of 20% in export sales with the successful launch of marinated products to the EU market. Also, in 2016, a series of new value added products has been introduced, notably the grilled pangasius in teriyaki sauce-Vinh Hoan's first ready-to-eat product, which is expected to be the catalyst for sales breakthrough of the value-added products in 2017 and the following years.





## LAUNCH VINH HOAN'S NEW BRAND IDENTITY

Since 2015 the company has conducted research and built a marketing strategy to bring Vinh Hoan's brand to an upper level, after passing the period of strong growth as a leading pangasius producer in Vietnam, proceeding to become a global company, contributing more to the transformation of the world's sustainable aquaculture which will play an important role in providing delicious, safe and healthy food sources without creating negative impacts on the environment. In August 2016, the company successfully launched its new brand identity with new vision, mission, and three main divisions of Vinh Hoan brand, including:

1. **Vinh Foods** specializes in premium frozen seafood products,
2. **Vinh Aquaculture** undertakes activities of research, development and certification for sustainable aquaculture, and
3. **Vinh Wellness** provides collagen and gelatin products from pangasius.

## REALIZE REVENUE FROM NEW BUSINESSES

In 2016, although not fully achieving the target for new businesses, the company had received large and important orders for collagen and gelatin products. The customers, with whom Vinh Hoan made concerted efforts to build relationship, introduced trial products and continuously advised on technical applications, has placed their first orders, creating the motives to the employees and the momentum for revenue's acceleration phase in subsequent years.

## RAMP UP PRODUCTION CAPACITY

To implement the three-year growth strategy and vision to 2020, besides aforementioned activities and achievements in market development, Vinh Hoan had planned a corresponding roadmap to increase production capacity in each year. In 2016 and early 2017, the company has completed crucial milestones in this roadmap, which are fundamental to fulfil the revenue and profit plan in the future.

Firstly, the pangasius processing factory No 2 of Vinh Hoan's subsidiary Van Duc Tien Giang went into operation by mid-year with the capacity of 150 tons of raw material per day, adding 20% of processing capacity to the entire company. Additionally, Van Duc Tien Giang also completed the construction of a value-added products facility located next to the filleting facility. The facility comprises a line of grilled pangasius with capacity of 2,000 tons of finished products per year, and a workshop for production of breaded, seasoned and other cooked products. The successful investment in the factory will boost the sales and marketing activities of value-added products in the future.

Secondly, by the end of 2016, the company made the acquisition deal of 100% stake in Thanh Binh Dong Thap Fisheries JSC. The deal completed in early 2017. It is alleged that this M&A deal will bring more synergies and is the proper jigsaw puzzle piece in Vinh Hoan's complete picture of long-term development. Thanh Binh itself owns two frozen pangasius processing plants with a total design capacity of up to 400 tons of raw material per day, a cold storage and other appurtenance facilities on a total land area of approximately 8 hectares. The company expects to expand processing capacity of Thanh Binh plant No.1 to 150 MT per day by the end of 2017 and put the plant No.2 into operation at the capacity of 150 MT per day by the end of 2018. Additionally, with the abundant land bank, Vinh Hoan anticipated to construct a fishmeal and fish oil factory to optimize the value from pangasius by-products.

Thus, in the year 2016 only, the Company had combined two options of self construction and M&A to achieve the efficiency of investment costs, effective management of production and transportation of raw materials, and at the same time, to timely meet the required processing capacity in its 2016-2018 business plan.

## INCREASE MATERIALS' SELF-SUPPLY CAPACITY AND ACHIEVE INTERNATIONAL CERTIFICATIONS

In early 2016, the pangasius industry suffered from many difficulties in raw materials due to drought, water shortage, and salinity intrusion, resulting in narrower farming area and skyrocketing prices of raw fish at some time during the year. The company had prepared for this tough situation by expanding its farming area, increasing the self-supply ratio from 60% to 65%, significantly contributing to profitable results of the year. Besides increasing volume, in recent years Vinh Hoan has always focused on the quality of its raw materials, especially on achieving international aquaculture certificates which are required by the premium market segments where Vinh Hoan has competitive edge over other peers. Currently, Vinh Hoan own the largest number of farms certified in Vietnam with total area of farming area achieving Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP), and the Global Good Agricultural Practice (GlobalGAP) being 140 ha, 155ha, and 180ha respectively; year-on-year growth rates being 100%, 88%, and 93% respectively.

According to the FAO's study, by 2050 the world population will reach over 9 billion, if the proportion of fish consumption remains the same as today, then fish production must pick up by 56% to meet consumption needs. While capture resources become increasingly limited, demand for farmed fish will certainly increase to ensure food supply for a burgeoning population. It's expected by 2030 the proportion of farmed fish in global fish supply will exceed 60%, meaning that consumers will eat more farmed fish than caught fish. Jacques Cousteau - the famous scientist and explorer once said: "The day will come where people will demand farmed fish on their plates that's farmed well and farmed healthy - and refuse anything less." We foresee the great potentials in Vinh Hoan's the development path, and its mission devoted to the transformation of the world towards sustainable aquaculture. Hence the big plans was articulated and developed in 2016. However, we are fully aware of the challenges in carrying this vision to 2020, which requires tremendous efforts and fast pace of changes in production and business activities. We believe that, in addition to impressive results of revenue and profitability, the strategic moves in 2016 are the prerequisite momentums for new achievements in the next 3 years and in a more distant future.



## THREE-YEAR BUSINESS PLAN (2017-2019)

Vinh Hoan's goals for the upcoming years are to continue to implement the strategic roadmap with certain interim adjustments commensurating with the actual situation. The core business strategies of the company include:

- Expansion of farming and production capacity, to ensure the sufficient supply of good-quality raw materials meeting international certifications, and to provide competitive cost and high quality pangasius products satisfying all requirements of the markets. This will be the necessary conditions for Vinh Hoan to achieve target revenue growth, i.e. projected revenue of VND 12,000 billion in 2019, with an average growth of 15% per annual for the period from 2017-2019;
- Market development for value-added products, to achieve breakthrough revenue from value added products, expected to reach 25 million VND by the year 2019 and constitute 5% of the total export revenue. We also continue to expand our direct sales channels in both key and newmarkets with the expected expansion rate of approximately 30% per annual;
- Brands development: to implement positioning strategy for Vinh Hoan corporate brand, in parallel with the development of products' house of brands; to play the leading role in promotion programs of the entire industry, to promote Vietnam pangasius' image, to become the market-maker and to generate increasing demand for pangasius products; and to develop new markets including Asia (with emphasis on Japanese and Chinese market), Latin America, Brazil and Mexico, Southeast Europe and the Middle East;
- Protection of its absolute profit margin: in the transitional period to transforming into a food supplying company from the current farming and processing company, Vinh Hoan sets the target to protect its absolute margin (i.e. profit per kg) of product, especially in the situation of scarce raw materials in 2017, as a basis to gradually increase its profit margin in the future, and to reach VND1,000 billion in after-tax profit by 2019;
- On-going promotion of free trade: Vinh Hoan has always strived to remove the importing countries' unfair trade barriers, and promoted free trade to develop exports worldwide, and created a level playground supporting a long-term sustainable business development; and
- Building a strong, efficient, and streamline reporting system and internal controls, to increase transparency and efficiency in all production and business activities.



A photograph of a business meeting. In the foreground, a person's hands are holding a stack of papers with a colorful bar chart. Another person's hand is holding a pencil, pointing at the chart. In the background, a laptop screen displays a bar chart and some text. The scene is brightly lit, suggesting an office environment.

# DEVELOPMENT DIRECTION

- Message From The Chairwoman
- SWOT Analysis



## MESSAGE FROM THE CHAIRWOMAN

Dear valued shareholders, The year 2016 marked the twentieth anniversary since I started up my business. This is my journey together with thousands of employees and valued shareholders to develop Vinh Hoan from a small private enterprise to the largest corporation in Vietnam's pangasius farming and processing industry.

Nowadays, Vinh Hoan is a credible supplier in the global seafood market not only thanks to its premium products and reputation in doing business, but also its remarkable contribution to the development of the sustainable aquaculture industry in the world.

The year 2016 was a memorable year for myself in particular and the proud of the company in general by bringing an impressive bussiness performance and new records in business results to valued shareholders, **with net profit surging by 76% and exceeding 62% versus our plan.** Vinh Hoan has changed much over the past years but we still adhere to the foremost inaugural strategies since the business inception because those are the secret sauces for our success and bringing us to where we are today.

I started up with the passion for food processing, creating delicious and nutritious meals to consumers. Such passion remains as milestones in Vinh Hoan's mission nowadays. I believe in the potentials and future of sustainable aquaculture practices which will provide a healthier protein source to human without harming the environment and bring the prosperity to life. Consumers do not have to choose between delicious food and eco-friendly food, our mission is to offer them both. This is also Vinh Hoan's competitive edge and differentiates us from the rest. In addition, Vinh Hoan is a united community of the employees who have worked for the company throughout the years with morale, diligence and innovations which are vital motives behind the success and on-going development of the company.

Besides impressive business results, 2016 was an important hinge year since we have completed the first and foremost strategic moves in our development path. The preface of this report noted down the company's key achievements in 2016 including the expansion of customer network and new markets, the boost in direct sales to supermarkets and sales of branded products, and the **pivotal events of completing construction and commence operation of two plants in Van Duc Tien Giang Food Export Co., Ltd.** (one for processing pangasius fillets, one for processing value added products); and the **acquisition of Thanh Binh Dong Thap which will ramp up our total processing capacity by 20%.**



In 2017 and the years to come, we will continue to develop in accordance with the main strategies set out in previous years, with certain interim adjustments commensurating with actual situation. The necessary condition is that production capacity continues to be invested and completed. The sufficient condition is that we need to develop the markets in an increasingly professional and effective method to create a sufficiently high demand and finally, to generate revenue and profit to our shareholders. Every move of the company in upcoming time will sometimes be prudent, sometimes be striking, however, Vinh Hoan hopes to receive the on-going support from valued shareholders to achieve the best outcome.

On behalf of the Board of Directors, I would like to receive the valuable comments from shareholders and wish the next success of Vinh Hoan.

Faithfully yours,



Chairwoman of  
the Board of Directors  
Truong Thi Le Khanh



## S

## STRENGTHS

Advantage of tax rate and reputation in the US market, a leading import market of the industry with good growths;

Renowned for quality of products and quality management systems, sustainable farming under international standards, particularly in the European markets;

Integration production from hatchery, farm to processing of finished products and byproducts, help to ensure the supply of raw material and optimize profitability of the whole value chain;

Excellent and experienced management team, working for many years; multinational and multicultural sales team;

Thanks to understanding and wide network in the different foreign markets, the Company is capable of leading the industry's strategy to promote and improve the image of Vietnam pangasius particularly and aquaculture industry in general;

Healthy financial status, no burden of loans.

## W

## WEAKNESSES

Lack of direct labor sources for new processing plants;

Strong brands not yet developed;

Lack of sales experience in the new businesses;

An ERP system not yet applied.

## O

## OPPORTUNITIES

Market development has great potentials, especially in retail and value added products segments;

Aquaculture industry in the world is growing and replacing for wild caught products to provide nutrition for the growing population which creates opportunities to develop major products and byproducts serving for aquaculture;

The fisheries sector in general and especially the pangasius industry are one of the attentions of Government with support in free trade promotion, marketing and public relations to improve the image of pangasius in the future;

Consumers are increasingly aware of food safety, product traceability and sustainable elements;

Pangasius still maintains the competitive advantage in price compared to other white fish products, and has no direct substitutes.

## T

## THREATS

Increasing production costs;

Direct labor force may be in competition with other industries;

Environmental and climate impacts;

Trade and technical barriers in import countries;

The image and quality of pangasius in international markets are still affected negatively by smear media campaign of the rivals.



# SO

## ORIENTATIONS FOR STRENGTHS AND OPPORTUNITIES

As reported by the FAO, by 2050, world population will reach 9 billion, if the proportion of fish consumption remains the same as today, then fish production must increase by 56% to meet all needs. While fishing resources are increasingly limited, demand for farmed fish will certainly increase to ensure nutrition for the growing population. It's expected by 2030 the proportion of farmed fish in the total will exceed 60%, meaning that consumers will eat more farmed fish than wild caught fish. This certainly is a big chance for Vinh Hoan to take every existing strengths to seize and create a growing market pie for pangasius products and related value added products. Pangasius is a native fish species with the best growth conditions in Vietnam, and suits to produce a boneless fillet product with white meat, mild taste, and is especially raised under the international standards of sustainability. Therefore, with much competence in developing high quality market segment, Vinh Hoan certainly continues to invest and develop to push pangasius to more premium products preferred by people, and Vinh Hoan will be the top choice of consumers. As the results, the Company aims to continue to boost growths in revenue and scale in the next 3 years, increasingly diversifies product lists and expands markets. Besides the marketing plans to help Vinh Hoan more differentiated in the market, the Company will also set out the strategy to boost product brands in new markets, provided that it does not conflict existing the distribution partnership that the Company has had with strategic customers. Vinh Hoan will also seek the opportunities to create revenue and profit in the other aquatic species that can create synergies with the Company's existing businesses. The Company will also focus on collagen and gelatin, the sales foundation of which has been developed for the next point of growth. Besides, the Company also focuses on increasing the competitiveness on production costs, improving profits and profit margins over the years.

# WO

## ORIENTATIONS FOR WEAKNESSES AND OPPORTUNITIES

With the vision and mission built to position Vinh Hoan brand, the company believes in its ability to improve the selling price and pricing power in the coming years, as well as creating the spiritual value to attract labor source for production development of the Company. On the occasion of the 20th anniversary of its establishment, the company is accelerating some important welfare programs to thank workers, to engage their loyalty with the Company and attract more skilled workforce. Vinh Hoan will continue to create added value for customers, make increasingly big difference to increase its competition in the sector. The company will also invest in technological content in production and business.

# WT

## ORIENTATIONS FOR WEAKNESSES AND THREATS

In the long term, the Company does not underestimate the risks of business environment, but always actively be well prepared with long term plans. The Company consistently complies with domestic and international laws and regulations, especially does not let business profit override the environment. Vinh Hoan is healthily competitive for long-term future, focusing on sustainability. Finally, the implementation of the Company corporate brand is critical for sales differentiation and attracting skilled labors, helping the Company overcome the challenges and develop well.

# ST

## ORIENTATIONS FOR STRENGTHS AND THREATS

The company focuses investing in issues related to workers and the environment for a sustainable business future, is actively in response to the risks and has long-term planning in all aspects. Along with the increase of market share in the traditional markets, Vinh Hoan is seeking opportunities and opening up new markets, developing value added products to increase diversity and create flexibility in shifting market structure over the years. Vinh Hoan has been pioneering in general programs of the industry and state competent authorities to improve pangasius image, aiming to build a national brand for the fish, increasing the prestige of Vietnam's trade, and avoid the trade barriers in the future. With the establishment of VINH Aquaculture division, the company has R&D projects to improve farming conditions to cope with climate change in the distant future, increasingly improve the efficiency and quality of raw materials.



# BASIC FINANCIAL INFORMATION





# BASIC FINANCIAL INFORMATION

## (CONSOLIDATED, AUDITED)

(Unit: VND million)

### INCOME STATEMENT

	2016	2015	2014	2013	2012
<b>Total revenue</b>	<b>7,369,982</b>	<b>6,527,521</b>	<b>6,300,115</b>	<b>5,104,982</b>	<b>4,236,484</b>
Net revenue	7,303,546	6,493,390	6,292,449	5,095,012	4,227,932
Cost of goods sold	6,236,783	5,690,816	5,469,173	4,491,391	3,680,318
Gross Profit	1,066,764	802,575	823,275	603,621	547,614
General and administrative expenses	381,056	370,120	406,786	383,810	304,617
Financial income	86,739	166,250	238,198	93,376	86,205
Financial expenses	92,877	210,038	64,704	90,567	66,971
Net operating profit	679,569	388,667	589,984	222,620	262,231
Other Profit/Loss	(7,135)	(1,999)	(2,921)	4,926	7,406
<b>Earnings before interest and tax (EBIT)</b>	<b>740,579</b>	<b>423,510</b>	<b>625,501</b>	<b>305,103</b>	<b>329,667</b>
<b>Earnings before interest, taxes, depreciation, and amortization (EBITDA)</b>	<b>887,417</b>	<b>567,872</b>	<b>746,332</b>	<b>415,927</b>	<b>419,899</b>
Profit before tax	672,433	386,668	587,062	227,547	269,636
Net profit after tax	565,438	320,833	462,913	176,038	232,743
<b>After-tax profit of the parent company</b>	<b>566,737</b>	<b>322,558</b>	<b>439,152</b>	<b>158,386</b>	<b>210,450</b>
Average outstanding shares	92,318,614	92,403,943	91,371,686	61,404,913	46,312,523
<b>Earnings per share (EPS)</b>	<b>5,922</b>	<b>3,491</b>	<b>4,806</b>	<b>2,579</b>	<b>4,544</b>

(Unit: VND million)

### BALANCE SHEET

	2016	2015	2014	2013	2012
Current Assets	2,748,388	2,847,044	3,118,826	1,660,675	2,281,973
Non-current Assets	1,702,485	1,509,919	1,373,139	888,941	791,585
<b>Total Assets</b>	<b>4,450,873</b>	<b>4,356,963</b>	<b>4,491,964</b>	<b>2,549,617</b>	<b>3,073,558</b>
Current Liabilities	1,517,030	1,818,697	2,533,902	901,955	1,668,512
Non-current Liabilities	540,730	448,937	71,304	91,380	0
<b>Total Liabilities</b>	<b>2,057,759</b>	<b>2,267,634</b>	<b>2,605,206</b>	<b>993,335</b>	<b>1,668,512</b>
Owners' Equity	2,387,041	2,076,958	1,869,914	1,467,894	1,328,997
Minority Interest	6,073	12,372	16,844	88,389	76,049
<b>Total Resources</b>	<b>4,450,873</b>	<b>4,356,963</b>	<b>4,491,964</b>	<b>2,549,617</b>	<b>3,073,558</b>
<b>Debt/Equity</b>	<b>0.86</b>	<b>1.09</b>	<b>1.39</b>	<b>0.68</b>	<b>1.26</b>

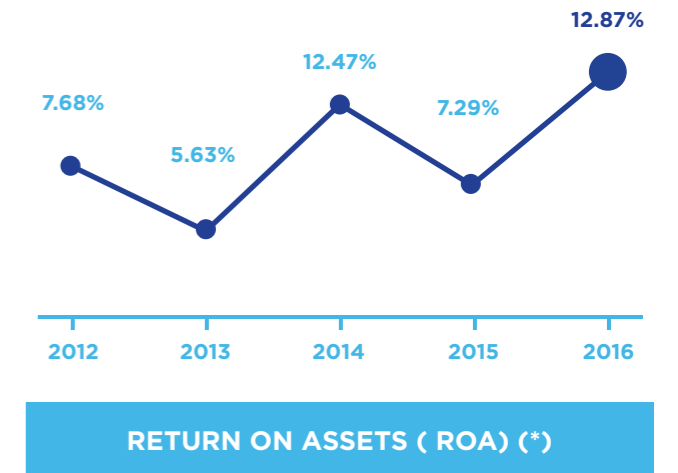
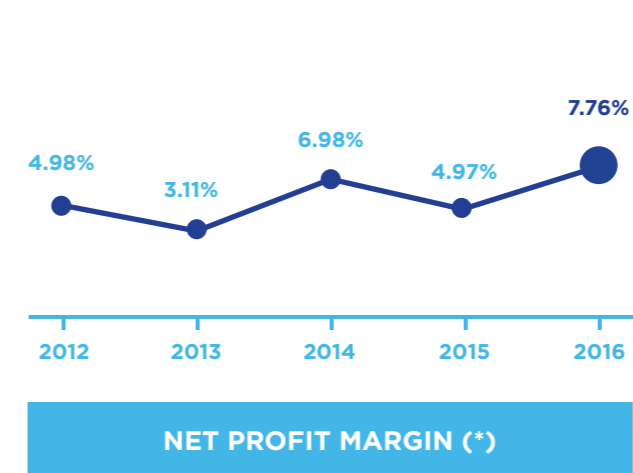
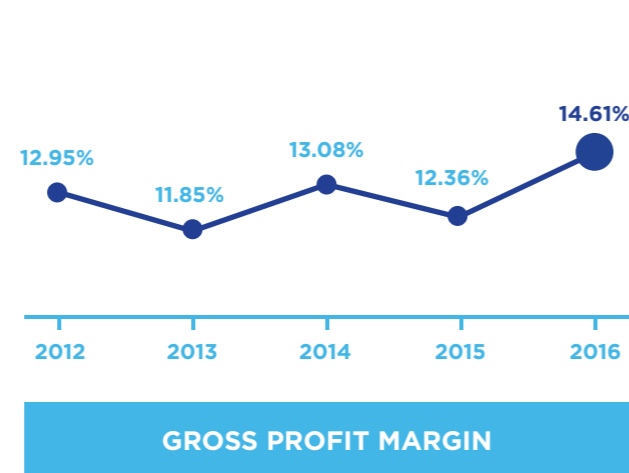


## CASH FLOW STATEMENT

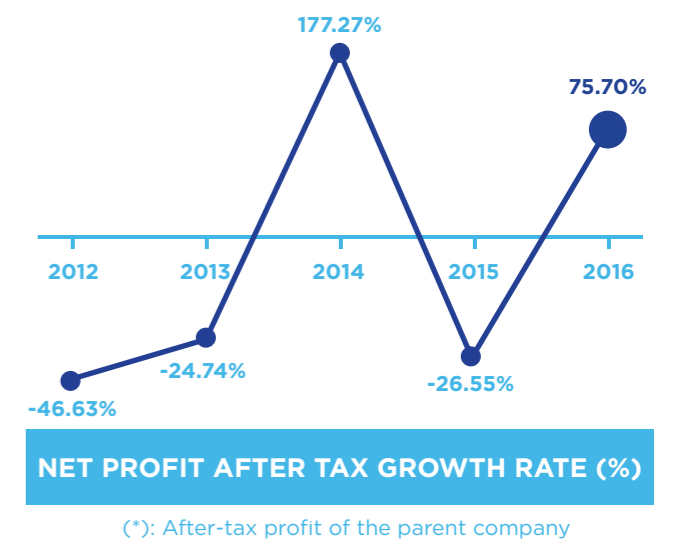
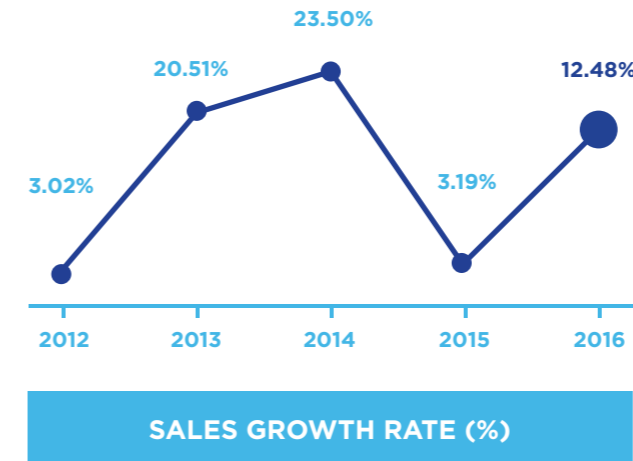
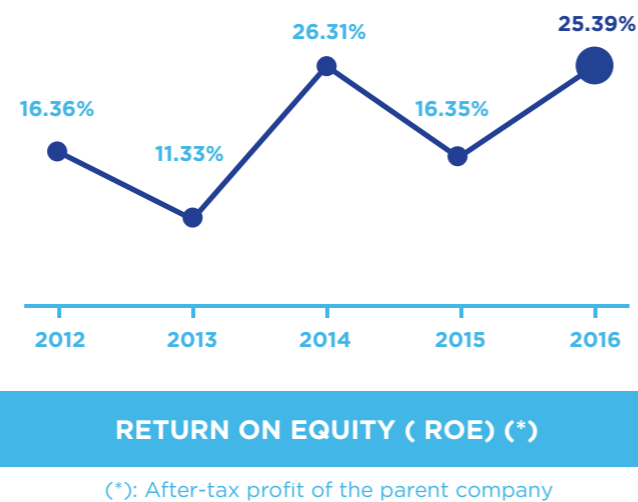
(Unit: VND million)

	2016	2015	2014	2013	2012
Profit before tax	672,433	386,668	587,062	227,547	269,636
Operating profit before changes in working capital	886,150	537,962	535,937	335,274	388,117
Changes in working capital	69,431	(392,429)	(472,350)	(273,610)	(208,287)
<b>Net cash flows from operating activities</b>	<b>955,581</b>	<b>145,534</b>	<b>63,587</b>	<b>61,664</b>	<b>179,830</b>
<b>Net cash flows from investing activities</b>	<b>(464,947)</b>	<b>480,471</b>	<b>(1,097,413)</b>	<b>639,001</b>	<b>(933,693)</b>
<b>Net cash flows from financing activities</b>	<b>(621,961)</b>	<b>(419,466)</b>	<b>1,049,374</b>	<b>(663,097)</b>	<b>459,980</b>
Net cash flows during the year	(131,327)	206,539	15,548	37,569	(293,883)
Cash and cash equivalents at the end of the year	164,636	296,093	89,238	73,329	35,542

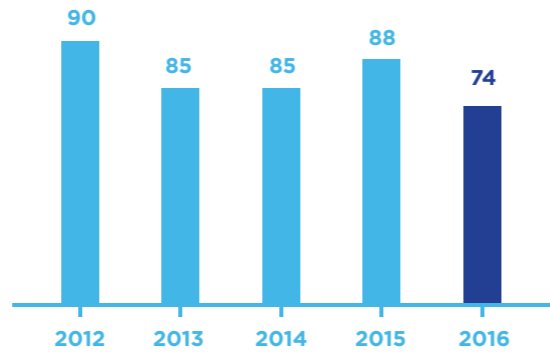
## FINANCIAL RATIOS



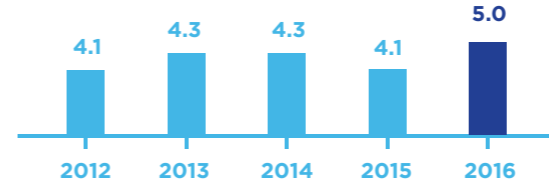
### Profitability Ratios



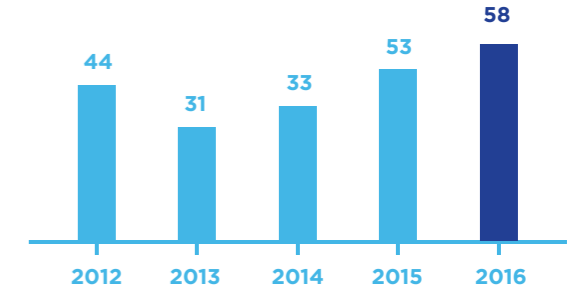
Activity Ratios



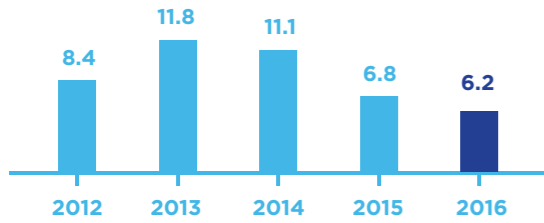
DAYS INVENTORY OUTSTANDING



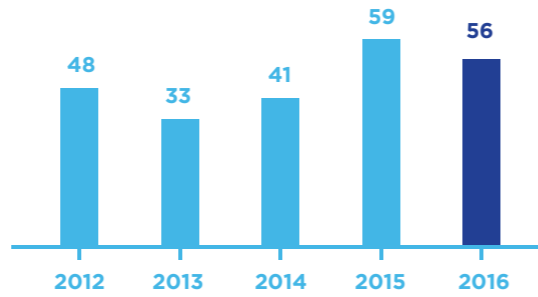
INVENTORY TURNOVER (TIMES)



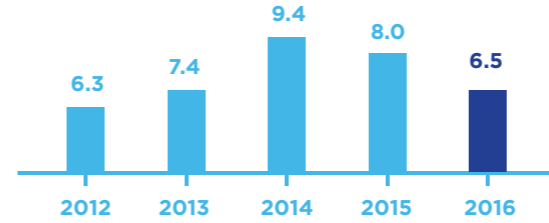
DAYS SALES OUTSTANDING



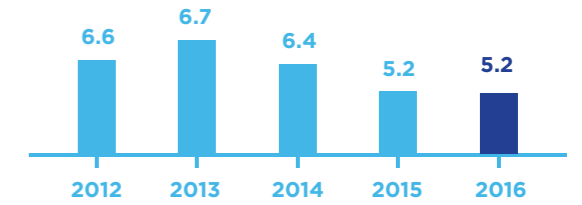
RECEIVABLE TURNOVER (TIMES)



DAYS PAYABLE OUTSTANDING

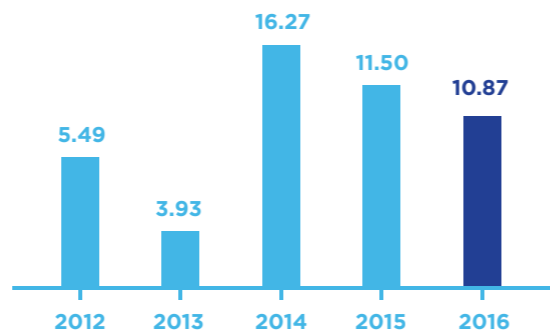


WORKING CAPITAL TURNOVER (TIMES)

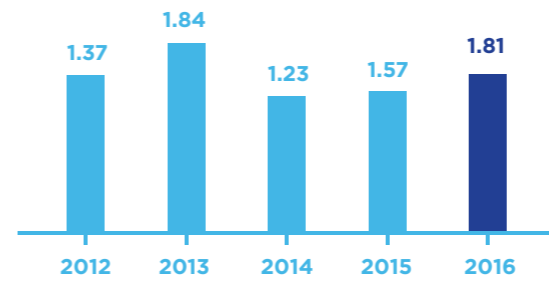


FIXED ASSETS TURNOVER (TIMES)

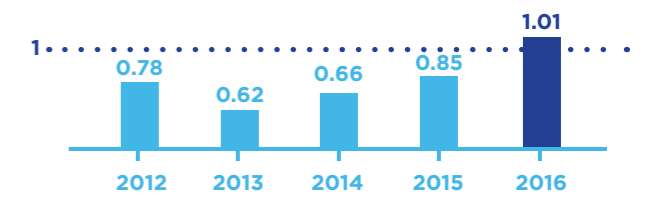
Liquidity & Safety Ratios



INTEREST COVERAGE RATIO (TIMES)

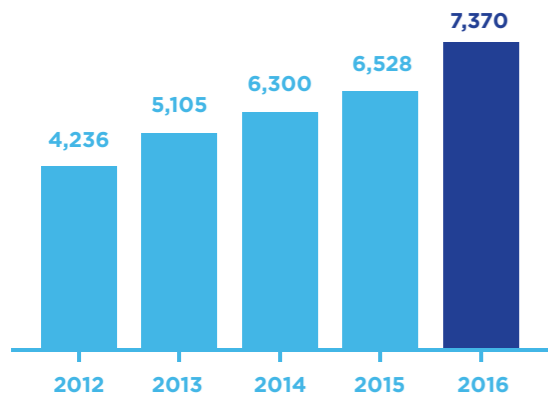


CURRENT RATIO (TIMES)

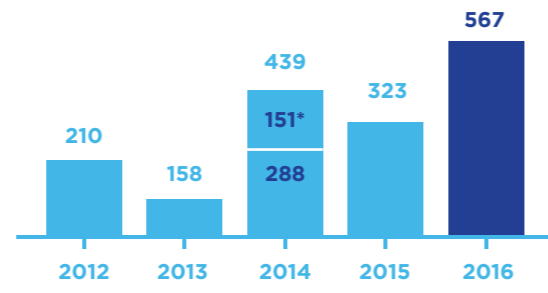


QUICK RATIO (TIMES)

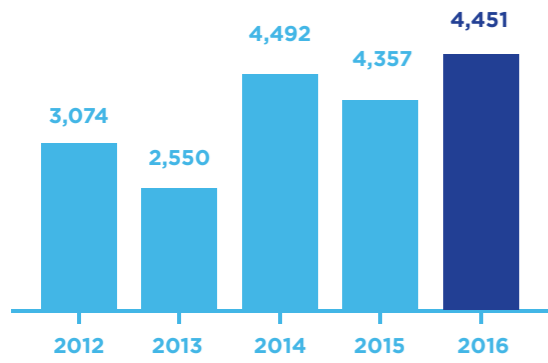




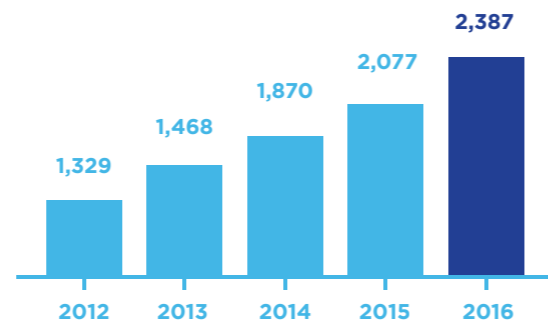
TOTAL REVENUE (VND BILLION)



PROFIT AFTER TAX (VND BILLION)



TOTAL ASSETS (VND BILLION)



OWNERS' EQUITY (VND BILLION)





# THE 20-YEAR JOURNEY

## HISTORICAL MILESTONES

Vinh Hoan limited company was founded in late 1997 after being transformed from Vinh Hoan private company. Vinh Hoan was established in Dong Thap province as a small rented workshop processing all types of seafood. During 20 years of establishment and development, Vinh Hoan has grown gradually over the years and become the leading enterprise in Vietnam pangasius industry. In parallel with the development of scale, export and production capacity; management team and employees of Vinh Hoan also accumulated experiences and professional knowledge; and its workforce also increased dramatically. Vinh Hoan's staff are not only limited to the territory of Vietnam but also in other countries. Along with the human resource development process, the corporate governance system is also strengthened and updated commensurating with the group's expansion.

# 45

Revenue grew by 45-fold  
from 1998-2016

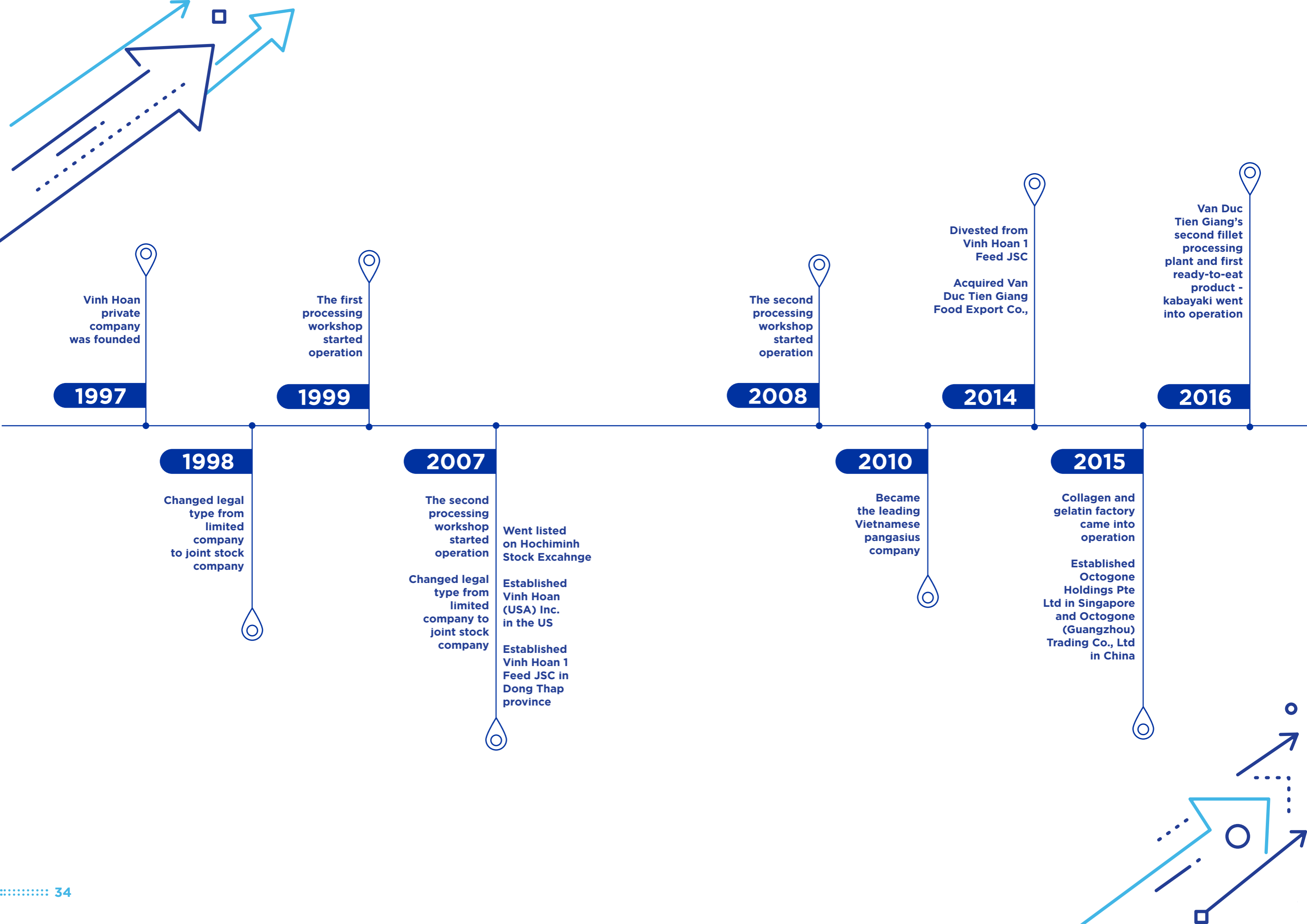
# 7,000

From a staff of 70 in 1997 to nearly 7,000  
by the end of 2016

# 2010

Vinh Hoan topped the pangasius exporters  
in Vietnam





Vinh Hoan private company was founded

**1997**

**1998**

Changed legal type from limited company to joint stock company

**1999**

The first processing workshop started operation

**2007**

The second processing workshop started operation  
Changed legal type from limited company to joint stock company

Went listed on Hochiminh Stock Exchange

Established Vinh Hoan (USA) Inc. in the US

Established Vinh Hoan 1 Feed JSC in Dong Thap province

**2008**

The second processing workshop started operation

**2010**

Became the leading Vietnamese pangasius company

**2014**

Divested from Vinh Hoan 1 Feed JSC

Acquired Van Duc Tien Giang Food Export Co.,

**2015**

Collagen and gelatin factory came into operation

Established Octogone Holdings Pte Ltd in Singapore and Octogone Trading Co., Ltd in China

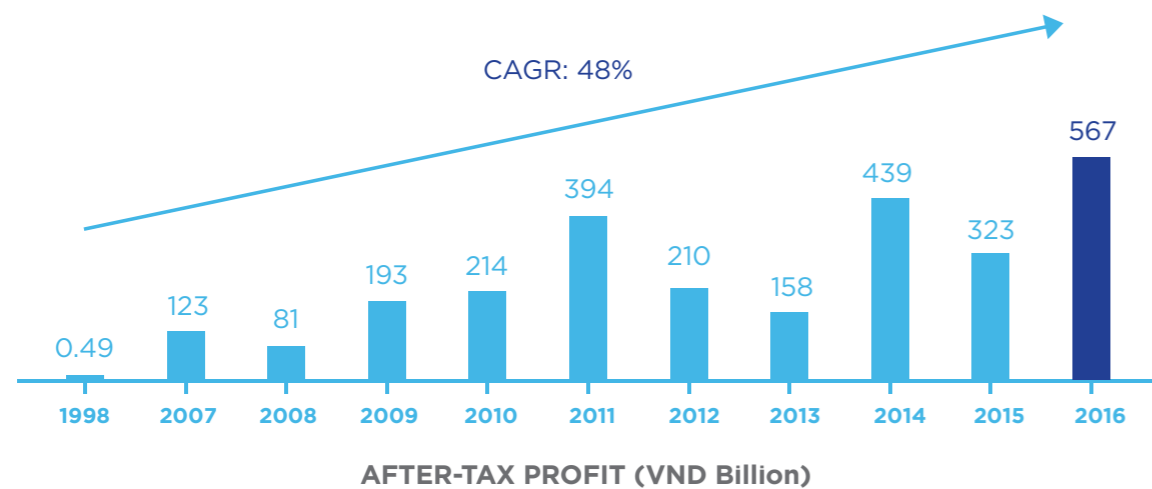
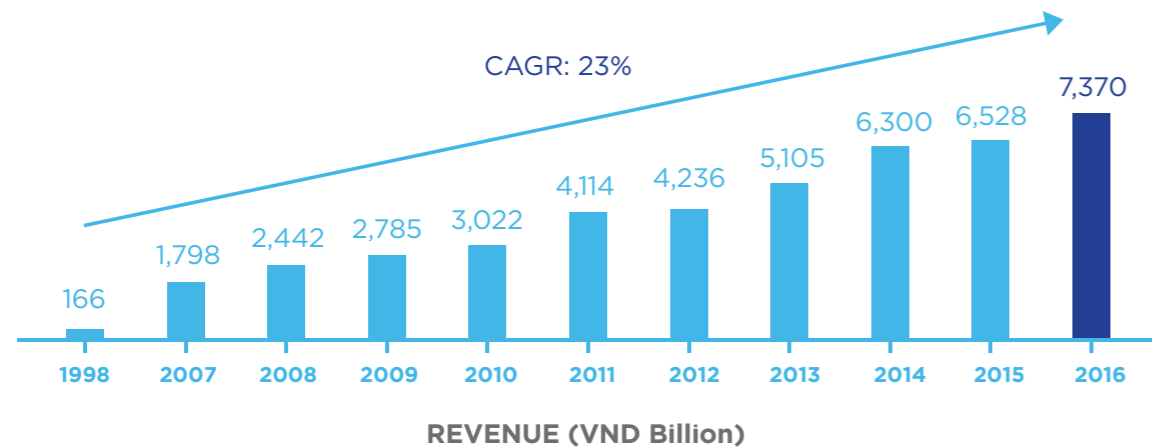
**2016**

Van Duc Tien Giang's second fillet processing plant and first ready-to-eat product - kabayaki went into operation

# IMPRESSIVE ACHIEVEMENTS IN THE LAST 20 YEARS

## STRONG GROWTH IN BUSINESS RESULTS

From the charter capital of mere VND300 million since its inception, after 20 years of growth, Vinh Hoan has achieved impressive business results with nearly 45-fold increase in its revenue for the period from 1998 to 2016. Compounded annual growth rate for revenue and after-tax profit for the period 1998-2016 was 23% and 48% respectively.

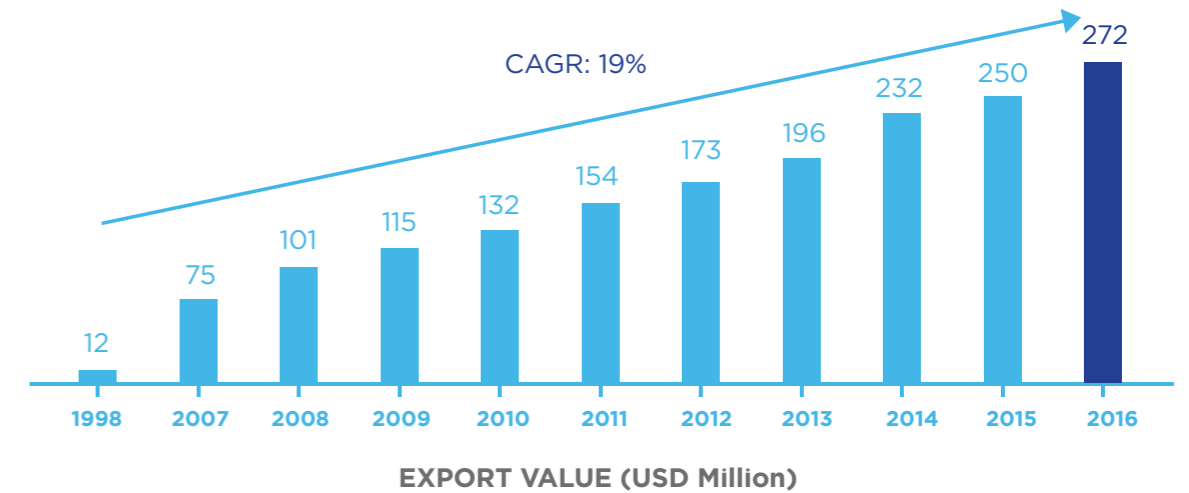


## EXPONENTIAL GROWTH IN CUSTOMERS, MARKETS AND EXPORT VALUE

One of the key success drivers is Vinh Hoan's business strategy that always focus on market development.

From a customer portfolio of mere 5 customers in 1998, in 2016 that has grown to nearly 300 customers in more than 40 nations worldwide.

Compounded annual growth rate of its export value in the last 20 years was 19%, in which the growth rate for the last 10 years (2007-2016) reached 15%, 2.5 times higher than the general growth rate of the whole pangasius industry (of 6%).



(Source: Vinh Hoan)

## PANGASIOUS INDUSTRY LEADER

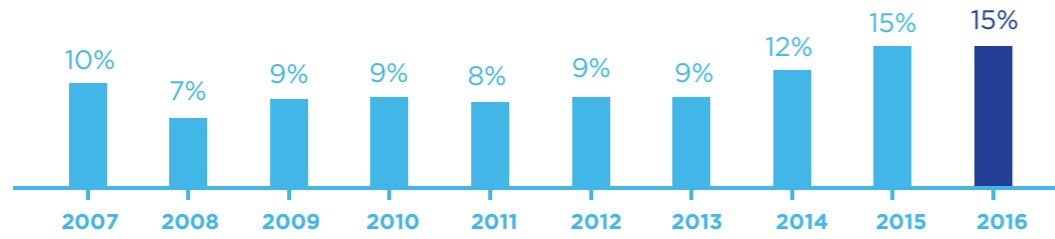
With impressive growth in the export value, in 2010, Vinh Hoan became the largest pangasius exporter in Vietnam and has remained the market leader position since then.

(Source: VASEP)

	2008	2009	2010	2011	2012	2013	2014	2015	2016
NAVICO	187.7	HUNG VUONG 122.0	<b>VINH HOAN 126.4</b>	<b>VINH HOAN 150.7</b>	<b>VINH HOAN 154.9</b>	<b>VINH HOAN 166.2</b>	<b>VINH HOAN 207.4</b>	<b>VINH HOAN 227.6</b>	<b>VINH HOAN 251.2</b>
HUNG VUONG	169.4	<b>VINH HOAN 115.0</b>	HUNG VUONG 100.9	HUNG VUONG 123.5	HUNG VUONG 111.9	AGIFISH 112.6	HUNG VUONG 139.7	BIEN DONG 116.7	BIEN DONG 134.0
<b>VINH HOAN 101.3</b>	NAVICO 85.0	NAVICO 61.7	ANVIFISH 84.0	AGIFISH 91.9	AGIFISH 105.5	HUNG VUONG 109.8	NAVICO 109.8	HUNG VUONG 95.7	HUNG VUONG 102.2
AGIFISH 89.9	ANVIFISH 57.0	AGIFISH 58.8	ANVIFISH 83.0	ANVIFISH 82.8	NAVICO 86.7	AGIFISH 84.6	NAVICO 93.1	NAVICO 100.7	GOLDEN QUALITY 100.7
THIMACO 48.0	AGIFISH 55.0	NAVICO 58.2	NAVICO 53.7	I.D.I. 58.3	I.D.I. 79.7	BIEN DONG 76	I.D.I. 67.5	I.D.I. 80.2	NAVICO 80.2



Vietnam pangasius industry 's growth was quite patchy in both scale and the number of pangasius producers; meanwhile, the market share of Vinh Hoan has seen stable increase throughout the years. In 2016, in a sector constituting of over 200 companies, Vinh Hoan accounted for 15% of the market value.



**THE MARKET SHARE OF VINH HOAN (%)**

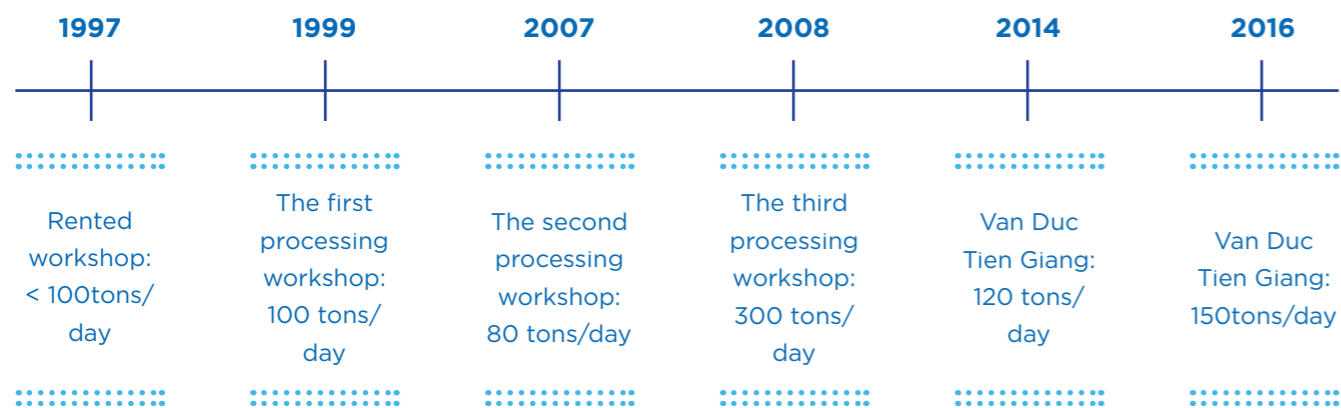
(Source: Vinh Hoan calculated from VASEP's data)

## SHARP GROWTH IN PRODUCTION SCALE AND WORKFORCE

Rapid growth in sales requires a matching expansion of production capacity. From 1998 to 2016, Vinh Hoan's capital expenditure (capex) compounded annual growth rate was 21%. From a small seafood processing workshop with a capacity of under 100 tons of raw seafood per day; by the end of 2016, the company now operate across modern, vertically-integrated production system that ensures optimal use of materials in all production stages from pangasius processing workshops to fishmeal, fish oil workshops, and collagen, gelatin factory to utilize the by-products left after the fillet processing.

The vertically-integrated production chain comprises of:

- 5 pangasius processing workshops with the total capacity of 750 tons/day by the end of 2016,
- 2 processing workshops of by-products (fishmeal, fish oil) with a total capacity of 70,000 tons per annual,
- 1 plant of processing collagen and gelatin (from pangasius skin) with a capacity of 1,000 tons of gelatin per annual and 1,000 tons of collagen per annual,
- A cold storage system with the storage capacity of up to 9,000 tons of frozen finished products.



The workforce also grew rapidly from a mere 70 employees in 1997 to nearly 7,000 employees by the end of 2016. Vinh Hoan's staff are not only limited to Vietnam's territory, but also in other countries such as in the US, China, Singapore.

## INCREASING RAW MATERIALS SELF-SUPPLY COMPETENCE AND A STRONG COMMITMENT TO SUSTAINABLE AQUACULTURE

To ensure the quality and stable pricing of its raw materials, reduce the dependence on raw materials purchased from external farmers, and to secure its production planning and business development, in 2007, Vinh Hoan has developed its first own farming area with the vision of establishing a vertically-integrated production chain from hatchery, grow-out farming to processing and sales. From owning no farm at all, by the end of 2016, the company's total farming area has increased to nearly 520 hectares (including hatcheries and grow-out farming area), bringing its raw materials self-supply ratio to approximately 65%.

Additionally, the thorough purpose underlying all development phases of the company is to supply high-quality products together with environmental protection and sustainable development, therefore Vinh Hoan has always paid utmost attention and exerted huge efforts in achieving prestigious international certifications in farming and production and expanding certified farming area to ensure the products it offers to the consumers are safe and sustainable. In 2016, the area of certified farms constituted approximately 50% of the total farming area.

The process of achieving sustainable certifications has never been easy, especially during the years from 2008-2009 when the concept of these certifications was relatively new and in order to meet these certification standards, Vinh Hoan had pioneered in learning new techniques and acquiring knowledge about farming and processing practices. The area of certified farming areas being constantly expanded is a clear evidence for the company's strong commitment to the world's sustainable aquaculture:

- In June 2010, for the first time Vinh Hoan was certified with GlobalGAP in two farms (Tan Thuan Tay and Tan Hoa).
- In 2011, the DL 500 frozen pangasius processing plant and My Xuong pangasius farm in Cao Lanh, Dong Thap province was the third pangasius processing plant in the world to be accredited with BAP and the second pangasius farm in the world certified with BAP from ACC respectively.
- In September 2012, Tan Hoa farm was the first pangasius farm in Vietnam to be certified by ASC from the Aquaculture Stewardship Council.
- In 2015, Tan Khanh Trung farm was the first pangasius farm receiving BAP 4-star status for all four levels in the aquaculture production chain: hatcheries, feed mill, fish farm, and processing facilities.
- In 2016, tilapia farm was certified with ASC and BAP.

The total certified farming area over the years:

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total certified farming area (ha)	17	75	96	114	114	174	202	210	249

(Source: Vinh Hoan)



# COMPANY INTRODUCTION

- Vision – Mission - Core Values
- Company History
- Principal Business Activities – Business Location
- Competitive Landscape
- Corporate Structure – Organization Chart





# VISION - MISSION - CORE VALUES

## VISION

We envision a world where an abundant supply of safe, nutritious and delicious food is produced without environmental or economic trade-offs.

## MISSION

To create positive effects in environmental protection while also securing and dominating in profitability in all business aspects.

Water sustains all life on Earth. However, today we run the risk of harming our oceans, rivers and aquifers in the process of feeding a burgeoning population. Consumers should not have to choose between feeding their family or sustaining the environment. We believe both are possible if aquaculture can be developed in a manner that is both environmentally and economically sustainable. Meeting this challenge is the goal of every employee at Vinh Hoan and is the focus of our work and innovation.



## CORE VALUES

### • Environmental sustainability

Vinh Hoan has made the environment a priority, not an afterthought. Given the current state of the environment and the dire predictions for our future, this is one of the strongest driving factors behind the decisions Vinh Hoan makes every day. The clearest evidence are Vinh Hoan's success in sustainable aquaculture and achievements in its effort to minimize environmental impact.

### • Family orientation

This makes sense for a company started by a working mom. It stands to reason that any company that is focused on the future has to be focused on children. This orientation manifests itself in the care Vinh Hoan takes in the world we pass on to the next generation through the company's environmental awareness. Evidence of these values should be apparent first and foremost in the company's policies towards its own employees. The company should seek overt ways (within its means) to support its employees particularly with regard to health, development and education of their children.

### • Transparency

Lack of transparency usually converts to lack of trust. It's hard to build profitable business relations without trust. Dealing with a partner who is unethical in any way can hurt a company just by association. A transparent company would go out of its way to welcome facility inspections and visits, it would quantify its quality with certifications through stringent audits and inspections on food safety and sustainable aquaculture.

### • Innovation

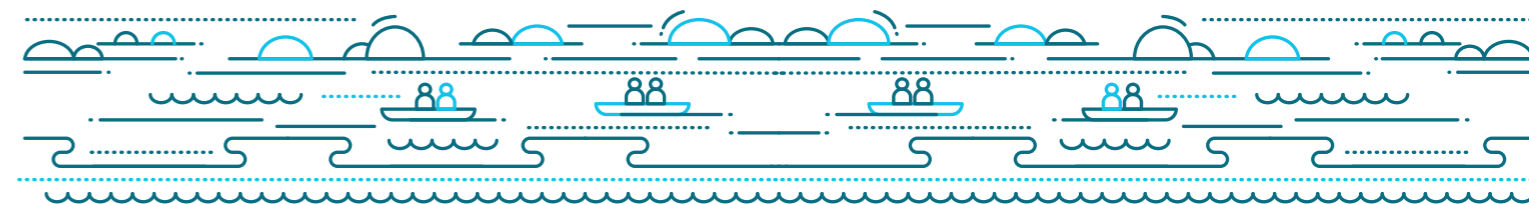
Leadership was one of the strongest traits to come from Vinh Hoan's brand input workshop. One of the hallmarks of leadership is innovation - always finding ways to better provide the safe, delicious, healthy and eco-friendly food. In addition, this value is also reflected in the company's activities in market development and products promotion through various distribution channels. To us, innovation is a process that is actively planned and implemented to better understand the market needs, the products, and the customers.

# COMPANY HISTORY

Vinh Hoan takes the lead in producing premium quality seafood products and is one of the largest pangasius exporters in Vietnam. The company was established in 1997 at Dong Thap province, Mekong Delta. The company specializes in farming and processing frozen pangasius products. Over the past 20 years of establishment and development, the company has marked many milestones in its history as follows:

- 1997** — Vinh Hoan private enterprise was established by Mrs. Truong Thi Le Khanh.
- 1998** — Changed the business legal type from private enterprise to limited company.
- 1999** — The first owned seafood processing workshop in Cao Lanh, Dong Thap started operations.
- 2000** — Received EU code for the first workshop (DL.147).
- 2005** — Certified with ISO 9001:2000; ISO 14001:2004; BRC:2005 and IFS version 4
- 2007** —
  - Established Vinh Hoan (USA) Inc. in Los Angeles, California, USA;
  - Established Vinh Hoan Feed 1 JSC;
  - Operated the second workshop (DL.061);
  - Listed on Ho Chi Minh Stock Exchange;
- 2008** — Operated the third workshop (DL.500);
- 2009** —
  - Accredited with AQUAGAP in pangasius farming;
  - Company's internal laboratory accredited with ISO/IEC 17025:2005;
- 2010** —
  - Became the Vietnam pangasius industry's leading company in terms of export value according to the statistical report conducted by Vietnam Association of Seafood Exporters and Producers (VASEP);
  - Accredited with GLOBAL G.A.P. for Pangasius farming;
  - Accredited with ISO 22000 for quality control system;
- 2011** —
  - Awarded Labor Medal Class III for Vinh Hoan Corporation and Mrs. Truong Thi Le Khanh – CEO of the Company following Decision no. 150/QĐ-CTN dated Jan 28, 2011 by the President of the Socialist Republic of Vietnam;
  - Awarded Best Retail Product prize in the contest organized by Seafood Prix d'Elite 2011 at European Seafood Exhibition 2011 (ESE 2011) at Brussels, Belgium;
  - Accredited with Best Aquaculture Practice (BAP) 2-star status for farming and processing facilities;
- 2012** —
  - Awarded Labor Metal Class II for Vinh Hoan Corporation in accordance with Decision No. 1261/QĐ-CTN dated August 21, 2012 by the President of the Socialist Republic of Vietnam;
  - The first company in the world achieved the ASC (Aquaculture Stewardship Council) certificate for pangasius farming;

- 2013** —
  - Accredited with GlobalGap for barramundi farms;
  - Started the construction of Collagen and Gelatin factory with design capacity of 2,000 tons of finished products per annual;
- 2014** —
  - Vinh Hoan was the only seafood company named in Top 50 Best Company by Forbes (Vietnam) June 2014 issue;
  - Also named in Top 50 best performing company in Vietnam voted by Investment Bridge Magazine;
  - Divested from feed business by transferring all the stake at Vinh Hoan 1 Feed JSC and acquired 99.06% shares of Van Duc Tien Giang Food Export Company to concentrate our financial strength onto the core business.
- 2015** —
  - Established Octogone Holdings Pte. Ltd in Singapore and Octogone (Quangzhou) Trading Co., Ltd. in China;
  - Became the major shareholder of CUU LONG SEAPRO in Tra Vinh;
  - Collagen and Gelatin plant went into operation in March 2015 and quickly achieved the certifications ISO 9001, ISO 14001, GMP-WHO and Halal;
  - Vinh Hoan is the first pangasius company in the world accomplishing BAP 4-star status for all facilities from hatchery, feed producing, farming, to processing;
  - Accredited with “priority enterprise” for customs clearance process in accordance with Decision No. 2669/QĐ-TCHQ dated September 14, 2015 signed by Director General of General Department of Customs;
  - Vinh Hoan continued to be named in top 50 best listed companies in Vietnam by Forbes magazine June 2015 issue.
- 2016** —
  - Lifted the foreign ownership limit to 100% to open the room for future strategic investors;
  - Three times in a row to be named in top 50 best listed companies in Vietnam by Forbes magazine June 2016 issue;
  - Increased ownership at Van Duc Tien Giang Food Export Company to 100%;
  - Processing line of kabayaki – Vinh Hoan's first ready-to-eat product commenced operation in Van Duc Tien Giang Food Export Company;
  - Appointed Ms. Nguyen Ngo Vi Tam (formerly Sales and Marketing Director) as CEO;
  - Accredited with ASC (Aquaculture Stewardship Council) and BAP for tilapia farms;
  - Awarded Labor Metal Class I for Vinh Hoan collective in accordance with Decision No. 2248/QĐ-CTN dated September 20, 2016 by the President of the Socialist Republic of Vietnam;
  - Awarded Labor Metal Class II for Mrs. Truong Thi Le Khanh in accordance with Decision No. 2262/QĐ-CTN dated October 25, 2016 by the President of the Socialist Republic of Vietnam;
  - Awarded Labor Metal Class III for Ms. Nguyen Ngo Vi Tam – CEO and Mr. Huynh Duc Trung - Project Manager in accordance with Decision No. 2053/QĐ-CTN dated September 20, 2016 and Decision No. 166 dated January 18, 2016 respectively signed by the President of the Socialist Republic of Vietnam.





# PRINCIPAL BUSINESS ACTIVITIES - BUSINESS LOCATION - COMPETITIVE LANDSCAPE

## PRINCIPAL BUSINESS ACTIVITIES

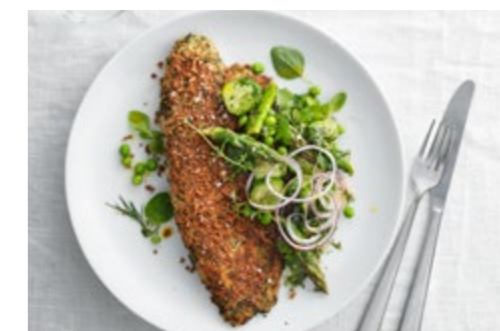
- Farming aquaculture domestically;
- Processing and preserving aquaculture and products from aquatic products;
- Purchasing and selling raw agricultural products and processing, purchasing and selling raw materials for production, processing of seafood, processing aquatic feed;
- Trading sea products; trading agricultural products, food, cattle products to producing and processing seafood;
- Trading in chemicals serving the production and processing of aquatic products;
- Trading machines, equipment, materials serving the production and processing seafood, processing aquatic feed.
- Producing fishmeal;
- Producing oil and fat from herbal and animal sources;
- Milling, and polishing rice;
- Trading and exporting/importing rice
- Extracting and manufacturing of hydrolyzed collagen and gelatin
- Importing and exporting of hydrolyzed Gelatin and Collagen, chemical medicines; importing of chemicals, materials for production of hydrolyzed Gelatin and Collagen, pharmaceutical chemistry, cosmetics and functional foods;
- Research and experimental development of natural science and technology.

## PRODUCT PORTFOLIO

Vinh Hoan's portfolio have been increasingly diversified over the years, being divided into 4 main categories:

### FROZEN SEAFOOD:

The frozen products from pangasius, tilapia and barramundi are processed to the form of fillet skin off, fillet with skin on, steak, whole round. These are primary products of Vinh Hoan and make highest contribution to total revenue.



### VALUE-ADDED PRODUCTS FROM PANGASIOUS:

Products from pangasius, barramundi, shrimp blended with flour, spices and other ingredients. They are processed more delicately to bring more choices for consumers and create higher gross profit margin than the common frozen seafood. There are 2 sub-categories of value-added products, consisting of:

- Ready-to-cook products: breaded, marinated, burger, fish roll-ups, fish and shrimp balls, fish fillet with "char marked";
- Ready-to-eat products: seared pangasius, steamed or boiled pangasius.



### BY-PRODUCTS:

Products utilizing the left-over from the processing of fillet, to optimize the recovery value, including:

- Fish meal, fish oil: Used to process animal feed, refined fish oil can also be used in food processing;
- Fish fin, stomachs, bladders: used for human consumption, especially in Asian dishes.



### COLLAGEN AND GELATIN PRODUCTS:

These products are made from hydrolysis of pangasius skin

- Collagen: Powder form, widely used in the cosmetics, food and beverages and supplemental products;
- Gelatin: Powder form, widely used in the pharmaceuticals and food industry.

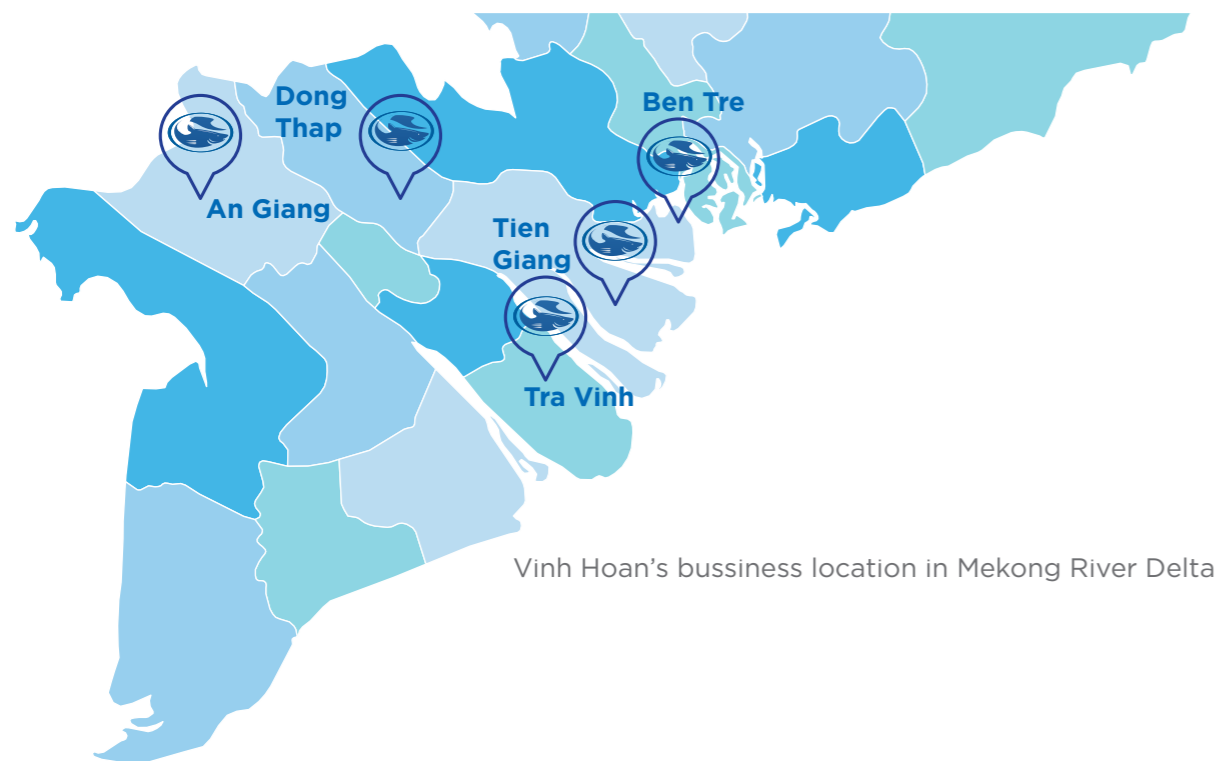


## BUSINESS LOCATION

The processing plants and subsidiaries network has been expanded to optimize capacity and productivity in the long run.

### DOMESTIC:

- Head office in Cao Lanh city - Dong Thap province with 3 pangasius processing workshops;
- Fish oil and fishmeal factory in Thanh Binh district - Dong Thap province;
- Subsidiary - Van Duc Tien Giang Food Export Co., Ltd with 2 pangasius processing plants, 1 value-added processing workshop and 2 fish oil and fishmeal plants in Chau Thanh district - Tien Giang province;
- Subsidiary - Vinh Hoan Collagen Corporation - in Cao Lanh city - Dong Thap province; its construction was completed in 2015 with annual production capacity of 2,000MT of finished products (1,000 for collagen and 1,000 for gelatin);
- Subsidiary - Vinh Hoan Food 2 Co., Ltd with rice mill in Lap Vo District, Dong Thap province;
- Hochiminh branch including Sales Dept., Marketing Dept., and Investors Relation Dept.;
- Strategic investee - Cuu Long Seapro - in Tra Vinh city, Tra Vinh province. Cuu Long Seapro specializes in processing and trading of shrimp products.
- Fish farms are concentrated in Mekong Delta Basin provinces such as Dong Thap, Tien Giang and Ben Tre.



Vinh Hoan's bussiness location in Mekong River Delta

### OVERSEAS:

- US-based strategic investee - Vinh Hoan (USA) Inc., - a company domiciled in California, US. It carries sales, logistics and customer services activity for US market.
- Singapore-based subsidiary - Octogone Holdings Pte. Ltd focuses on sales development in Asia;
- China-based subsidiary - Octogone (Guangzhou) Trading Co., Ltd - receives direct investment from Octogone Holdings Pte. Ltd. The company focuses on sales expansion in Chinese market.



Vinh Hoan's overseas branch and subsidiaries



## COMPETITIVE LANDSCAPE

Since 2010, Vinh Hoan has always been ranked No. 1 in pangasius exports and named among Top 5 largest seafood exporters of Vietnam.

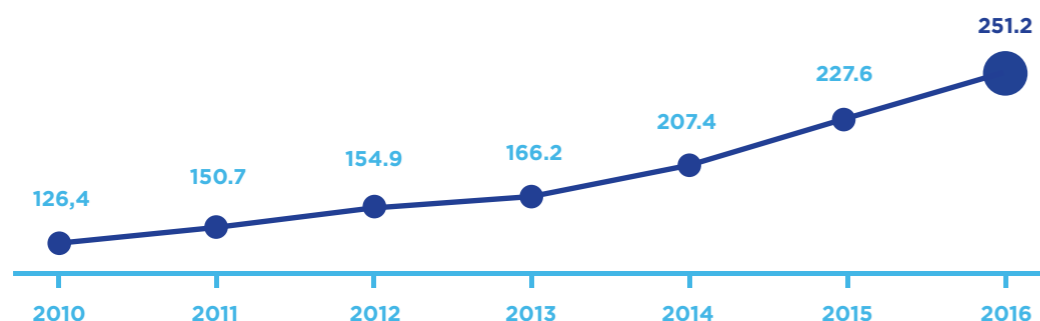
### TOP 5 LARGEST VIETNAMESE PANGASIOUS EXPORTERS

Unit: USD million

2010	2011	2012	2013	2014	2015	2016
<b>VINH HOAN</b> 126.4	<b>VINH HOAN</b> 150.7	<b>VINH HOAN</b> 154.9	<b>VINH HOAN</b> 166.2	<b>VINH HOAN</b> 207.4	<b>VINH HOAN</b> 227.6	<b>VINH HOAN</b> 251.2
HUNG VUONG 100.9	HUNG VUONG 123.5	HUNG VUONG 111.9	AGIFISH 112.6	HUNG VUONG 139.7	BIEN DONG 116.7	BIEN DONG 134.0
ANVIFISH 61.7	AGIFISH 84.0	AGIFISH 91.9	HUNG VUONG 105.5	NAVICO 109.8	HUNG VUONG 95.7	HUNG VUONG 102.2
AGIFISH 58.8	ANVIFISH 83.0	ANVIFISH 82.8	NAVICO 86.7	AGIFISH 84.6	NAVICO 93.1	GOLDEN QUALITY 100.7
NAVICO 58.2	NAVICO 53.7	I.D.I 58.3	I.D.I 79.7	BIEN DONG 76	I.D.I 67.5	NAVICO 80.2

Source: Vietnam Association of Seafood Exporter and Producers (VASEP)

### VINH HOAN'S EXPORT VALUE (USD Million)



(Source: Vinh Hoan)

## EXPORT MARKETS

Vinh Hoan's products are now shipped to over 40 countries. The EU and the U.S are its two main markets which together accounted for 72% of total export value of the company. Vinh Hoan secured stable growth in its traditional markets such as the UK and Belgium, which help sustained its footholds in EU. The year of 2016 saw a remarkable growth of the Chinese market, moving from seventh rank in previous year to third rank, consisting over 6% of Vinh Hoan's total export value. In addition, other markets such as Mexico and Canada also grew well, accounting for 2% and 5% respectively of the total export value. Share of the rest: Australia (4%), Hong Kong (4%), ASEAN (2%), Japan (1%) and others (2%).

## VINH HOAN'S SHARE IN TOTAL VIETNAM EXPORTS

In pangasius industry, Vinh Hoan accounted for 15% of total Vietnam export value in 2016, maintaining its leading position with a noticeable gap compared to the runner-up (Bien Dong at 7.8%). In which:

Still, the US was Vinh Hoan's top export market in 2016. Vinh Hoan accounted for 38% of Vietnam's pangasius exports to this market. The share dropped compared to 2015 caused by the company's strategies of proactively selling at higher price and market diversification.

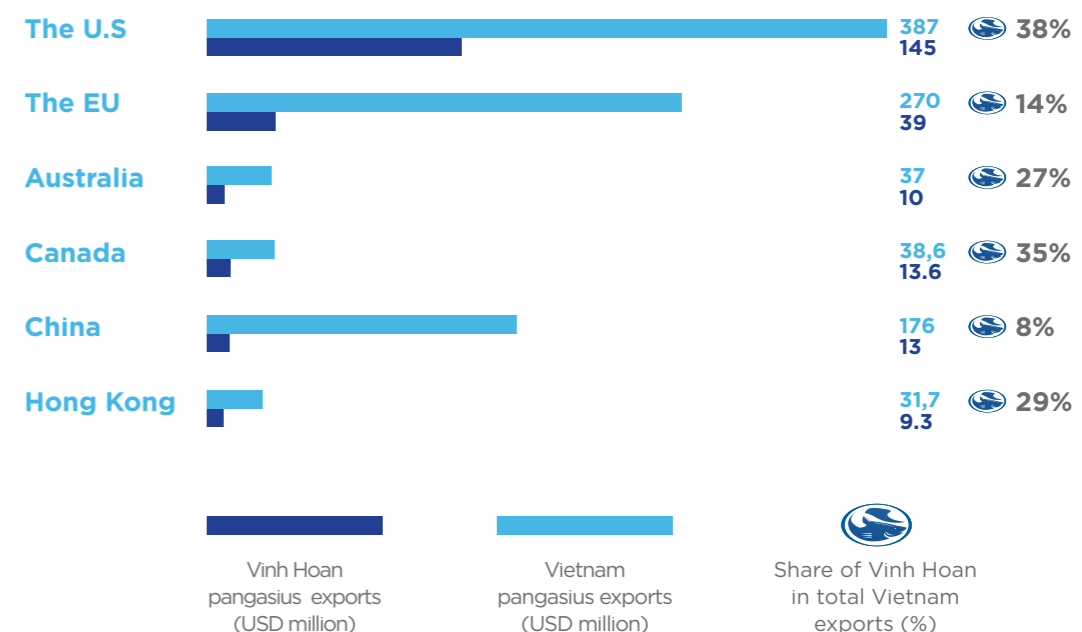
In the EU market, despite the industry's 8.5% year-on-year decline as being hit by the EU's economic downturn, Vinh Hoan still managed to stabilize its export turnover thanks to its sales policy that stands on premium market segments, large distribution system and company prestige. With exceptional high growth in the UK and Belgium, in 2016 Vinh Hoan accounted for 14% of Vietnam pangasius exports to the EU and increased its share in the EU's premium segment from 23% to 25%.

The year of 2016 also recorded the booming of the Chinese market, the entire industry saw a record-high growth of 59% year-on-year. Accordingly, Vinh Hoan doubled its sales to China compared to 2015, accounting for 8% of total Vietnam's exports to this market.

Vinh Hoan continued to maintain its leading position in several traditional export markets such as Canada and Hong Kong, where it accounted for 35% and 29% of total exports respectively.

Vinh Hoan also maintained steady growths and high market shares in the other markets including Japan (25%), Mexico (7%) and Australia (27%).

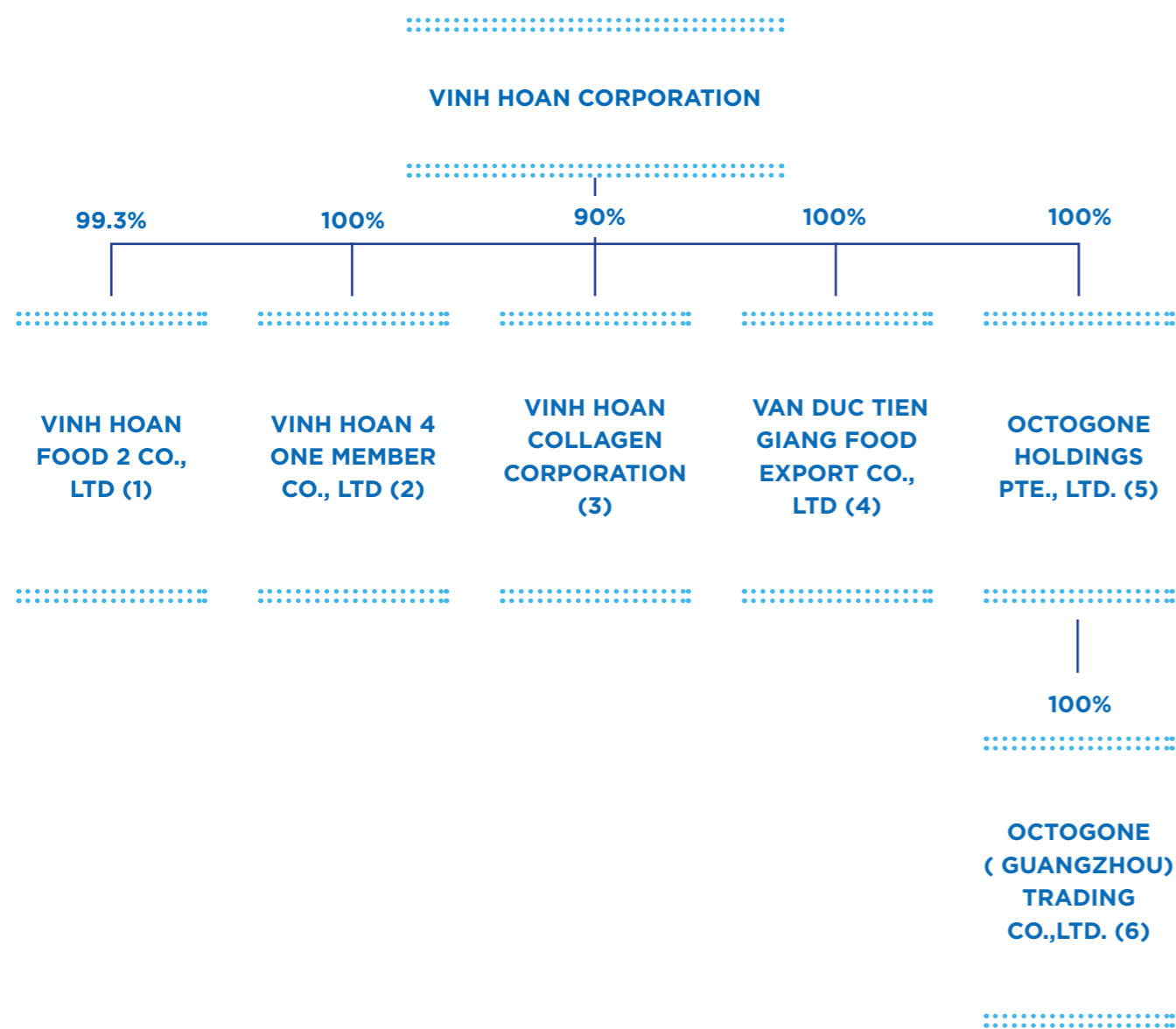
### VINH HOAN'S SHARE IN TOTAL VIETNAM'S PANGASIOUS EXPORT VALUE IN SOME MARKETS



Source: Vinh Hoan, VASEP.

# CORPORATE STRUCTURE - ORGANIZATION CHART

## CORPORATE STRUCTURE



### (1) VINH HOAN FOOD 2 CO., LTD

- Vinh Hoan Food 2 Co., Ltd was established in accordance with Business Registration No. 1401420853 dated July 27, 2011 – seventh amendment dated January 14, 2015 issued by Department of Planning and Investment (Dong Thap Province).
- Charter capital: VND100 billion, of which 99.3% contributed by Vinh Hoan, equivalent to VND 99,300,000,000.
- Principal business: grains milling, rice polishing, rice importing and exporting.

### (2) VINH HOAN 4 ONE MEMBER CO., LTD

- Vinh Hoan 4 One Member Co., Ltd was established in accordance with Business Registration No. 140171196 dated April 05, 2012.
- Charter capital: VND50 billion. Vinh Hoan has not contributed capital into this company.
- Principal business: processing, preserving seafood and other aquatic products.
- The construction and operation of Vinh Hoan 4 is yet to start.

### (3) VINH HOAN COLLAGEN CORPORATION

- Vinh Hoan Collagen Corporation was established in accordance with Business Registration No. 1401587429 dated December 02, 2011 – seventh amendment dated January 04, 2016 issued by Department of Planning and Investment (Dong Thap Province).
- Charter capital: VND100 billion, of which 90% (VND90 billion) contributed by Vinh Hoan.
- Principal business: extracting and manufacturing of hydrolyzed collagen and gelatin.

### (4) VAN DUC TIEN GIANG FOOD EXPORT CO., LTD

- Van Duc Tien Giang Food Export Co., Ltd was acquired by Vinh Hoan in the period from 2014-2015.
- The company was established in accordance with Business Registration No. 1200667963 - 15th amendment dated October 21, 2015. Charter capital: VND 305,423,960; fully owned by Vinh Hoan as of December 31, 2016.
- Principal business: farming, processing, preserving and trading of seafood and other aquatic products.

### (5) OCTOGONE HOLDINGS PTE. LTD

- Octogone Holdings Pte. Ltd was established in Singapore in accordance with Business Registration No. 20150681 dated March 17, 2015 issued by Accounting and Corporate Regulatory Authority (ACRA).
- Committed capital: US\$700,000; of which 100% was contributed by Vinh Hoan. As of December 31, 2016, Vinh Hoan has contributed US\$200,000.
- Principal business: trading, importing and exporting marine and aquatic products.

### (6) OCTOGONE ( GUANGZHOU) TRADING CO.,LTD.

- Octogone (Guangzhou) Trading Co., Ltd was established in China on June 03, 2015 through direct investment of Octogone Holdings Pte., Ltd
- Principal business: trading, importing and exporting marine and aquatic products
- During the year, the Board of Directors of the parent company (i.e. Vinh Hoan Corporation) and the Board Member its subsidiaries passed the dissolution resolution of Vinh Hoan Hau Giang One Member Co., Ltd which was established in accordance with Business Registration No. 6300254158 dated December 11, 2014 and Vinh Hoan Food 3 Co., Ltd. which was established in accordance with Business Registration No. 1401493918 dated September 21, 2011- first amendment dated April 17, 2012 issued by Department of Planning and Investment (Dong Thap Province).



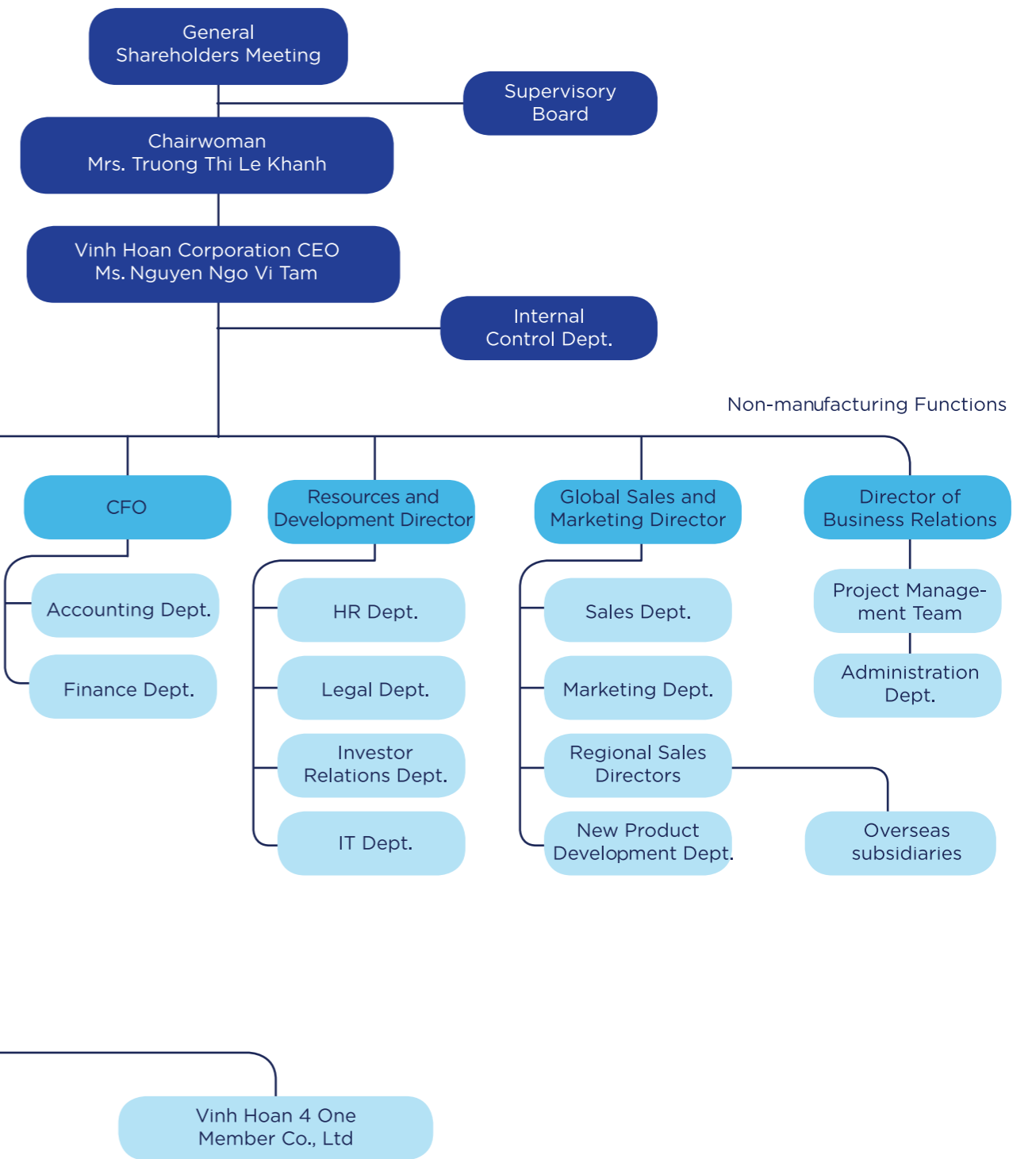
# ORGANIZATION CHART

In 2016, with the establishment of 3 divisions including VINH Foods, VINH Aquaculture and VINH Wellness under the branding positioning strategy, the Company made some restructuring so that the management system becomes more consistent and core functions-centric, thereby encouraging efficiency and internal healthy competition. Accordingly, the organizational chart of the company starting 01 April 2017 follows that of joint stock companies chaired by the General Meeting of Shareholders, Supervisory Board, Board of Directors, the Executive Board consisting CEO and functional directors.

- I. The manufacturing departments comprise: sustainable development, fish farming and processing, production of gelatin and collagen
- II. Non-manufacturing function departments comprise: business relations, accounting -finance, sales and marketing, resources and development.

Managers of each department is responsible to report directly to respective functional director. Each manufacturing department is organized by function throughout the business phases from raw material receipt, processing, and sales.

The CEO of each subsidiary is responsible for the business results of that subsidiary, and reports directly to the group CEO. For overseas subsidiaries which primarily operate in sales and market development function, they coordinate with overall sales strategies of the parent company. The CEO of overseas subsidiary is responsible for reporting to the Regional Sales Director.



A photograph of a business meeting. In the foreground, a person's hand is gesturing over a document with a bar chart and a line graph. The chart shows monthly data from June to March. In the background, another person is holding a pen over a document. The scene is brightly lit, suggesting an office environment.

# BUSINESS PERFORMANCE

- Board of Directors and Executive Board Introduction
- Report of the Executive Board
- Report of the Board of Directors
- Report of the Supervisory Board



# BOARD OF DIRECTORS AND EXECUTIVE BOARD INTRODUCTION

## CHANGE OF BOARD OF DIRECTORS ("BOD") MEMBER DURING THE YEAR

Mr. Jean Eric Jacquemin - representative of Red River Holding, non-executive member of the Board has resigned since September 28th 2016. The Board have temporarily appointed Ms. Nguyen Thi Kim Dao- CFO as an alternative BoD member, effective from October 3rd, 2016. The official appointment will be approved in the next General Shareholders Meeting.

Currently the BoD consists of 5 members:

- Ms. Truong Thi Le Khanh - Chairwoman of the BoD
- Ms. Nguyen Ngo Vi Tam - BoD Member cum General Director
- Ms. Truong Tuyet Hoa - BoD Member cum Sales Director
- Mr. Vo Phu Duc - BoD Member cum Director of Vinh Hoan Collagen Corporation (a subsidiary of Vinh Hoan)
- Ms. Nguyen Thi Kim Dao - BoD Member cum CFO



**MRS. TRUONG THI LE KHANH**  
**CHAIRWOMAN OF THE BOD**  
YEAR OF BIRTH: 1961  
MAJOR: **BACHELOR IN ECONOMICS**  
SHE HAS SERVED AS THE  
CHAIRWOMAN OF THE BOD SINCE  
2007.

She is the founder of Vinh Hoan since 1997 and has led the company from a small pangasius processing workshop to become the biggest pangasius farming and processing company in the world. She is known as a leading entrepreneur of Vietnam pangasius industry - a pioneer in the sustainable development of the sector. After more than 19 years of managing the company in the positions of Director and General Director, as well as the Chairwoman of the BoD since VinhHoan listed on stock exchange in 2007. In the Annual General Shareholders Meeting dated 23 May 2016, she officially transferred position of General Director to Ms. Nguyen Ngo Vi Tam. Ms.Khanh currently only holds the position of Chairwoman to focus on strategic planning for the Company.

Ms. **Truong Thi Le Khanh** has received many prizes and awards, to list some:

- **2011:** Labor Medal 3rd class with outstanding achievements in the work in 2005-2009/The President of the Socialist Republic of Vietnam.
- **2013:** Saigon successful female entrepreneurs in 2013 by The Vietnam Union of Science and Technology Associations (VUSTA). Top 10 most successful female entrepreneurs in Vietnam Forbes (Viet Nam)
- **2014:** Vietnamese Female Entrepreneurs with "Shining The Golden Rose" Cup/Vietnam Chamber of Commerce and Industry (VCCI). Mark of Respect - Top 50 best business leaders by The Business Review.
- **2015:** Mark of Respect - Top 50 best business leaders by The Business Review.
- **2016:** Top 20 most influential women in Vietnam by Forbes (Viet Nam)
- **2017:** Labor Medal 2nd class by The President of the Socialist Republic of Vietnam



**MS. NGUYEN NGO VI TAM**  
**BOD MEMBER CUM GENERAL DIRECTOR**  
 YEAR OF BIRTH: **1979**  
 QUALIFICATIONS:  
**BACHELOR OF LAWS; MBA**  
 YEARS WITH VINH HOAN: **14 YEARS**  
 SHE HAS BEEN A BOD MEMBER SINCE 2007

Ms. **Nguyen Ngo Vi Tam** joined VinhHoan as a salesperson in 2003. She was promoted to sales manager in 2006 and Deputy General Director in charge of sales in 2008. She joined the executive management team as Sales and Marketing Director in 2014. On May 23rd, 2016, Ms. Tam was appointed as General Director of the Company and held this position until now.

Ms. Nguyen Ngo Vi Tam has led Vinh Hoan's sales and marketing team for the past 10 years and under her leadership, the export sales has recorded a fivefold increase. In the process of development and increase of production scale, she played an important role in expanding the company's marketing and branding activities to ensure corresponding growth of sales. She built an international sales team that speaks multiple languages and is experienced in multiple distribution channels and major markets globally. She manages establishments and operation of sale offices in the United States, Singapore and China and product development division. Ms. Nguyen Ngo Vi Tam is also in charge of the case of anti-dumping in the US, relations with investors, and advising the Board of Directors on strategies for long-term development and plays a key role in the implementation of the strategies.

She has received a number of prizes and awards, as follows:

- **2007:** Merit for outstanding completion of seafood farming and business tasks by the Minister of Agriculture and Rural Development
- **2011:** Merit for outstanding achievements in the national economy development by the Prime Minister of the Socialist Republic of Vietnam.
- **2012:** Merit for outstanding completion of tasks in the year by the Chairman of Dong Thap Provincial People's Committee.
- **2016:** Selected into top 40 under 40 year old fisheries leaders in the world by Intrafish.
- **2017:** Labor Medal 3rd Class by the The President of the Socialist Republic of Vietnam.



**MS. TRUONG TUYET HOA**  
**BOARD MEMBER CUM SALES DIRECTOR**  
 YEAR OF BIRTH: **1976**  
 QUALIFICATIONS:  
**BACHELOR OF ECONOMICS; MBA**  
 YEARS WITH VINH HOAN:  
**20 YEARS**  
 SHE HAS BEEN A BOD MEMBER SINCE 2015

Ms. **Truong Tuyet Hoa** was one of first employees of Vinh Hoan since its inception. She was among the first key sales person and has led the sales team to thrive in the development history of the Company. Ms. Truong Tuyet Hoa was appointed as Sales Manager in 2009 before being promoted to Sales Director in 2017. She plays an important role in planning and implementation of business plans and sales strategies of the Company as well as effective management of exports, logistics, and after-sale services.

She has received a number of prizes and awards, as follows:

- **2007:** Merit for outstanding completion of tasks in the year by the Chairman of Dong Thap Provincial People's Committee.
- **2012:** Merit for outstanding completion of seafood farming and business tasks by the Minister of Agriculture and Rural Development.



**MR. VO PHU DUC**  
**BOD MEMBER CUM DIRECTOR OF VINH HOAN COLLAGEN CORPORATION (A SUBSIDIARY OF VINH HOAN)**  
 YEAR OF BIRTH: **1976**  
 QUALIFICATIONS:  
**ONSTRUCTION ENGINEER**  
 YEARS WITH VINH HOAN:  
**14 YEARS**  
 HE HAS BEEN A BOD MEMBER SINCE 2012.

Mr. **Vo Phu Duc** started working for Vinh Hoan in 2003, and had been continuously in charge of development projects on the production capacity of the Company from fillets processing, to expanding into production of feed, rice and collagen, gelatin. In period of 2007 to 2013, Mr. Duc was the Director of Vinh Hoan 1 Feed Company which significantly contributed to the company's consolidated business results thanks to its positive revenue and profit growth. After Vinh Hoan sold its 70% stake in Vinh Hoan Feed to Pilmico Foods, on August 01 2013, Mr. Vo Phu Duc was appointed as Director of Vinh Hoan Collagen Corporation. He was responsible for running the factory on schedule, ensuring products' technical specifications and production efficiency. He also advises the Executive Board and BoDon the development strategies and technology innovations.

He has received a number of prizes and awards as follows:

- **2014:** Merit for outstanding achievements in the national economy development by the Prime Minister of the Socialist Republic of Vietnam.





**MS. NGUYEN THI KIM DAO**  
**BOARD MEMBER CUM CFO**  
 YEAR OF BIRTH: 1979  
 QUALIFICATIONS:  
**BACHELOR OF ACCOUNTING**  
 YEARS WITH VINH HOAN: 14 YEARS  
 SHE HAS BEEN A BOD MEMBER OF  
 VINH HOAN SINCE OCTOBER 03,  
 2016

Ms. **Nguyen Thi Kim Dao** served as the Chief Accountant in 10 years before being appointed as the CFO in 2014. She manages accounting and financial procedures for Vinh Hoan to ensure strict compliance, accuracy and truthfulness and optimizing the capital utilization efficiency for Vinh Hoan and its subsidiaries. Ms. Dao also took part in the early phase of tackling the anti-dumping case in the US. In addition, she also advises the Board of Directors on many important financial strategies and cost management policies for the Company.

She has received a number of prizes and awards, as follows:

- **2007:** Merit for outstanding completion of seafood farming and business tasks by the Minister of Agriculture and Rural Development.
- **2012:** Merit for outstanding completion of tasks in the year by the Chairman of Dong Thap Provincial People's Committee.
- **2014:** Merit for outstanding achievements for the national development by the Prime Minister of the Socialist Republic of Vietnam.



**MR. HUYNH DUC TRUNG**  
**DIRECTOR OF BUSINESS RELATIONS**  
 YEAR OF BIRTH: 1963  
 QUALIFICATIONS: **ENGINEER OF FOOD PROCESSING**  
 YEARS WITH VINH HOAN: 17 YEARS

Mr. **Huynh Duc Trung** is one of first employees of Vinh Hoan since its inception. He plays a key role in the construction process and production management of the first factories. He was appointed Deputy Managing Director in charge of production and aquaculture for 13 years before being appointed as Project Director and then Director of Business Relation, in charge of land application documentation for new projects, establishment and management of processes and activities related to the environment, labor union, security, safety of the workshops and labor in the Company.

He has received a number of prizes and awards, as follows:

- **2007:** Medal for the agriculture and rural development by the Minister of Agriculture and Rural Development.
- **2011:** Merit for outstanding achievements for the national economy development by the Prime Minister of the Socialist Republic of Vietnam.
- **2012:** Merit for outstanding completion of tasks in the year by the Chairman of Dong Thap Provincial People's Committee.
- **2016:** Labor Medal 3rd Class by the President of the Socialist Republic of Vietnam.



**MS. HO THANH HUE**  
**PRODUCTION DIRECTOR**  
 YEAR OF BIRTH: 1982  
 QUALIFICATIONS:  
**ENGINEER IN ENVIRONMENT**  
 YEARS WITH VINH HOAN: 13 YEARS

Ms. **Ho Thanh Hue** joined Vinh Hoan as a Quality Control Dept. staff, then gradually was appointed in positions of production management including Vice Quality Manager in 2006 and Factory Vice Manager in 2007. In 2007-2009 she was pointed as Production Director Assistant before being promoted to Production Director in 2010. She is responsible for operating all production activities of the company including the construction projects, repairs, planning, buying materials and organizes daily activities of the fish processing plants. She plays an important role in the implementation process of the capacity expansion strategy in recent years to keep up with the sales growth and satisfy the ever-increasing demand for products quality and productivity improvement.

She has received a number of prizes and awards, as follows:

- **2012:** Merit for outstanding completion of tasks in the year by the Chairman of Dong Thap Provincial People's Committee
- **2014:** Merit for outstanding completion of tasks in the year by the Chairman of Dong Thap Provincial People's Committee.



**MS. DANG THI THUONG**  
**DIRECTOR OF SUSTAINABILITY**  
 YEAR OF BIRTH: 1987  
 QUALIFICATIONS:  
**MASTER OF BIOLOGY**  
 YEARS WITH VINH HOAN: 7 YEARS

Ms. **Dang Thi Thuong** started working for Vinh Hoan in 2010. She was responsible for the farms' certification activities before being appointed as Director of Aquaculture and Director of Sustainability in 2014 and 2017. She has led a successful implementation of the international aquaculture certification programs for the company, typically ASC and BAP, contributing to the development of revenue and promotion of Vinh Hoan brand over the years. Positioning as a leading company for sustainable aquaculture worldwide, Ms. Thuong continues playing a custodian role in strategy towards a 100% certified farming areas in 2020 for both the Company and its suppliers. She also represents the company in the research and development projects in the field of domestic and international aquaculture.



Ms. **Huynh Thi Tuyet Nga** had 7 years serving as Production Director and Director of a seafood company before being appointed as the Director of Van Duc Tien Giang Food Export Co., Ltd since its establishment in 2007. She is responsible for entire farming and processing activities of Van Duc Tien Giang and under her leadership, the subsidiary has continuously met and exceeded financial targets assigned by the parent company following Vinh Hoan's acquisition in 2014. Ms. Nga plays an important role in raw materials self-supply development strategy of Vinh Hoan in recent years and in the future.

**MS. HUYNH THI TUYET NGA**  
**DIRECTOR OF VAN DUC TIEN GIANG FOOD EXPORT CO., LTD**

YEAR OF BIRTH: **1978**

QUALIFICATIONS: **BACHELOR OF SEAFOOD PROCESSING**

YEARS WITH VINH HOAN: **3 YEARS**





# REPORT OF THE EXECUTIVE BOARD

## REPORT OF THE EXECUTIVE BOARD ON 2016 BUSINESS RESULTS

### OVERVIEW

In 2016, the pangasius farming situation is highlighted with salinity intrusion earlier of year and unfavorable weather conditions at the end of Q3. However, after the downturn period of 2012 to 2015, in 2016 pangasius sector recovered, but still not comparable to a peak of volume in 2008 and value in 2011, where it reached 1.4 million tons and 1.86 billion dollars accordingly. Pangasius farming area was approximately 5,500 hectares and output of about 1.25 million tons, up 4% compared to 2015. Total pangasius export value reached US\$1.71 billion, up 9.6% compared with 2015. Strong growth was seen in several markets though, such as in the US (up nearly 23% yoy) and in China (up 90% yoy). China has surpassed the EU to become the second largest export market of Vietnam pangasius. The shrinking markets included the EU, Brazil and Mexico, with negative rate of 8.5%, 12.5% and 12% respectively. Vietnam seafood exports grew 6% with more than US\$7 billion. Besides pangasius, shrimp export was one main driver of the positive growth of Vietnam seafood sector with positive growth compared to 2015 with a total value of exports of US\$3.15 billion, up 6.7% over last year.

In 2016 pangasius sector is rather stable, with similar movements as in 2015. Pangasius exports saw strong growth in the Chinese market. High demand for whole round fish in this market made the export volume grow higher than the export value, hence average selling price decreased due to this change of product mixture. US market increased in both volume and value thanks to the expansion of fish consumption. Raw material prices surged in March - April due to scarcity but then dropped sharply before rallying in October. Generally, the average raw material cost was relatively moderate throughout the year, which helped business activities be efficient in general. However, the continuously plummet of the EU caused by its currency depreciation and the negative image of pangasius over the years was still a challenge for Vietnam. The large markets in South America decreased partly due to the general economic situation, partly due to some quality issues, especially related to regulatory control. However, this challenge is an opportunity for the development of products with higher quality. Particularly in Europe, it is also growth opportunities in the market segments of sustainably farmed products, an example of which is the UK market.

### PANGASIOUS EXPORTS TO MAIN MARKETS

Markets	2015	2016	% yoy
USA	315	387	23%
China & Hong Kong	162	305	89%
EU	285	261	-8%
ASEAN	135	135	0%
Mexico	96	84	-12%
Brazil	78	68	-12%
Saudi Arabia	62	51	-17%
Colombia	59	55	-5%
Others	374	367	-2%
<b>Total</b>	<b>1,565</b>	<b>1,715</b>	<b>10%</b>

(Unit: USD million)

(Source: VASEP)

### OTHER PROMINENT EVENTS DURING THE YEAR:

- Results of the 11th administrative review of anti-dumping duty in the US (POR11) for the period from 01 August 2013 to 31 July 2014 with duty rate of 0.41 USD/ kg applied to some mandatory respondents and 0.97 USD/kg being the nation-wide average duty rate. Vinh Hoan's duty remained unchanged at 0% rate.
- In April 2016, the catfish inspection program (Farm Bill) of the US Department of Agriculture (USDA) officially took effect, according to which the quality inspection of pangasius at the destination ports was transferred from the FDA to USDA. Authorized agencies under the Ministry of Agriculture and Rural Development of Vietnam has started activities of communication, situation assessment and technical cooperation with the USDA to review equivalent conditions in September 2017. The most prominent event was that Vinh Hoan welcomed USDA working group led by Mr. Alfred V. Almanza, Deputy Minister of the USDA cum Director of Food Safety and Inspection Service (FSIS) - the agency directly responsible for Farm Bill inspection program. During their visit to Vinh Hoan's farms and factories, they had expressed good impression about the facilities and food safety conditions.

## VINH HOAN FEATURED EVENTS IN 2016

- Anti-dumping duty of 0% into the US market was unchanged in 11th administrative review. Besides development of new markets, the Company continued to take its competitive edge in the U.S. market to contribute to revenue and profit margin in the year.

- The company has developed 5 new markets including Pakistan, Thailand, India, Greece, and Reunion, bringing up a client portfolio of nearly 300 customers in 40 countries, notably it achieved successful moves in its direct sales strategy, with notable event of introduction of Vinh Foods brand to Mercadona – the largest supermarket in Spain. Although Vietnam pangasius exports to the EU is still in downward trend, Vinh Hoan has maintained growth in its major EU markets such as the UK and Belgium, helped to increase Vinh Hoan’s market share in premium segment in the EU from 23% to 25%.

- In August 2016, the company launched its new brand identity with three new divisions including Vinh Foods specializing on premium frozen seafood products, Vinh Aquaculture specializing in farming-related R&D activities and certification activities of sustainable aquaculture, and Vinh Wellness specializing in production of collagen, gelatin products derived from pangasius skin.

- In June 2016, the pangasius processing factory No. 2 of Van Duc Tien Giang subsidiary commenced operation with capacity of 150 MT of raw materials per day, ramping up another 20% to the group’s total processing capacity. Besides, Van Duc Tien Giang also completed construction of the value-added products factory, located next to pangasius factory. Within this factory, we installed a pangasius fillet grilling line with annual capacity of 2,000 MT of finished product and a line for breaded, marinated and other ready-to-cook products.

- At the end of 2016, the company acquired 100% stake in Thanh Binh Dong Thap Fisheries JSC (also a pangasius processor), the deal completed in early 2017. Thanh Binh owns two frozen pangasius fillets processing plants with a total designed capacity of up to 400 tons of raw materials per day, a cold storage and other appurtenances on a total land area of approximately 8 hectares.

- The company has expanded farming areas to maintain its raw materials self-supply ratio at 60% to 65%, significantly contributing to the year’s profit results. Vinh Hoan continued to be Vietnam’s leading company in terms of certified farming area, with 140ha certified by Aquaculture Stewardship Council (ASC), 155ha certified with the Best Aquaculture Practices (BAP) and 180ha certified with Global Good Agricultural Practice (GlobalGAP); up by 100%, 88% and 93% respectively from 2015.

- In June 2016, Vinh Hoan Collagen Corporation welcomed the visit of Prime Minister of the Socialist Republic of Vietnam. He appraised the collagen factory as one of Dong Thap province’s most successful high-tech agricultural projects.

- Forbes (Vietnam) continued to honor Vinh Hoan Corporation in Top 50 best listed companies in Vietnam and Mrs. Truong Thi Le Khanh - Chairwoman of the Board of Directors as one of the 20 most influential women in Vietnam.

## SUMMARY ON BUSINESS RESULTS

Regarding the financial targets, the company’s major achievements in 2016 was the impressive growth of profit, far exceeding the plan and reaching new record high in sales.

The Company’s Executive Board hereby report to shareholders the specific results of 2016, as follows:

### GROWTH IN REVENUE AND PROFIT (2016 VERSUS 2015)

Items	Actual 2015	Actual 2016	% Growth
Consolidated Revenue	6,493	7,304	12%
Consolidated Net Profit after Tax	323	567	76%

Unit: VND billion

### 2016 REVENUE AND PROFIT RESULTS (ACTUAL VERSUS PLAN)

Items	Actual 2016	Plan 2016	% Achieved
Consolidated Revenue	7,304	7,689	95%
Consolidated Net Profit after Tax	567	350	162%

Unit: VND billion

The management as well as the whole Vinh Hoan team have accomplished these outstanding results which exceeded the target of profitability thanks to long-built strategies with specific plans and actions, together with the continuous efforts of each employee. Firstly, it was the integration model from farm to processing ensuring thorough control of the raw materials following international standards in terms of cost, volume, and quality. With the increase of raw material self-supply ratio to 65% in 2016, the Company had competitive input cost, especially in the months of raw material scarcity due to unfavorable weather. In addition, the 10% yoy growth in total production volume has helped to reduce processing expenses. While the average selling price of the whole sector was down by 5%, Vinh Hoan selling price was stable and approximately 50% higher than that of the whole sector. Contributing to the Company selling price was the advantage in the US market, especially in the early phase of the transition from FDA to the USDA when Vinh Hoan took advantage over other competitors who got alerted by USDA due to products found to contain chemicals residue. Additionally, the Company continued to develop its sales and promotional activities of premium products and value-added products for European markets and other new markets. In summary, capacity expansion, low production cost and stable selling prices all contributed to Vinh Hoan’s 19-year high profit results.

In 2016, although the revenue was high, but yet to reach 100% of the plan because the performance of collagen business was up to expectation. In addition, for fish business, the Company was not able to fully pass on the increasing price in raw material (which started to climb up from October), the revenue of this quarter was somewhat lower than the same period last year.



## REVENUE ANALYSIS

In 2016 the consolidated revenue increased 12% compared to 2015. Main product segment (pangasius products) was up 9%; fishmeal, fish oil and by-products by over 14% and the value-added products by more than 33%. After going through the tough competition phase with other countries, the barramundi business began to realize increase in export revenue of over 40%. The new product groups began to contribute significantly to overall revenue including gelatin, collagen and tilapia with revenue of VND 30 billion and VND 26 billion respectively.

Regarding the revenue breakdown by business lines, in general there was no major change compared with the previous year. However, sales of merchandises saw recovery in feed trading segment. Revenue of services rendered was mainly from consignment export service. Sales of raw materials was mainly sales of live fish.

### SALES BY PRODUCTS IN 3 YEARS (2014-2016)

Items	Revenue 2016	% of total revenue	Revenue 2015	% of total revenue	Revenue 2014	% of total revenue
Merchandises	406	5.56%	250	3.9%	366	6%
Finished products	5,829	79.81%	5,252	8.087%	5,141	81.7%
Services	4	0.05%	2	0.03%	16	0.03%
Raw materials	21	0.29%	54	0.8%	67	1%
By products	1,044	14.29%	935	14.4%	702	11%
<b>Total</b>	<b>7,304</b>		<b>6,493</b>		<b>6,292</b>	

Unit: VND billion

Sales analysis by each subsidiary shows the largest contribution to the total revenue from Van Duc Tien Giang (VDTG). 2016 also recorded positive growth in revenues of Vinh Hoan Collagen and subsidiaries in Singapore and China. Details as follows:

	Revenue 2016	Revenue 2015	%yoy Change
Parent company	5,595	5,232	7%
Vinh Hoan 2	19	37	-49%
Van Duc Tien Giang	1,801	1,553	16%
Vinh Hoan Collagen	54	26	108%
Octogone Holdings	91	2	4,450%

Unit: VND billion

### Van Duc Tien Giang Food Export Co., Ltd (“VDTG”)

Vinh Hoan’s ownership: 100%

Principal activities: farming and processing pangasius products

According to the investment and expansion roadmap, after merging with Vinh Hoan, in 2016 VDTG had one more pangasius fillet plant, a factory of value added products, and expanding farming area. Thanks to the increase in production capacity and improvement of efficiency in fish farming with material self-supply ratio reaching nearly 80%, VDTG has seen successful results in 2016, fulfilling the growth targets assigned by the parent company, contributing the most to the group’s results. VDTG’s revenue increased 16% yoy, at VND 1,801 billion; and net profit after tax reported at over VND 170 billion, surging by 86% yoy.

### Vinh Hoan Food 2 Co., Ltd

Vinh Hoan’s ownership: 99.3%

Principal activities: rice processing and exporting

Due to the existing difficulties of rice sector in recent years, the process of restructuring the company has not been completed. While seeking the best solutions for this subsidiary, Vinh Hoan continued to maintain some export operations, generating more than VND 19 billion in 2016 and a gross profit of over VND 1 billion. Loss of the company was mainly caused by depreciation expenses of c. VND17 billion.

### Octogone Holdings Pte. Ltd. (“Octogone”)

Vinh Hoan’s ownership: 100%

Principal activities: Investing in Octogone (Guangzhou) Trading Co., Ltd., which is a sales office for parent company in China

In 2016, under implementation of new markets development strategy, of which China is one of the largest market with rapid growth and the greatest potentials, the sales team of Octogone has been developed rapidly, now employing total of 7 locals, with deep understanding about the Chinese culture and market. Such staffs have helped Octogone expand sales network, especially in the high-quality fillets and value-added products segment selling directly to restaurant chains and supermarkets. Octogone’s revenue in 2016 reported over US\$4 million, contributing c. 25% to the total sales of the Company in Chinese market.

## Vinh Hoan Collagen Corporation

Vinh Hoan's ownership: 90%

Principal activities: Manufacturing of collagen and gelatin extracted from pan-gasius skin.

Revenue in 2016 of Vinh Hoan Collagen was nearly VND 54 billion, almost doubling that of 2015. 2016 was the first year when the company received large quantity orders since its inception in 2015. These first export containers have created the strong motives for the whole team, especially with the customers' positive feedback about the quality and a stable number of orders kept coming in the following months. Although yet being profitable in 2016, the company has met all technical and certification requirements of all markets, building up brand recognition and customers network. These have paved the way for the company to achieve better result in upcoming time.

## PROFIT MARGIN ANALYSIS

As aforementioned, thanks to the positive results in capacity expansion and improved efficiency in farming and processing, together with sales achievements, the Company has recorded an outstanding profit margin in 2016. Increase in profit margin can be explained by the following catalysts:

- Rising raw material self-supply ratio to 65%, and decline in farming costs versus 2015;
- Year-on-year decline in average raw material pricing;
- Despite the industry's downward trend in average selling price, Vinh Hoan still managed to stabilize the selling prices thanks to the contribution from direct sales channels and branded products sales.

Items	2016 (VND billion)	2015 (VND billion)	2014 (VND billion)
Sales of merchandises	406	250	366
Sales of finished products	5,829	5,252	5,141
Sales of by-products	1,044	935	702
Cost of goods sold for merchandises	376	224	333
Cost of goods sold for finished products	4,826	4,449	4,433
Cost of goods sold for by-products	964	953	645
Gross profit margins for merchandises	7.39%	10.40%	9.02%
Gross profit margin for finished products	17.20%	15.29%	13.77%
Gross profit margin for by-products	7.66%	-1.93%	8.12%
Gross profit margins for finished products and by-products	15.76%	12.69%	13.09%

## INVENTORIES

By the end of 2016, inventories decreased by 7% year-on-year in value mainly due to decline of raw materials in farming ponds. The growth rate of finished products was in alignment with revenue growth of the Company.

Inventories	By the end of 2016 (VND)	By the end of 2015 (VND)
Inventories	93,034,263,924	74,564,312,624
Tools and equipment	8,999,223,571	8,154,634,679
Work in progress	540,086,026,952	795,921,774,926
Finished products	567,279,982,089	412,147,530,208
Merchandises	4,356,141,612	964,785,087
Goods in transit		8,000,965,141
<b>Cộng</b>	<b>1,213,755,638,148</b>	<b>1,299,754,002,665</b>

## CHANGES IN OWNERS' EQUITY

There was no change in owners' equity in 2016.

Total contributed capital by owners as of **December 31, 2016** was **VND924,039,430,000**.

## PROFIT DISTRIBUTION

In 2016, the Company made dividend payout as following:

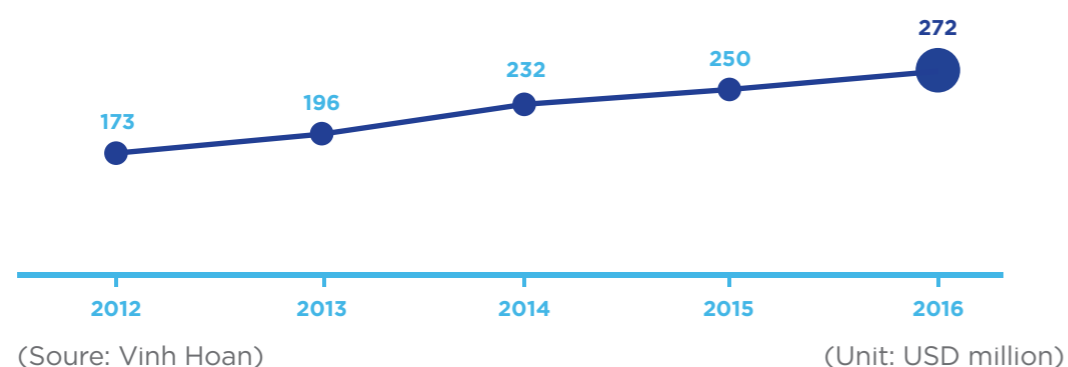
- According to the resolution of shareholders' meeting on May 8, 2015, dividend payout of the second time of 2015 was 5% in cash .
- Dividend payout rate of 2016 is 20% in cash according to the resolution of shareholders' meeting on May 23, 2016



## EXPORTS ANALYSIS

The total export value of the Company reached 272 million USD in 2016, an increase of 9% compared to the year 2015, in which sales of seafood exports increased by more than 8 percent thanks to growth in sales of pangasius, barramundi, tilapia and other value added products. As aforementioned, export activity of the company rose about 18 percent in the first 3 quarters of the year but slowed down in the fourth quarter due to higher price of raw material. The company has proactively reduced production in the last months of the year to secure profit margin and renovated some of the processing plants to increase productivity.

FIVE-YEAR EXPORT VALUE (2012 - 2016)



Export sales in 2016 are divided into product groups as follows:

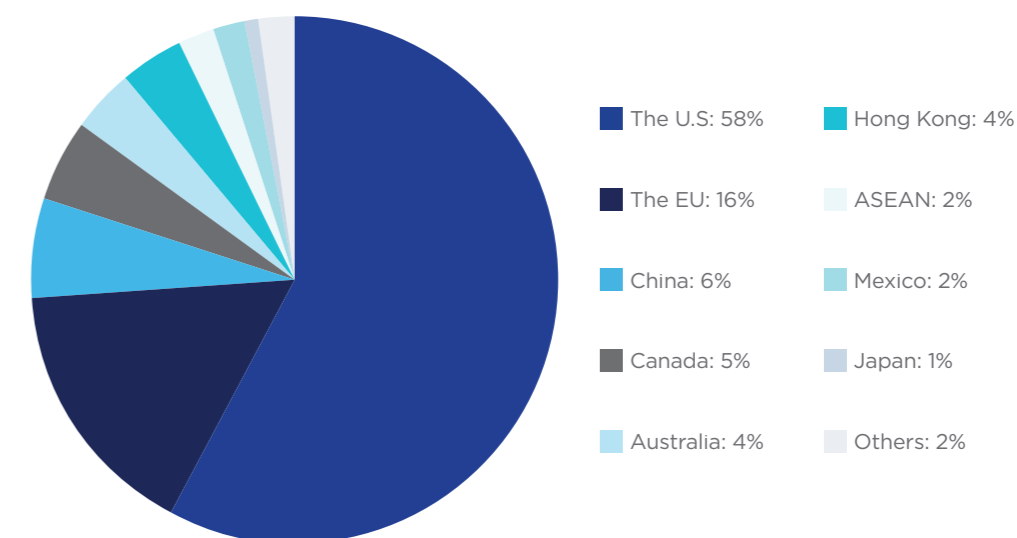
Seafood	<b>USD253.5 million</b>
Fish meal and oil	<b>USD17 million</b>
Collagen and gelatin	<b>USD1 million</b>
Rice	<b>USD0.5 million</b>

Among seafood products, Pangasius products contributed the biggest share thanks to an increase of 7% in export sales, followed by barramundi with an increase of 20% and tilapia with sales of about 1 million USD. Export of value added products also grew nearly 20%, accounting for 2% of the Company total seafood export, with a significant contribution of marinated products that the Company has successfully developed in European markets and the US.

Regarding the development of products brands, the Company achieved significant progress with 5 brands introduced in Europe, China, Brazil and the United States with increasingly higher sales, accounting for nearly 3% of the total pangasius export sales, creating the momentum for development of important sale strategy in the coming years.

Regarding markets, though the U.S. is still the largest export market of the company, in 2016 with new market development strategy, the proportion of exports to the US fell from 62% to 58%. For other main markets, China leaped from 7th position up 3rd place in the top 10 largest markets of Vinh Hoan, accounting for 6% share. Vinh Hoan's market share in China also increased to 8%, double than the year 2015. For new markets, the Company's sales in Spain, Mexico, Japan and Germany grew strongly compared to the previous year, increasing by 200%, 80%, 60% and 50%, respectively. In traditional markets, the Company achieved good growth in Canada, an increase of almost 30%. Although growth in European markets was slow for whole sector in general, Vinh Hoan still maintained high growth in its main markets i.e. the UK and Belgium, contributing to Vinh Hoan's share increase in European high-quality segment from 23% to 25%.

VINH HOAN'S MARKET BREAKDOWN IN 2016



(Source: Vinh Hoan)

## CAPITAL EXPENDITURE

Total capital expenditure spent in 2016 was 356 billion VND, including:

- Continued disbursement for fish processing factory 2 and value added factory at VDTG of VND 142 billion. Main construction items of this project include:

- Pangasius fillet processing factory with the capacity of 150 tons of raw material per day
- Value-added factory with the capacity of 3,000 tons per year
- Fish meal and oil factory with the capacity of 18,000 tons per year
- Cold storage for finished products with the capacity of 2,500 tons

This project has been in operation since June 2016.

- Continued disbursements for the project “Fish meal and oil factory- expansion” which was started in 2014 with a total investment of VND61 billion. The project commenced operation in May 2016.

- Renovation, construction and expansion of fish farming areas with an investment amount of VND 68 billion spent during the year.

- Upgrade of existing factories and cold storage with total amount of VND46 billion.

- Projects of office renovation, equipments for collagen factory and other infrastructure totalling VND39 billion.

## IMPROVEMENTS IN PRODUCTION AND AQUACULTURE CAPACITY

In 2016 the Company continued its efforts in improving productivity and production capacity to support sales growth, especially in the production capacity of the value added products and new species such as barramundi and tilapia. In parallel, the Company continued to improve management efficiency in many different stages through review, construction of processes and addition of necessary personnel to reduce the costs, while enhancing quality control to reinforce Vinh Hoan brand. The company maintains compliance with international quality management certifications including BRC, ISO 22000, ISO 9001, ISO 14001, IFS for factories and ISO 17025 for testing laboratories, and pass 45 evaluation rounds including rigorous examinations of the reputed distribution networks in the world and welcomed 162 customer visits.

Vinh Hoan for years always focuses on the quality of raw materials, particularly achieved more and more international aquaculture certifications, as required by the high-quality markets in which Vinh Hoan have strengths. Currently, Vinh Hoan is leading in the number of certified farming areas in Vietnam with 140 ha certified by Aquaculture Stewardship Council (ASC), 155ha of Best Aquaculture Practices (BAP) and 180ha of Global Good Agricultural Practice (GlobalGAP), increases of 100%, 88% and 93% compared with the 2015 respectively. During the year the Company also made 6 research and development projects related to improving the farming process of pangasius, tilapia; and some technical analysis related to the requirements from the Catfish Inspection Program.

## IMPROVEMENTS IN THE ORGANIZATION STRUCTURE - POLICIES - MANAGEMENT SYSTEM

In 2016, with the introduction of three new divisions including VINH Foods, VINH Aquaculture and VINH Wellness as the first step in new brand identity strategy, the Company made some arrangements in the management system to make it more competent and focused on the core functionality of each division, also to improve internal efficiency and healthy competition. The company also focused on training and improvement of vocational skills for direct workers along with the improvements of production processes, equipment operating procedures which finally contribute to improved quality of product, reduced operating costs, and lower processing norms. Regarding recruitment process, the company focused on recruiting and training of sales staff to improve their international integration skills to better implement business strategies. Regarding the evaluation system of employees performance, in 2016 the Company has continued to successfully implement the KPI (Key performance indicator) system to effectively motivate its employees towards achievements of higher goals.



## FINANCIAL POSITION

### ITEMS

(Unit: VND Billion)	2016	2015	Variation (%)
Total assets	4,451	4,357	2%
Net revenue	7,304	6,493	12%
Operating profit (*)	680	389	75%
Other profits	(7)	(2)	257%
Net profit after tax	565	321	76%
After-tax profit of the parent company	567	323	76%

### MAIN FINANCIAL RATIOS

#### LIQUIDITY RATIOS

	2016	2015
Current Ratio		
<i>Current assets/Current Liabilities</i>	1.81	1.57
Hệ số thanh toán nhanh		
<i>Current assets less inventory/Current Liabilities</i>	1.01	0.85

#### LEVERAGE RATIOS

	2016	2015
Total Debt/Total Assets	0.46	0.52
Debt/Equity	0.86	1.09



#### ACTIVITY RATIOS

	2016	2015
Inventory Turnover	4.96	4.13
<i>Cost of goods sold (VND billion)</i>	6,237	5,691
<i>Average inventory</i>	1,257	1,377
Net revenue/Total assets	1.64	1.49

#### PROFITABILITY RATIOS (\*\*)

	2016	2015
Net profit after tax/net revenue	7.76%	4.97%
Return on equity (ROE)	25.39%	16.35%
Return on assets (ROA)	12.87%	7.29%
Operating profit/net revenue	9.30%	5.99%

## ASSETS ANALYSIS

Thanks to the company's efforts expansion of production capacity and market development, Vinh Hoan had seen both revenue growth and profit margin increase in 2016. The positive and safe business results had reflected on the liquidity and leverage ratios. The inventory turnover also showed much improvement, from approx.4 in 2015 to approx. 5 in 2016

Total assets have not changed much compared to 2015, mainly increased in fixed assets from the new production investment project, as follows:

### SHORT-TERM ASSET

- "Cash and cash equivalents" and "short-term financial investments" in late 2016 were more properly structured to increase the gain from the financial activities.
- Receivables turnover was a little slower compared to 2015 because the receivables at the end of year 2016 was higher caused by sales increase and longer shipping time.

Items	2016	2015	Variation
Receivable Turnover	6.25	6.83	(0.58)
Net revenue (VND billion)	7,304	6,493	12.5%
Average receivables	1,169	951	22.9%
Days of sales outstanding	58.4	53.4	5.0

### INVENTORY

Ending inventory value and inventory turnover in 2016 decreased mainly due to the increase in sales in 2016.

Items	2016	2015	Variation
Inventory Turnover	4.96	4.13	0.83
Cost of goods sold (VND billion)	6,237	5,691	9.6%
Inventory	1,257	1,377	-8.7%
Days Inventory Outstanding	73.6	88.3	(14.8)

### LONG-TERM ASSETS

Long-term assets increased by 11% mainly due to purchase of new machinery and equipment, construction and investment for by-product processing plant at the parent company and the expansion of pangasius processing plant and by-product workshop at Van Duc Tien Giang Food Export Co., Ltd.

## LIABILITIES

- Vinh Hoan always maintain healthy financial status through safe and stable leverage ratios for years.
- Liabilities exposure

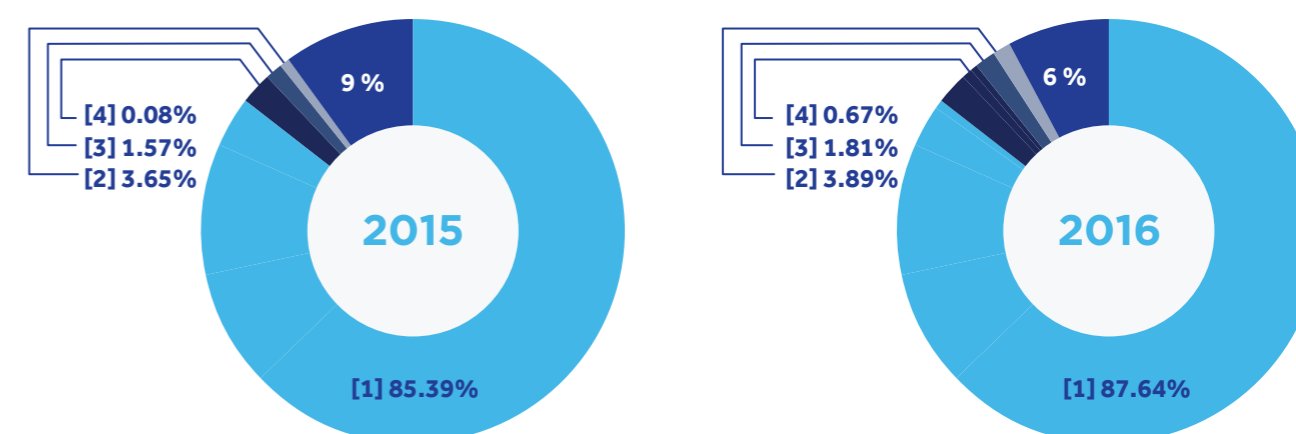
Items	2016	2015	Variation
Short-term debts (VND billion)	1,517	1,819	-17%
Short-term debts and borrowings (VND billion)	866	1,334	-35%
Long-term liabilities (VND billion)	541	449	20%
<b>Total liabilities (VND billion)</b>	<b>2,058</b>	<b>2,268</b>	<b>-9%</b>
<b>Liabilities/Total assets</b>	<b>0.46</b>	<b>0.52</b>	<b>(0.11)</b>
<b>Financial leverage (total assets/owner' equity)</b>	<b>1.86</b>	<b>2.10</b>	<b>(0.23)</b>

### COST CONTROL

- In parallel with market development strategies and improved pricing capability, Vinh Hoan constantly reviews and exerts in cost control to increase efficiency and competitiveness.
- In 2016 the company regularly conducted cost analysis, evaluation activities to prevent losses and waste and to optimize use of resources. It also took management and encouragement measure to reduce bill of materials, energy, and packaging, especially to maximize its production capacity.
- Consequently, the cost has been significantly reduced compared to 2015, contributing to 2016's realized profit far exceeding the plan.

### EXPENSES/REVENUE

Items	2016	2015	Variation (%)
[1] Cost of goods sold	85.39%	87.64%	-2.25%
[2] Selling expenses	3.65%	3.89%	-0.24%
[3] General and administrative expenses	1.57%	1.81%	-0.24%
[4] Net financial expenses	0.08%	0.67%	-0.59%
<b>Total</b>	<b>90.70%</b>	<b>94.01%</b>	<b>-3.32%</b>





## SHAREHOLDER STRUCTURE & CHANGES IN OWNERS' EQUITY SHARE INFORMATION

### Share information as of December 31, 2016:

Total number of shares	92,403,943
Par value	10,000
The number of Treasury stock	102,060
Outstanding shares	92,301,883
Number of non-transferable shares regulated by the Employee Share Ownership Program (ESOP)	571,642
Number of of freely transferable shares	91,832,301

### Shareholder structure according to the List of shareholders dated 21 November, 2016:

	Number of shares	Ownership percentage (%)	Number of shareholders	Shareholder structure	
				Institutions	Individuals
1 <b>The State as shareholder</b>	0	0	0		
2 <b>Major shareholders</b>	51,595,339	55.84	6	5	1
Domestic	45,572,470	49.32	1		1
Foreign (*)	6,020,197	6.52	5	5	
3 <b>Labor Union</b>	20,033	0.02	1	1	0
Domestic	20,033	0.02	1	1	
Foreign					
4 <b>Treasury stock</b>	102,060	0.11	1	1	0
5 <b>Preferred shareholders (if available)</b>	0	0	0		
6 <b>Other shareholders</b>	40,686,511	44.03	1,461	74	1,387
Domestic	20,983,507	22.71	1,359	27	1,332
Foreign	19,703,004	21.32	102	47	55
<b>TOTAL</b>	<b>92,403,943</b>	<b>100</b>	<b>1,469</b>	<b>81</b>	<b>1,388</b>
Domestic	66,680,742	72.16	1,362	29	1,333
Foreign	25,723,201	27.84	107	52	55

## CHANGE IN OWNERS' EQUITY

In 2016, there was no change in owners' equity.

### TREASURY SHARES TRANSACTIONS

The number of treasury shares transactions implemented in 2016: 01 transaction of share buyback  
 Time for share buyback: from February 4th 2016 to February 29th 2016  
 Date of reporting the completion of transactions: March 1st 2016  
 The number of repurchased treasury shares: 102,060 shares  
 Average transaction price: VND29,502 per share  
 Transactions method: order matching

### LIST OF INTERNAL PERSONS' TRANSACTIONS IN 2016:

Transaction Type	Institution/ Individual Name	Related person		Number of shares held				Reporting Date	Post transaction shares ownership(%)
		Name	Position	Before transaction	Buy	Sell	Post transaction		
Buy	Temasia Capital Ltd	Jean-Eric Jacquemin	Member of BoD	0	1,000,000		1,000,000	17 March 2016	1.08
Sell	Red River Holding	Jean-Eric Jacquemin	Member of BoD	13,984,075		3,620,197	10,363,878	12 July 2016	11.23
Sell	Temasia Capital Ltd	Jean-Eric Jacquemin	Member of BoD	1,000,000		1,000,000	0	12 July 2016	0
Sell	Red River Holding	Jean-Eric Jacquemin	Member of BoD	10,363,878		500,000	9,863,878	17 August 2016	10.69
Sell	Truong Tuyet Phuong	Truong Tuyet Hoa	Member of BoD	88,846		50,820	38,026	22 August 2016	0.04
Sell	Red River Holding	Jean-Eric Jacquemin	Member of BoD	9,863,878		2,000,000	7,863,878	26 September 2016	8.52
Sell	Huynh Duc Trung		Project Director	77,268		62,300	14,968	04 October 2016	0.02
Sell	Red River Holding	Jean-Eric Jacquemin	Member of BoD	7,863,878		3,318,990	4,544,888	01 November 2016	4.92

# REPORT OF THE BOARD OF DIRECTORS

## ACTIVITIES OF BOARD OF DIRECTORS IN 2016

### SHARES OWNERSHIP OF BOARD OF DIRECTORS MEMBERS (PER THE LIST OF SHAREHOLDERS AS OF NOVEMBER 21, 2016)

NO	BoD member name	Non-transferable shares	Transferable shares	Total	Share ownership (%)t
1	Truong Thi Le Khanh	2,672	45,572,470	45,575,142	49.32%
2	Nguyen Ngo Vi Tam	31,404	76,945	108,349	0.12%
3	Truong Tuyet Hoa	17,560	39,347	56,907	0.06%
4	Vo Phu Duc	16,204	1,362,137	1,378,341	1.49%
5	Nguyen Thi Kim Dao	23,876	56,827	80,703	0.09%
<b>Tổng cộng</b>		<b>91,716</b>	<b>47,107,726</b>	<b>47,199,442</b>	<b>51.08%</b>



## BOARD OF DIRECTORS (“BOARD”) MEETINGS

The Board had formal meetings by quarter and usually had meetings or calls to quickly discuss and share information on Company operations. Number of official Board meetings in 2016 was recorded as follows:

Board member name	Position	Attended meetings	Percentage (%)	Cause(s) of absence
Truong Thi Le Khanh	Chairwoman	6/6	100%	
Nguyen Ngo Vi Tam	Board Member	6/6	100%	
Truong Tuyet Hoa	Board Member	6/6	100%	
Vo Phu Duc	Board Member	6/6	100%	
Nguyen Thi Kim Dao	Board Member	4/6	66.67%	Temporarily appointed-since October 3rd, 2016
Jean Eric Jacquemin	Board Member	2/6	33.33%	Resigned since September 28th, 2016

## THE ACTIVITIES OF THE BOARD IN 2016

- Decide on business plan for each quarter in 2016, plan for 2017 and operational budget of each department and unit in the Company;
- Monitor and supervise the Executive Board to implement the strategies set forth in each phase of the company;
- Decide the dividend payment/advance payment time;
- Review and decide on investment plans and production expansion plans within the scope of authority of the Board;
- Decide on changes in organizational structure;
- Appoint management positions within the authority of the Board, remuneration and other relevant benefits of managers appointed by the Board;
- Review business reports, production reports, reports of farming activities, quarterly reports from subsidiaries and affiliates and other extraordinary reports;
- Review and resolve issues raised in the reports of the Supervisory Board

## RESOLUTIONS APPROVED IN 2016

- Resolution dated January 14th 2016 approving the plan to buy back treasury shares;
- Resolution dated March 11th 2016 approving the first payment of 2015 cash dividend;
- Resolution dated April 4th 2016 approving partial divestment from Cuu Long Seapro;
- Resolution dated May 24th 2016 approving the second payment of 2015 cash dividend and advance payment of 2016 cash dividend;
- Resolution dated September 10th 2016 approving the registration to shift 463,628 ESOP shares from non-transferable to freely transferable in 2016;
- Resolution dated October 3rd 2016 approving the resignation of Mr. Jean Eric Jacquemin and temporary appointment of Ms. Nguyen Thi Kim Dao as a new BoD member;
- Resolution dated October 28th 2016 approving the finalizing of shareholders list to collect general shareholders' opinions in written forms;
- Resolution dated November 7th 2016 approving second advance payment of 2016 cash dividend.

## CORPORATE GOVERNANCE TRAINING COURSES

- The Board members attended below training courses on corporate governance:
- Updating the contents of the draft decree on regulation on corporate governance applicable to public companies;
- Listing regulations on Ho Chi Minh Stock Exchange;
- Reporting environmental and social impacts in annual reports for listed companies.



## REPORT OF THE BOARD OF DIRECTORS ON FY2016 BUSINESS RESULTS AND PLAN FOR 2017

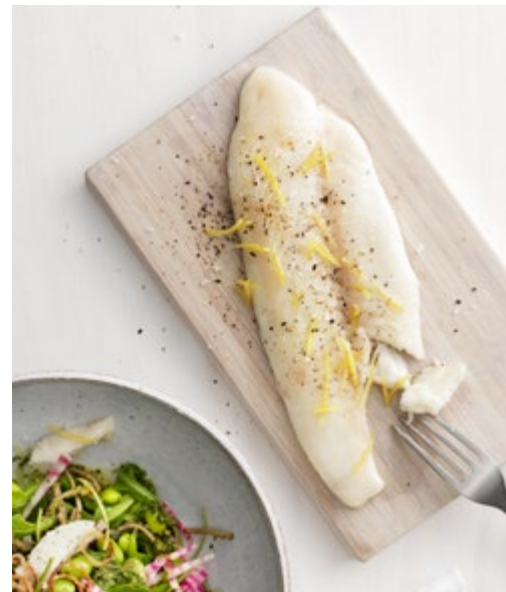
The Board of Directors in 2016 has supervised and directed the activities of the company's management team in accordance with the plan set out by the shareholders. After one year of business with a lot of success, Board of Directors would like to report some strategic steps taken in 2016 as well as the strengths and plans to help the company grow in the next years.

### OVERVIEW OF VINH HOAN

Vinh Hoan is now the leading pangasius producer in Vietnam and also in the world because Vietnam accounts for nearly 60% of global pangasius production and 90% of global pangasius exports. The company has built up and operated effectively for many years based on the integrated production model, the self-control of raw materials and the differentiation in product quality management. Vinh Hoan brand has become well perceived and renowned in the global seafood market with its ability and commitment to provide high quality, safe, nutritious, delicious pangasius that are cultured under international sustainable standards.

### CORE PRODUCTS

The company has 5 groups of products:



**1. The frozen fillet pangasius products**, which are main product group, accounted for about 75% of the total consolidated sales of the company, reaching VND5,487 billion in 2016, up 9% from 2015. Together with traditional sales channels through the importers and distributors, the company has made significant progress in its strategies to sell products with brand name and distributed directly to the chain of restaurants and supermarkets. Remarkably, the company has successfully distributed products under the brand of Vinh Foods into the chain of supermarkets - Mercadona - the largest supermarket chain in Spain. In addition to food safety and high quality products, Vinh Hoan's pangasius products are well-known thanks to its differences in the ability to supply internationally sustainable certified products including the Aquaculture Stewardship Council ("ASC") and 4-star Best Aquaculture Practices ("BAP 4 stars").



**2. Value-added products**, which are a strategic product group in the plans for sustainable sales growth and increase in profit margins. The company has successfully developed and marketed product lines of breaded and marinated pangasius in the European, American and Asian markets. In 2016, Van Duc Tien Giang Company completed the construction of a value-added factory with a grilled fish production line with a capacity of 2,000 tons of finished products per year. The new factory also produces breaded, marinated pangasius and other cooked products. This new factory will help marketing and sales of value-added products grow strongly in the future. Sales of this product group in 2016 was VND73 billion, up 30% versus 2015.



**3. Collagen and gelatin** are product group which the company started producing and selling in the middle 2015. This is a new product line that is produced by high-tech and maximizing the value of pangasius skin. The pangasius skin is a by-product derived from fillet production process. Collagen and gelatin products are promoted by the company with the strength of controlling 100% of raw materials, the unique model in Vietnam and in the world, providing high quality and stable input protein source for industries of food, beverages, cosmetics and functional foods. This product group has been exported and sold domestically with the revenue of VND28 billion in 2016.



**4. By-products including fishmeal, fish oil, feed** are supplied to cattle feed and there are some other by-products such as stomachs, swim bladder and fish fin. The revenue of this product group in 2016 is VND1,044 billion.



**5. Other products include barramundi, tilapia, shrimp and some other raw materials.** Total sales in 2016 of this group was VND671 billion thanks to the tremendous growth of barramundi products (increase by 40%) and tilapia (up 375%). Besides the traditional pangasius fillet, the aquatic species (barramundi, tilapia, shrimp) play an important role in the company's product diversification strategy.

## DIVISIONS OF PRODUCTION AND SALES

In August 2016, the company launched a new brand identity with a new mission - vision and 3 main divisions of Vinh Foods, Vinh Aquaculture and Vinh Wellness. Vinh Foods specializes in high quality frozen seafood products, Vinh Aquaculture is for activities of research, development and certifications of sustainable aquaculture, and Vinh Wellness provides collagen and gelatin products from fish.

### VINH FOODS SPECIALIZES IN:

- Fish farming: The Company owns a total of nearly 520ha of farms of pangasius and barramundi and hatcheries. Approximately 50% of the farming area of the company is granted sustainable certifications including ASC and BAP 4 star.
- Processing: In 2016, the company owns 5 seafood processing factories. By the end of 2016, the company finished acquiring 100 percent stake in Thanh Binh Dong Thap Seafood Joint Stock Company, driving the total number of its factories up to 7.
- By-products: The company has 2 major by-product processing plants (mainly fishmeal and fish fat) in Vinh Hoan factory cluster and Van Duc Tien Giang factory cluster with total processing capacity of 70,000 tons of finished products per year.

### VINH AQUACULTURE TAKES CHARGE OF:

- Certification activities: Currently, Vinh Hoan takes the lead in the number of certified aquaculture farms in Vietnam with the areas accredited by ASC, BAP and GlobalGAP certifications of 140 ha, 155ha, and 180ha, respectively. The company aims to increasingly expand its certified farming areas and output, especially farms that supply raw materials to Vinh Hoan. The company set the target of 100% certified products by 2020.
- Research and development activities: During the year 2016, the company implemented 6 research and development projects related to the improvement of pangasius farming process and some analysis related to technical requirements of the Farm Bill program. As a leading enterprise in pangasius industry, Vinh Hoan always pioneers and plays a leading role in domestic and international research activities.

## SALES ACTIVITIES

The company's network of sales and markets has been developed over the years on a global scale with a total of 40 export markets in 2016. In the main markets, Vinh Hoan holds a high or highest market share and position in the pangasius industry.

In the US market, Vinh Hoan has built a network of customers and developed its reputation for many years with the market share of about 40% in 2016. The company's products are available in well-known retail chains such as Walmart, Target, Trader Joe, and Kroger, and are distributed by leading US food service companies such as Sysco and US Food Service.

In Europe, Vinh Hoan is a leading brand supplying the products to the premium market segment that has stringent requirements for inspection on farming and processing facilities, and international certifications. In 2016, Vinh Hoan occupied about 25% of the market share in the European high quality market segment. The company's products are available at supermarkets such as Tesco, Aldi, Sainsbury, Casino and Metro.

In emerging markets and fast-growing China, since 2015, the company has established a local sales office with staffs who know well about local culture and market. The company has rapidly expanded its distribution channels directly into Chinese restaurant chains, with the increase of 135% in sales in 2016.

## RAW MATERIALS

Thanks to its reputation, top position in the pangasius industry together with large production, the company gain the advantages in the costs of the main raw materials including fish feed (for farming) and raw pangasius (for processing). In addition to the 65% of self-sufficient raw materials (the materials the company produces by itself), the company purchases raw fish from strategic suppliers that has had a long relationship with Vinh Hoan and co-operated with Vinh Hoan in quality control activities as well as in compliance with international standards on farming.

## STRENGTHS

Vinh Hoan has the following advantages that has helped the company grow over the past 19 years and continue to grow in the future.

- **Strength thanks to leading position.** Vinh Hoan has been the leading company in Vietnam pangasius industry since 2010 up to present, accounting for 15% market share of the whole industry. The company has a large market share in both the US and European market segments, 40% and 25%, respectively.
- **Vinh Hoan has worldwide sales network** with high reputation and advantages in strategy to overcome trade barriers. Vinh Hoan's products are available in almost major retail and food distribution channels around the world. The company has demonstrated the ability to meet thoroughly buyers' requirements on product quality, food safety and customer services.
- **Certifications of food safety and sustainable aquaculture.** Vinh Hoan is known as a reputable producer that meets the strictest requirements on product quality management and the best system of infrastructure and staffs. Vinh Hoan is the first company to be accredited by the ASC certification and 4-star BAP certification. And today, the company continues to take the lead in terms of the amount of certified raw materials.
- **The management team of the Company has a vision, a lot of experiences and a long time working with the company.** The management of the Company has continuously achieved the goals and bring increasingly high profits for shareholders, especially the impressive results of 2016. In addition, management team of Vinh Hoan has high responsibility, absolute loyalty with right vision and strategy which has made the Company grow continuously over the past 19 years and in the next years.



## DEVELOPMENT DIRECTIONS AND PLANS FOR 2017

The Board of Directors continues to direct and supervise the roadmap for implementing the proposed strategies with timely and appropriate adjustments according to the actual situation. The company's core business strategies include:

- Continue to expand the farming and production capacity, ensuring the supply of high quality raw materials with competitive costs and high quality pangasius products, gain more and more international certifications and meet fully strict requirements from markets. This will be a necessary condition for Vinh Hoan to achieve revenue growth as planned. The company expects to reach VND12,000 billion in its revenue by 2019, with an annual average growth rate of 15% for period of 2017-2019;
- In terms of market, the company expects to reach US\$25 million in sales from value-added products by 2019, accounting for 5% of total export turnover and continues to develop direct sales channels in new markets;
- In terms of marketing and market development, the Company continues to implement Vinh Hoan brand identity strategy in parallel with product brand development. Vinh Hoan plays a leading role in promotion programs in the whole industry to protect the image of pangasius, increase the selling price and raise demand for pangasius products in the world market; Developing new market blocs including Asia (namely Japan and China), Latin America (typically Brazil and Mexico, Southeastern Europe and the Middle East);
- In terms of profit and profit margin, in the transition to a new phase of development and becoming a company supplying food products from sustainable aquaculture, Vinh Hoan has a strategy to protect profit per kilogram of the product especially in the context of raw material shortage in 2017. So that the Company aims at increasing profit margin in the future, achieving after-tax profit of VND1,000 billion by 2019;
- Strive to remove trade barriers, support free trade to boost its exports to global markets, create sustainable business growth;
- Strengthen the internal reporting and controlling system, increasing transparency and efficiency in all production and business activities of the company.

### REVENUE AND PROFIT

Unit: VND Billion	ACTUAL 2015	ACTUAL 2016	PLAN 2017	FORECAST GROWTH 2017
<b>CONSOLIDATED REVENUE</b>	6,493	7,304	9,200	26%
Frozen seafood, fishmeal and fish oil	6,229	6,932	8,717	
Fish feed	201	334	345	
Rice	37	10	20	
Collagen and Gelatin	26	28	118	
<b>CONSOLIDATED NET PROFIT AFTER TAX</b>	323	567	600	6%
Frozen seafood, fishmeal and fish oil	334	574	594	
Fish feed	20	22	21	
Rice	(20)	(17)	(15)	
Collagen and Gelatin	(11)	(12)	0	

### INVESTMENT PLANS

In the year 2017, Executive Board have investment plans as follows:  
 Investment in expanded construction and upgrading seafood processing plants and fishmeal and oil factory: **VND177 billion**  
 Investment in construction and expansion of farming areas: **VND210 billion**  
 Some other items need purchasing and renovating: **VND25 billion**

## REPORT OF THE SUPERVISORY BOARD

### MEMBERS OF THE SUPERVISORY BOARD

#### CHANGE IN MEMBERS OF THE SUPERVISORY BOARD IN 2016

At the 2016 Annual General Meeting of Shareholders, Mr. Pham Lam Trieu - Head of the Supervisory Board resigned as per his personal statement. The 2016 Annual General Meeting of Shareholders approved the resignation of Mr. Pham Lam Trieu and appointed Mr. Nguyen Ngoc Thanh.

Currently, the Supervisory Board consists of 3 members:

- Ms. Nguyen Thi Thai Ly - Head of Supervisory Board (according to Minutes of Supervisory Board meeting on Jun 30, 2016),
- Mr. Tran Minh Hao - Member,
- Mr. Nguyen Ngoc Thanh - Member.



#### MS. NGUYEN THI THAI LY HEAD OF SUPERVISORY BOARD

YEAR OF BIRTH: 1988

QUALIFICATIONS:

- BACHELOR OF ACCOUNTANCY - AUDITING;
- PASSED CFA LEVEL 2.

Joined Vinh Hoan in 2014, she has held the following positions: Chief Accountant of Vinh Hoan (USA) Inc., member of the Investor Relations Department, authorized person to disclose information at the company



#### MR. TRAN MINH HAO MEMBER OF SUPERVISORY BOARD

YEAR OF BIRTH: 1980

QUALIFICATIONS:

**SEAFOOD PROCESSING ENGINEER**

Joined Vinh Hoan in 2008, during nearly 10 years of working, he has been in charge of the following positions: Vice Director of Vinh Hoan Processing Workshop No. 3, Head of Planning Department.

With in-depth knowledge and hands-on experience in the fishery industry, Mr. Hao has provided many professional comments on the internal control processes and industry-specific control methods.



**MR. NGUYEN NGOC THANH**  
**MEMBER OF SUPERVISORY BOARD**  
 YEAR OF BIRTH: 1979  
 QUALIFICATIONS:  
 • **BACHELOR OF ECONOMICS;**  
 • **CERTIFICATE OF CERTIFIED PUBLIC ACCOUNTANT ISSUED BY THE MINISTRY OF FINANCE IN 2007;**  
 • **MASTER OF BUSINESS ADMINISTRATION;**  
 • **MEMBER OF VIETNAM ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS (VACPA).**

He is currently the Deputy Director of A&C Auditing and Consulting Co., Ltd.

With many years of auditing experience, Mr. Thanh plays an important role in strategic planning and implementation plans for the Supervisory Board. He also provided professional comments on control procedures and programs and the completeness of the internal controls.

**SHARE OWNERSHIP OF MEMBERS OF THE SUPERVISORY BOARD  
 (ACCORDING TO THE LIST OF SHAREHOLDERS AS OF NOVEMBER 21, 2016):**

No	Name	Position	Restricted(Non-transferable) shares	Freely transferable shares	Total shares	Share ownership(%)
1	Nguyen Thi Thai Ly	Head of Supervisory Board	0	0	0	0 %
2	Tran Minh Hao	Member	8,346	4,174	12,520	0.01 %
3	Nguyễn Ngọc Thành	Member	0	0	0	0 %
	<b>TOTAL</b>		<b>8,346</b>	<b>4,174</b>	<b>12,520</b>	<b>0.01 %</b>

**2016 ACTIVITY REPORT AND 2017 ACTION OF THE SUPERVISORY BOARD**

No	Name	Position	Appointment date/ Resignation date	Attended meetings	Percentage(%)	Cause(s) of absence
1	Ms. Nguyen Thi Thai Ly	Head of Supervisory Board	08/05/2015	4/4	100%	
2	Mr. Nguyen Ngoc Thanh	Member	23/05/2016	3/4	75%	Appointed since May 23rd 2016
3	Mr. Tran Minh Hao	Member	08/05/2015	4/4	100%	
4	Mr. Pham Lam Trieu	Head of Supervisory Board	23/05/2015	1/4	25%	Resigned since May 23rd 2016

**SUPERVISION ACTIVITIES OF THE SUPERVISORY BOARD OVER THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SHAREHOLDERS:**

- Monitoring the status of the plans articulated in the Resolution of the Annual General Meeting of Shareholders;
- Attending quarterly and extraordinary meetings of the Board of Directors to be aware of arising business issues;
- Planning and directing activities of the Internal Control Dept.;
- Review internal control procedures of key departments, and propose the solutions to mitigate the identified control weaknesses (if any);
- Checking the systematic, consistent and appropriate characteristics of accounting, statistics and financial reporting at the company;
- Review reports, arising issues of the independent auditor and review of quarterly, biannual, and yearly financial reports.

The Supervisory Board works closely and frequently with the Board of Directors, Executive Board and other managers to monitor and improve the company's operations. The Board of Supervisors assessed the governance and management activities of the Board of Directors and the Executive Board had been conducted in an efficient, prudent way; and in accordance with the strategies and targets set out by the General Meeting of Shareholders as well as in compliance with the relevant provisions of the law.

**OTHER ACTIVITIES OF THE SUPERVISORY BOARD:**

- Internal training on tax, financial accounting, remuneration and human resource policies;
- Advising the Board of Directors on the selection criteria of independent auditor; and informing the Board of Directors the procedures to propose to the latest General Meeting of Shareholders for review and approval of independent auditor for FY2017.

**2017 ACTION PLANS OF THE SUPERVISORY BOARD:**

- Continue routine activities as in 2016;
- Checking, verifying, proposing improvements to the internal procedures;
- Review and update the Financial Code and Authorizations;
- Internal training and updating on Law of Contracts, labor, remuneration and insurance regulations;
- Other activities as per shareholders' request.



# SUSTAINABILITY REPORT

- Report n Sustainability
- Social Responsibility in 2016



# SUSTAINABILITY REPORT

For nearly 20 years, Vinh Hoan has accomplished business booms through constantly expanding the scale of farming, processing and exporting. The Company has always thrived to be the industry's leader since 2010. To achieve this success, since the first date of its establishment, the Company has determined four most important core values of sustainable development, including:

## SUSTAINABLE DEVELOPMENT ASSOCIATED WITH THE LABOR SOURCE

Workforce in farming and seafood processing is the key element to create the efficiency. In particular, with about 7,000 workers, mostly women, Vinh Hoan is aware of the importance of the workforce and building efficient labor team is one of the top priority factors of the company in nearly 20 years. The Company's policies are well-defined and constantly updated according to the new process and new requirements.

First and foremost, the company applies a consistent policy adhering to the government regulations in terms of remuneration policy, working hours, health insurance and social insurance. Besides, the company has the most appropriate mechanism to enhance labor productivity and stimulate skilled workers. The fair and transparent remuneration policies ensure stable and increasingly improving life standards, and cultivate labor's loyalty to the workplace. In 2016, the Company has continued to pass audits on social responsibility, implemented by the customers who are large distribution chains in the world.

The Company's products are sold worldwide, so our employees are very discipline and professional. To achieve this, the company paid special attention to training activities. Besides training on labor safety and hygiene, food safety, workers are also trained to improve vocational qualifications to meet the requirements of the import markets.

Besides the implementation of regulations, standards and certifications, Vinh Hoan is very keen on building corporate culture. We strived to create a professional, open and friendly working environment for our staff. No matter what position they are holding, each employee of the company always receives proper attention to their life, both materially and mentally. Thus, the company has become the second home of the employees; the solidarity of all Vinh Hoan employees creates tremendous strength to help company thrived during the hard time in the past and always grow sustainably in a volatile market. The Company has regular activities to strengthen the bond between the managers and staff through the annual meetings, teamwork activities, and cultural exchange. Thereby, to help all employees feel connected and work more efficiently.

## SUSTAINABLE DEVELOPMENT ASSOCIATED WITH THE COMMUNITY RESPONSIBILITY

Vinh Hoan appreciates localities where the Company has the best resources for business development. Gratitude is the Company's continuous and long term responsibility for social community. In 2016, the Company has accompanied with local communities in many projects:

- "Compassionate heart" programme - funding for poor patients with heart surgeries;
- Sponsor in providing health insurance cards for poor households;
- Award scholarships to pupils in the province;
- "A grace programme in Dong Thap" - building gratitude houses for difficult households;
- Organize rounds of giving gifts to the poor, the blind, especially during the Lunar New Year in many communes in Cao Lanh City, Cao Lanh district;
- Organize a program in which all the Company's employees voluntarily contribute one day's salary to help people in the Central hit by flood;
- Support for "community reintegration fund";
- Sponsor for a spring festival in Dong Thap province.

## SUSTAINABLE DEVELOPMENT ASSOCIATED WITH ENVIRONMENT RESPONSIBILITY AND BIODIVERSITY

Since 2008, when the pangasius industry had not yet had well-known international aquaculture certifications as today, Vinh Hoan has built successful farming programs "Green Farm" based on the principles of environmental protection, interests in social communities, guarantee food safety and traceability. This program is the first perception and action of the company for a sustainable development orientation as today.

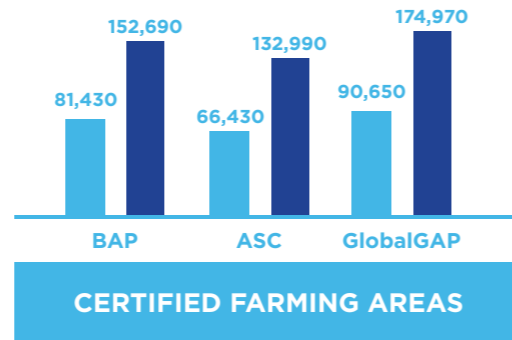
Certification programs for farming areas of the company with or without certificates are standardized and comply with the relating provisions:

- Comply with the State's regulations on the environment: Has all licenses under the provisions relating to farming activities. Strictly treat and control waste water quality under industry regulations. Besides, there's full assessments of the environmental impact by an independent third party and taking measures to prevent or minimize the environmental impact from production activities;
- Make sure not to affect the biodiversity of the ecosystem surrounding farming areas. Specifically, keep the fish not escape to avoid threats to the survival of other aquatic animals, do not kill wildlife in the conservation list, not destroying the important flora of the region;
- Energy-saving policies for factory and farming region: use of energy in saving and efficiency;
- As for the feed chain for pangasius: the company considered this very important element in the sustainable development in aquaculture, because every year the amount of feed used for the whole system is very big. By 2020, the company plans to use only feed sources which are produced responsibly. In particular, the source of fish meal, fish oil from marine fish must be certified sustainable exploitation by the units who are members of the International Social and Environmental Accreditation and Labeling Alliance (ISEAL). In addition, the company has the priority policy for feed plants that can replace marine fish meal by farmed fish meal from byproducts. To do this, the company works closely with the feed suppliers to join in research and development, cooperate and promote sustainable development.



In 2016, the company continued to maintain and expand certified farming area, and targeted to become the company with biggest pangasius farming areas granted by ASC, BAP, GlobalGAP certificates in the world. In the year, BAP certified farming area increased by nearly 90%, ASC certified farming area increased by more than 100% and GlobalGAP farming area up near 95% compared to 2015. By 2020, the company plans to have 100% raw material supply granted by at least one sustainable certification body.

Besides the application of international certification system, the Company also works tirelessly in reducing energy use. Vinh Hoan has participated in SUPA project funded by the EU. In the process of implementing the project, Vinh Hoan accompanied Center of Cleaner Production (VNCPC) to deploy evaluation and consultation package on efficient use of energy in seafood processing plants. As the results, the company has reduced energy consumption by 6.4% and water consumption by 26% compared with that before being consulted.



(Source: Vinh Hoan)

Vinh Hoan has gained success today mainly thanks to supports and long-term cooperation of suppliers of feed and raw pangasius in recent years. Thus, in 2016, for the first time, the company has organized a conference for suppliers to show Vinh Hoan's gratitude to them for their long-term cooperation with Vinh Hoan in the orientation program for sustainable development.



Representative of Vinh Hoan Executive Board giving awards to the suppliers of raw material at the Conference for suppliers on 13-14th August 2016

## SUSTAINABLE DEVELOPMENT ATTACHED TO PRODUCT RESPONSIBILITY-FOOD SAFETY AND TRACEABILITY

One of the reasons for Vinh Hoan to start building the integrated production model is to ensure food safety and traceability for the products of the Company. Compliance with quality management system and traceability of products is the prerequisite of import markets, especially suppliers must meet some separately strict standards of major distribution systems in the world.

In processing, products must meet the microbiological standards and no presence of antibiotic residues, cold chain must be ensured for products not being metamorphic during transport and storage. The control records of production line and finished products are implemented seriously, fully saved, satisfying every clients' requirements. Vinh Hoan's main standpoint on quality control is the management of process and Hazard Analysis, not just deal with the customs clearance of goods at destination ports. Products of the company to consumers are identified on each small package, ensuring traceability back to farm when there are any problems or inquiries from buyers.

In rearing phase, documents are recorded fully from broodstocks to fries, commercially farmed fish related to fish health, the origin of fish feed, even materials to produce fish feed are well-controlled to ensure the safety and sustainability (e.g fishmeal used in fish feed is not produced from unsustainable fishing). Responsibility for products is now also extended to animal welfare. Fish must be reared, transported and processed in humane conditions and not to be stressful, meeting all the requirements and standards, strictly controlled to ensure no problem comes up.

# SOCIAL RESPONSIBILITY 2016

Vinh Hoan is the leading pangasius brand in the world and we live and work in accordance with the law, always pioneer in innovations and development in sustainable production and business, bringing economic value to the locality and contributing into the overall economic development of the society. Over the past years, activities related to the company's responsibility towards society and the community have been supported and participated by all employees of the Company. In 2016, we implemented the following programs:

## HEALTH CARE

Vinh Hoan and Sponsoring Association for Poor Patients and Cho Ray Hospital in Ho Chi Minh City jointly organized two large programs:

- "Compassionate heart" in order to help the poor patients infected with heart diseases. The company supported nearly VND100 million for patients of cardiac surgery
- Vinh Hoan funded over 2,000 health insurance cards for the near poor households with the total fund of VND125 million that helped them to overcome critical illness, improve physical and spiritual life.

In 2016, Vinh Hoan had the honor to receive the Certificate of Merit No. 05/QĐ-TTV of Vietnam Golden Heart Fund. "It has actively participated in charity activities for community development."



Vinh Hoan's representative gave donation money to purchase health insurance to people in poverty



## EDUCATION

In order to improve people's knowledge, train human resources and foster talents, in 2016, the company in cooperation with Study Encouragement Association of Dong Thap province awarded scholarship to students and pupils with the total amount of VND200 million.



Sponsored for Tháp Mười Pro-Educational Fund



Sponsored notebooks and gifts to talented pupils (staff's children)

## LIFE, CULTURE, SPORTS, SOCIETY, SECURITY

Through the program "Love for Dong Thap" launched by the Fatherland Front Committee of Dong Thap province to build charity houses for the poor, the Company donated VND750 million to build 25 houses.

In 2016, Vinh Hoan offered gifts to the poor and the blind on the occasion of Lunar New Year in many communes of Cao Lanh City and Cao Lanh District with more than 2,000 gifts, worth by nearly VND700 million.

To share the difficulties of the people from central land, who suffered loss of houses, property, relatives from the flood October 2016, all employees of the company voluntarily contributed one day's salary for each employee with the total amount of over VND600 million. This amount of money has been handed to people who need support by the Company's representatives.

Together with the local authorities to help the ex-prisoners have a stable life, the company has contributed VND100 million to help them.

During the Lunar New Year, the company sponsored VND400 million for "Spring Festival" in Dong Thap Province to decorate Cao Lanh City and help local people to enjoy the warm and happy New Year.



Sponsored shelters to people in poverty at Cao Lanh city, Dong Thap province



Donated to flooding victims in Central Vietnam

## COLLECTIVE WELFARE

Not only caring about community responsibility, we also regard the welfare policy for our employees as a priority strategy of the company so that employees feel comfortable to work with the company in long time. Typical activities towards corporate welfare include:

- Organizing contests and entertainment activities for employees after hard-working days such as: Cooking Contest in International Women's Day (March 8th); Sport Festival on the anniversary of the liberation of Southern Vietnam (April 30th) and International Labor Day (May 1st); Art performance "Welcome Party - Greeting Spring".
- Organize holiday for nearly 3,000 workers with a total amount of nearly VND3 billion.
- Continuously develop human resources through annual recruiting, training and evaluation programs that are always given priority
- Pay attention to the policy of bonus, welfare, health care. The system of security and labor safety in the company is increasingly being improved and perfected. By the way, workers are completely comfortable and desire to work with the company for a long time.
- Through the Fund for building houses for poor trade union members launched by provincial Labour Federation, Trade Union of the company also built 4 houses for members who are poor and in difficult circumstances with the support of VND60 million.



Company trip 2016



Other events in 2016



# CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

- Corporate Information
- Statement by The Board of Directors
- Independent Auditor's Report
- Consolidated Balance Sheet  
(Form B 01 - DN/HN)
- Consolidated Income Statement  
(Form B 02 - DN/HN)
- Consolidated Cash Flow Statement  
(Form B 03 - DN/HN)
- Notes to The Consolidated Financial Statements  
(Form B 09 - DN/HN)



# CORPORATE INFORMATION

## ENTERPRISE REGISTRATION CERTIFICATE

No. 1400112623 dated 17 April 2007 issued by the Department of Planning and Investment of Dong Thap Province

The latest amended Enterprise registration certificate is the twelfth amendment dated 29 December 2016 issued by the Department of Planning and Investment of Dong Thap Province

## EXECUTIVE BOARD

Mrs. Truong Thi Le Khanh	Chairman
Mrs. Nguyen Ngo Vi Tam	Member
Mr. Jean Eric Jacquemin	Member (resigned on 28.9.2016)
Mr. Vo Phu Duc	Member
Mrs. Truong Tuyet Hoa	Member
Mrs. Nguyen Thi Kim Dao	Member (appointed on 3.10.2016)

## SUPERVISORY BOARD

Ms. Nguyen Thi Thai Ly	Head (appointed on 30.6.2016) Member (resigned on 30.6.2016)
Mr. Pham Lam Trieu	Head (resigned on 23.5.2016)
Mr. Nguyen Ngoc Thanh	Member (appointed on 23.5.2016)
Mr. Tran Minh Hao	Member

## BOARD OF DIRECTORS

Mrs. Nguyen Ngo Vi Tam	General Director (appointed on 23.5.2016)
Mrs. Truong Thi Le Khanh	General Director (resigned on 23.5.2016)
Mr. Huynh Duc Trung	Director - Project
Mrs. Nguyen Thi Kim Dao	Director - Finance
Mrs. Ho Thanh Hue	Director - Production
Mrs. Truong Tuyet Phuong	Director - Purchasing (resigned on 1.6.2016)

## LEGAL REPRESENTATIVE

Mrs. Truong Thi Le Khanh	Chairman (appointed on 29.12.2016)
Mrs. Nguyen Ngo Vi Tam	General Director (resigned on 29.12.2016)

## REGISTERED OFFICE

National Highway 30, Ward 11, Cao Lanh City, Dong Thap Province, Vietnam

## AUDITOR

PricewaterhouseCoopers (Vietnam) Limited

## STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS OF THE COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of Vinh Hoan Corporation (“the Company”) is responsible for preparing consolidated financial statements of the Company and its subsidiaries (together referred to as “the Group”) which give a true and fair view of the financial position of the Group as at 31 December 2016, and the results of its operations and its cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Directors is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 5 to which give a true and fair view of the financial position of the Group as at 31 December 2016, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Directors



**Nguyen Ngo Vi Tam**  
General Director

Dong Thap Province, SR Vietnam  
27 March 2017





## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VINH HOAN CORPORATION

We have audited the accompanying consolidated financial statements of Vinh Hoan Corporation ("the Company") and its subsidiaries (together referred to as "the Group") which were prepared on 31 December 2016 and approved by the Board of Directors on 27 March 2017. The consolidated financial statements comprise the balance sheet as at 31 December 2016, the income statement and the cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 43.

### THE BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements and for such internal control which the Board of Directors determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*PricewaterhouseCoopers (Vietnam) Limited,  
8th Floor, Saigon Tower, 29 Le Duan Street, District 1, Ho Chi Minh City, Vietnam  
T: +84 (8) 38230796, www.pwc.com/vn*



## AUDITOR'S OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2016, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

### OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by another auditor whose report dated 29 March 2016 expressed an unqualified opinion on those statements.

### For and on behalf of PricewaterhouseCoopers (Vietnam) Limited



**Mai Viet Hung Tran**  
Audit Practising Licence No.  
0048-2016-006-1  
Authorised signatory

**Trieu Nguyen Duy**  
Audit Practising Licence No.  
3022-2014-006-1

Report reference number: HCM5900  
Ho Chi Minh City, 27 March 2017

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

## CONSOLIDATED BALANCE SHEET

As at 31 December

FORM B 01 - DN/HN

Code	ASSETS	Note	2016 (VND)	2015 (VND)
<b>100</b>	<b>CURRENT ASSETS</b>		<b>2,748,388,388,483</b>	<b>2,847,043,514,890</b>
<b>110</b>	<b>Cash</b>	<b>3</b>	<b>164,635,864,246</b>	<b>296,092,552,290</b>
111	Cash		164,635,864,246	296,092,552,290
<b>120</b>	<b>Short-term investment</b>	<b>4(a)</b>	<b>169,275,191,322</b>	<b>251,008,141</b>
123	Investments held to maturity		169,275,191,322	251,008,141
<b>130</b>	<b>Short-term receivables</b>		<b>1,150,325,090,100</b>	<b>1,187,504,442,185</b>
131	Short-term trade accounts receivable	5	944,083,667,925	978,387,095,828
132	Short-term prepayments to suppliers	6	190,493,978,302	159,150,345,667
136	Other short-term receivables	7	18,736,293,064	52,112,708,816
137	Provision for doubtful debts - short term		(2,988,849,191)	(2,145,708,126)
<b>140</b>	<b>Inventories</b>	<b>8</b>	<b>1,213,755,638,148</b>	<b>1,299,754,002,665</b>
141	Inventories		1,324,703,604,719	1,363,740,839,384
149	Provision for decline in value of inventories		(110,947,966,571)	(63,986,836,719)
<b>150</b>	<b>Other current assets</b>		<b>50,396,604,667</b>	<b>63,441,509,609</b>
151	Short-term prepaid expenses		15,001,610,266	4,441,250,870
152	Value Added Tax to be reclaimed		33,662,326,749	58,034,411,228
153	Other taxes receivable from the State Budget		1,732,667,652	965,847,511
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>1,702,484,557,203</b>	<b>1,509,919,445,197</b>
<b>210</b>	<b>Long-term receivables</b>		<b>1,167,461,625</b>	<b>3,512,575,108</b>
215	Long-term lending		-	2,309,113,483
216	Other long-term receivables		1,167,461,625	1,203,461,625
<b>220</b>	<b>Fixed assets</b>		<b>1,323,138,566,722</b>	<b>1,067,275,384,111</b>
221	Tangible fixed assets	9(a)	1,212,244,033,397	942,551,326,564
222	Cost		2,004,805,525,873	1,606,171,767,565
223	Accumulated depreciation		(792,561,492,476)	(663,620,441,001)
227	Intangible fixed assets	9(b)	110,894,533,325	124,724,057,547
228	Cost		125,444,253,681	136,781,493,381
229	Accumulated amortisation		(14,549,720,356)	(12,057,435,834)
<b>240</b>	<b>Long-term asset in progress</b>		<b>176,729,928,029</b>	<b>245,627,838,605</b>
242	Construction in progress	10	176,729,928,029	245,627,838,605
<b>250</b>	<b>Long-term investments</b>	<b>4(b)</b>	<b>17,275,069,978</b>	<b>12,644,137,246</b>
253	Đầu tư góp vốn vào đơn vị khác		17,275,069,978	19,547,729,978
254	Dự phòng đầu tư tài chính dài hạn		-	(6,903,592,732)
<b>260</b>	<b>Tài sản dài hạn khác</b>		<b>184,173,530,849</b>	<b>180,859,510,127</b>
261	Investments in other entities	11	105,558,408,721	99,291,291,228
262	Deferred income tax assets	12	6,969,855,842	475,225,190
269	Goodwill	13	71,645,266,286	81,092,993,709
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,450,872,945,686</b>	<b>4,356,962,960,087</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December

FORM B 01 - DN/HN

Code	RESOURCES	Note	2016 (VND)	2015 (VND)
<b>300</b>	<b>LIABILITIES</b>		<b>2,057,759,301,910</b>	<b>2,267,633,647,956</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>1,517,029,641,715</b>	<b>1,818,696,711,591</b>
311	Short-term trade accounts payable	14	275,896,581,913	198,967,217,140
312	Short-term advances from customers		19,193,492,651	12,753,882,180
313	Tax and other payables to the State Budget	15	109,360,398,325	36,880,926,693
314	Payable to employees		117,820,035,479	102,021,990,107
315	Short-term accrued expenses	16	11,490,969,521	8,787,501,328
319	Other short-term payables	17	34,954,676,295	30,245,351,461
320	Short-term borrowings	18	865,657,118,683	1,333,672,541,156
321	Provision for short-term liabilities	19	33,566,154,322	43,100,000,000
322	Bonus and welfare fund	20	49,090,214,526	52,267,301,526
<b>330</b>	<b>Long-term liabilities</b>		<b>540,729,660,195</b>	<b>448,936,936,365</b>
338	Long-term borrowings	18	518,215,877,244	438,485,251,553
341	Deferred income tax liabilities	12	15,125,029,951	10,451,684,812
342	Provision for long-term liability		7,388,753,000	-
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>2,393,113,643,776</b>	<b>2,089,329,312,131</b>
<b>410</b>	<b>Capital and reserves</b>	<b>22</b>	<b>2,393,113,643,776</b>	<b>2,089,329,312,131</b>
411	Owners' capital	21, 22	924,039,430,000	924,039,430,000
411a	- Ordinary shares with voting rights		924,039,430,000	924,039,430,000
412	Share premium	22	216,409,744,645	216,409,744,645
415	Treasury shares	22	(3,015,672,745)	-
417	Foreign exchange differences	22	(285,558,957)	97,965,256
421	Undistributed earnings	22	1,249,893,178,979	936,410,386,828
421a	- Undistributed post-tax profits of the previous years		685,655,679,328	613,852,104,651
421b	- Post-tax profit of current year		564,237,499,651	322,558,282,177
429	Non-controlling interests	22,23	6,072,521,854	12,371,785,402
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>4,450,872,945,686</b>	<b>4,356,962,960,087</b>

*Ha Thi Phuong Thuy Hong Nhung*

Ha Thi Phuong Thuy Hong Nhung  
Chief Accountant/Preparer



*Nguyen Ngo Vi Tam*

Nguyen Ngo Vi Tam  
General Director  
27 March 2017



## CONSOLIDATED INCOME STATEMENT

Year ended 31 December

FORM B 02 - DN/HN

Code	RESOURCES	Note	2016 (VND)	2015 (VND)
01	Revenue from sales of goods and rendering of services		7,369,981,598,268	6,527,521,103,629
02	Less deductions		(66,435,398,702)	(34,130,902,143)
10	<b>Net revenue from sales of goods and rendering of services</b>	27	<b>7,303,546,199,566</b>	<b>6,493,390,201,486</b>
11	<b>Cost of goods sold and services rendered</b>	28	<b>(6,236,782,607,392)</b>	<b>(5,690,815,542,792)</b>
20	<b>Gross profit</b>		<b>1,066,763,592,174</b>	<b>802,574,658,694</b>
21	Financial income	29	86,738,581,629	166,250,211,441
22	Financial expenses	30	(92,877,246,978)	(210,038,171,081)
23	- Including: Interest expense	30	(68,145,484,377)	(36,841,457,042)
25	Selling expenses	31	(266,377,952,906)	(252,576,318,983)
26	General and administration expenses	32	(114,678,239,962)	(117,543,470,973)
30	<b>Net operating profit</b>		<b>679,568,733,957</b>	<b>388,666,909,098</b>
31	Other income		12,417,051,973	4,260,707,290
32	Other expenses		(19,552,321,097)	(6,259,262,457)
40	<b>Net other expenses</b>	33	<b>(7,135,269,124)</b>	<b>(1,998,555,167)</b>
50	<b>Net accounting profit before tax</b>		<b>672,433,464,833</b>	<b>386,668,353,931</b>
51	Business income tax - current	34	(108,816,514,243)	(59,566,183,722)
52	Business income tax - deferred	12, 34	1,821,285,513	(6,269,483,940)
60	<b>Net profit after tax</b>		<b>565,438,236,103</b>	<b>320,832,686,269</b>
	In which:			
61	Post-tax profits of the parent company		566,737,499,651	322,558,282,177
62	Non-controlling interest		(1,299,263,548)	(1,725,595,908)
70	<b>Basic earnings per share</b>	25	<b>5,922</b>	<b>3,274</b>
71	<b>Diluted earnings per share</b>	25	<b>5,922</b>	<b>3,274</b>

Ha Thi Phuong Thuy Hong Nhung  
Chief Accountant/Preparer

Nguyen Ngo Vi Tam  
General Director  
27 March 2017

## CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

FORM B 03 - DN/HN

Year ended 31 December

Code	Note	2016 (VND)	2015 (VND)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Net accounting profit before tax</b>	<b>672,433,464,833</b>	<b>386,668,353,931</b>
	Adjustments for:		
02	Depreciation, amortisation and allocated goodwill	146,838,007,608	144,362,412,419
03	Provisions	38,755,585,507	16,495,622,411
04	Unrealised foreign exchange (gains)/losses	(7,166,433,668)	4,488,372,158
05	Profits from investing activities	(32,856,101,745)	(50,893,736,983)
06	Interest expense	30 68,145,484,377	36,841,457,042
08	<b>Operating profit before changes in working capital</b>	<b>886,150,006,912</b>	<b>537,962,480,978</b>
09	Decrease/(increase) in receivables	50,598,880,248	(74,601,809,419)
10	Decrease/(increase) in inventories	39,037,234,665	(213,579,935,197)
11	Increase in payables (not including interest payables and business income tax payables)	113,408,969,446	44,605,675,314
12	(Increase)/decrease in prepaid expenses	(1,459,967,833)	15,738,969,058
14	Interest paid	(76,341,319,125)	(42,641,806,967)
15	Business income tax paid	15 (32,636,132,227)	(39,429,345,543)
17	Other payments on operating activities	(23,177,087,000)	(82,520,437,379)
20	<b>Net cash inflows from operating activities</b>	<b>955,580,585,086</b>	<b>145,533,790,845</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of construction and fixed assets	(356,421,120,982)	(348,179,604,430)
22	Proceeds from disposals of fixed assets	7,351,033,191	12,993,604,862
23	Loans granted and term deposits at banks	(980,115,644,150)	(180,000,000,000)
24	Collection of loans and term deposits at banks	813,288,064,202	982,200,000,000
25	Investments in other entities	(8,012,830,000)	(47,807,121,404)
26	Proceeds from divestment in other entities	28,503,089,795	-
27	Interest received	30,460,764,153	61,263,924,934
30	<b>Net cash (outflows)/inflows from investing activities</b>	<b>(464,946,643,791)</b>	<b>480,470,803,962</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
32	Payments for share repurchases	22 (3,015,672,745)	-
33	Proceeds from borrowings	18 4,760,993,959,668	8,772,902,300,085
34	Repayments of borrowings	18 (5,149,278,756,450)	(9,099,996,672,137)
36	Dividends paid	24 (230,660,188,250)	(92,371,404,075)
40	<b>Net cash outflows from financing activities</b>	<b>(621,960,657,777)</b>	<b>(419,465,776,127)</b>
50	<b>Net (decrease)/increase in cash</b>	<b>(131,326,716,482)</b>	<b>206,538,818,680</b>
60	<b>Cash at beginning of year</b>	<b>3 296,092,552,290</b>	<b>89,237,664,563</b>
61	Effect of foreign exchange differences	(129,971,562)	316,069,047
70	<b>Cash at end of year</b>	<b>3 164,635,864,246</b>	<b>296,092,552,290</b>

Major non-cash transactions in the year ended 31 December 2016 are presented in Note 37.

Ha Thi Phuong Thuy Hong Nhung  
Chief Accountant/Preparer

Nguyen Ngo Vi Tam  
General Director  
27 March 2017

## 1. GENERAL INFORMATION

Vinh Hoan Corporation (“the Company”) is a joint stock company which was transformed from Vinh Hoan Co., Ltd. pursuant to Enterprise Registration Certificate No. 1400112623 issued by the Department of Planning and Investment of Dong Thap Province on 17 April 2007.

The Company’s shares were listed on the Ho Chi Minh Stock Exchange (“HOSE”) on 24 December 2007 in accordance with Decision No. 179/QĐ-SGDHCM issued by the HOSE.

The principal activities of the Company and subsidiaries (“the Group”) are:

- Growing domestic aquaculture; processing and preserving aquatic products and products made from aquatic products; trading aquatic products, materials serving the production and processing of aquatic products and processing of aquatic feed; and
- Extracting and manufacturing of hydrolized collagen and gelatin for medicine, cosmetics and food.

The normal business cycle of the Group is 12 months.

As at 31 December 2016, the Group comprised the parent company and 5 subsidiaries. Details of the Company’s subsidiaries are presented below:

Company name	Principal activities	Address of registered office	Percentage of ownership and voting rights	
			31.12.2016	31.12.2015
Vinh Hoan Food 2 Co., Ltd	Trading food	Tan An Hemplet, Binh Thanh Trung Commune, Lap Vo District, Dong Thap Province	99.3%	99.3%
Vinh Hoan Collagen Corporation	Extracting and manufacturing of collagen and gelatin	National Highway 30, Ward 11, Cao Lanh City, Dong Thap Province	90%	85%
Van Duc Tien Giang Food Export Processing Co., Ltd.	Trading aquatic products	Dong Hoa Hemplet, Song Thuan Commune, Chau Thanh District, Tien Giang Province	100%	100%
Octogone Holdings PTE. Ltd.	Trading aquatic products and functional foods	No.3 Raffles Place#06-01 Bharat Building, Singapore	100%	100%
Octogone (Guangzhou) Trading Co., Ltd.	Trading aquatic products and functional foods	No.537 Northern Panyu Boulevard, Guangzhou City, Guangdong Province, P.R. China	100%	100%

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention.

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

### FISCAL YEAR

The Group’s fiscal year is from 1 January to 31 December.

### CURRENCY

The financial statements are measured and presented in Vietnamese Dong (“VND”).

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised as income or expenses in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank where the Group regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the commercial bank where the Group opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

### Foreign operations

Assets and liabilities of foreign operations are translated into VND at the closing exchange rates at date of the balance sheet. Income and expenses of the foreign operations are translated into VND at the average exchange rate of the accounting period.

The resulting foreign exchange differences arising from the translation of foreign operations are recorded under the item “Foreign exchange differences” of the owners’ equity on the balance sheet.



## BASIS OF CONSOLIDATION

### SUBSIDIARIES

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### Non-controlling transactions and interests

The Group applies a policy of treating transactions with non-controlling interests ("NCI") as transactions with parties external to the Group.

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 the undistributed earnings under equity.

## GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition as accordance with current accounting requirements. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated period of benefit but not exceeding 10 years.

Goodwill on acquisitions of investments in joint ventures and associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of subsidiaries, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortisation less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

## CASH

Cash comprises cash on hand and cash at banks.

## TRADE RECEIVABLES

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Directors of all outstanding amounts at the year end. Bad debts are written off when identified.

## INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

## INVESTMENTS

### INVESTMENTS HELD TO MATURITY

Investments held to maturity are investments which the Board of Directors has positive intention and ability to hold until maturity.

Investments held to maturity include term deposits, loans held to maturity for interest earnings and other held to maturity investments. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held to maturity is made when there is evidence that part or the whole of the investment is uncollectible.

### INVESTMENTS IN EQUITY OF OTHER ENTITIES

Investments in equity of other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are initially recorded at cost. Provision for diminution in value of these investments is made when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

## FIXED ASSETS

### TANGIBLE AND INTANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

### DEPRECIATION AND AMORTISATION

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives or over the term of the enterprise registration certificate if shorter. The estimated useful lives are as follows:

Buildings, structures	5 - 25 years
Machinery and equipment	3 - 10 years
Motor vehicles	4 - 10 years
Office equipment	3 - 6 years
Computer software	4 - 5 years

Land use rights with indefinite useful life are recorded at historical cost and are not amortised. Land use rights with definite useful life are amortised using the straight-line method in accordance with the terms indicated in the land use right certificate.

### DISPOSALS

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the consolidated income statement.

### CONSTRUCTION IN PROGRESS

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

## LEASED ASSETS

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

## PREPAID EXPENSES

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over estimated useful lives.

## PAYABLES

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables are non-trade payables and not related to purchase of goods and services.

Payables are classified into long-term and short-term payables on the balance sheet

based on remaining period from the balance sheet date to the maturity date.

## BORROWING COSTS

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

## ACCRUED EXPENSES

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

## PROVISIONS

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

## PROVISION FOR SEVERANCE ALLOWANCES

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for full 12 months or longer are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the year prior to the balance sheet date. This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

## CAPITAL AND RESERVES

Contributed capital of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

Share premium is the difference between the par value and the issue price of shares;



the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares are shares issued by the Company and bought-back by itself, but these are not cancelled and shall be re-issued in the period in accordance with the Law on securities.

Undistributed earnings record the accumulated results after business income tax at the reporting date.

## APPROPRIATION OF NET PROFIT

### DIVIDEND

Net profit after business income tax could be distributed to shareholders after approval at the Company's General Meeting, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations. Dividend of the Group is recognised as a liability in the consolidated financial statements of the period in which the dividends are approved by the shareholders at General Meeting.

### BONUS AND WELFARE FUND

The bonus and welfare fund is appropriated from the Group's net profit and subject to shareholders' approval at the Company's General Meeting. This fund is set aside for the purpose of rewarding, encouragement, increasing common benefits and improvement of the employees' welfare and is recognised as a liability item in the consolidated balance sheet.

## REVENUE RECOGNITION

### SALES OF GOODS

Revenue from the sale of goods is recognised in the income statement when all five (5) following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised based on principle of "substance over form" and allocated to each sales obligation. In case that the Group gives promotional goods to customers associated with customers' purchase, the Group allocates total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the income statement.

### RENDERING OF SERVICES

Revenue from rendering of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction

assessed on the basis of the actual service provided as a proportion of the total services to be provided.

### INTEREST INCOME

interest income is recognised on an earned basis.

### DIVIDEND INCOME

Income from dividend is recognised when the Group has established the receiving right from investees.

## SALES DEDUCTIONS

Sales deductions include sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the period but are incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction of revenue of the period.

## COST OF GOODS SOLD AND SERVICES RENDERED

Cost of goods sold or cost of services provided are cost of finished goods, merchandises, materials sold or services provided during the period, and recorded on the basis of matching with revenue and on prudent concept.

## FINANCIAL EXPENSES

Finance expenses are expenses incurred in the period for financial activities mainly including interest expenses, provision for diminution in value of investments in other entities, losses incurred when selling foreign currencies and losses from foreign exchange differences.

## SELLING EXPENSES

Selling expenses represent expenses that are incurred in the process of selling products, goods and providing services, which mainly comprise salary expenses of sales staff, publicity and advertising expenses, storage, packaging, transportation and other cash expenses.

## GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses and benefits of administrative staffs, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration and other cash expenses.

## CURRENT AND DEFERRED INCOME TAX

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement.

Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

## RELATED PARTIES

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and associates are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors, close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Group considers the substance of the relationship not merely the legal form.

## SEGMENT REPORTING

A segment is a component which can be separated by the Group engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated financial statements in order to help users of consolidated financial statements to understand and evaluate the situation the operations of the Group in a comprehensive way.

## 3. CASH

	2016 VND	2015 VND
Cash on hand	747,717,722	2,284,062,571
Cash at banks	163,888,146,524	293,808,489,719
	<b>164,635,864,246</b>	<b>296,092,552,290</b>

## 4. INVESTMENTS

### (a) INVESTMENTS HELD TO MATURITY

	2016		2015	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits at banks	169,275,191,322	169,275,191,322	251,008,141	251,008,141

The term deposits represent bank deposits with maturity of more than three months and less than one year at the fixed interest rate in VND.

### (b) EQUITY INVESTMENTS IN OTHER ENTITIES

	2016		2015	
	Cost VND	Book value VND	Cost VND	Book value VND
Cuu Long Seaproducts Company	15,977,340,000	-	18,250,000,000	(6,903,592,732)
Vinh Hoan (USA) Inc.	1,297,729,978	-	1,297,729,978	-
	<b>17,275,069,978</b>	<b>-</b>	<b>19,547,729,978</b>	<b>(6,903,592,732)</b>

Equity investments in other entities represent the investments that hold less than 20% voting rights in those entities.

As at reporting date of the consolidated financial statements, the Group had not determined the fair value of these investments since this information is not available.



## 5. SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2016 VND	2015 VND
Related parties (Note 38(b))	91,829,573	631,302,336
Third parties (*)	943,991,838,352	977,755,793,492
	<b>944,083,667,925</b>	<b>978,387,095,828</b>

(\*) Details of customers accounting for 10% or more of total trade receivables balance are as below:

	2016 VND	2015 VND
Vinh Hoan (USA) Inc.	683,767,352,006	813,282,054,485

As at 31 December 2016 and 31 December 2015, accounts receivable amount of USD8,750,000 (equivalent to VND198.800.000.000 as translated using the exchange rate as at 31 December 2016) had been pledged with HSBC Bank (Vietnam) Ltd. as security for a credit facility of USD17,500,000 which expires in 2017.

As at 31 December 2016, the balances of short-term trade accounts receivable which were past due over 1 year, amounting to VND3,831,990,256.

## 6. SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2016 VND	2015 VND
Related parties (Note 38(b))	69,499,928,810	4,500,000,000
Third parties (*)	120,994,049,492	154,650,345,667
	<b>190,493,978,302</b>	<b>159,150,345,667</b>

(\*) Details of suppliers accounting for 10% or more of the total prepayment to suppliers balance are as below:

	2016 VND	2015 VND
Mr. Tran Van Khuol	22,889,678,200	-
Nutrawell (USA) Co., Ltd	22,211,776,920	-
Mr. Lam Quang Thanh	19,934,925,000	5,692,569,800
TST refrigeration equipment and insulation Co.,Ltd.	1,907,354,870	21,656,811,691
State Capital Investment Corporation	-	26,174,510,000

## 7. OTHER SHORT-TERM RECEIVABLES

	2016 VND	2015 VND
Related parties (Note 38(b))	1,218,734,267	532,702,902
Interest receivables from term deposits	5,502,611,112	-
Advances	5,585,863,773	43,660,226,847
Other receivables	6,429,083,912	7,919,779,067
	<b>18,736,293,064</b>	<b>52,112,708,816</b>

As at 31 December 2016 and 31 December 2015, there was no balance of other receivables past due or not past due but doubtful.

## 8. INVENTORIES

	2016		2015	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	-	-	8,000,965,141	-
Raw materials	93,034,263,924	-	74,564,312,624	-
Tools and supplies	8,999,223,571	-	8,154,634,679	-
Work in progress	540,086,026,952	-	795,921,774,926	-
Finished goods	678,227,948,660	(110,947,966,571)	476,134,366,927	(63,986,836,719)
Merchandises	4,356,141,612	-	964,785,087	-
	<b>1,324,703,604,719</b>	<b>(110,947,966,571)</b>	<b>1,363,740,839,384</b>	<b>(63,986,836,719)</b>

As at 31 December 2016 and 31 December 2015, inventories amounting to USD8,750,000 (equivalent to VND198,800,000,000 as translated using the exchange rate as at 31 December 2016) had been pledged with HSBC Bank (Vietnam) Ltd. as security for a credit facility of USD17,500,000 which expires in 2017.

Movements in the provision for decline in value of inventories during the year are as follows:

	2016 VND	2015 VND
Beginning of year	63,986,836,719	55,038,519,478
Increase	46,961,129,852	8,948,317,241
<b>End of year</b>	<b>110,947,966,571</b>	<b>63,986,836,719</b>

## 9. FIXED ASSETS

### (a) TANGIBLE FIXED ASSETS

	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Other tangible fixed assets VND	Total VND
<b>Historical cost</b>						
As at 1 January 2016	620,586,670,871	902,749,409,018	55,905,137,675	7,073,642,842	19,856,907,159	<b>1,606,171,767,565</b>
New purchases	3,123,484,697	58,400,319,306	5,564,755,444	3,513,003,727	9,157,557,604	<b>79,759,120,778</b>
Transfers from construction in progress (Note 10)	135,557,483,598	195,260,842,140	305,000,000	366,815,343	3,342,837,143	<b>334,832,978,224</b>
Disposals	(6,601,482,310)	(4,290,033,015)	(3,123,125,369)	-	(1,943,700,000)	<b>(15,958,340,694)</b>
<b>As at 31 December 2016</b>	<b>752,666,156,856</b>	<b>1,152,120,537,449</b>	<b>58,651,767,750</b>	<b>10,953,461,912</b>	<b>30,413,601,906</b>	<b>2,004,805,525,873</b>
<b>Accumulated depreciation</b>						
As at 1 January 2016	200,536,384,736	429,487,219,843	17,903,679,140	3,958,604,557	11,734,552,725	<b>663,620,441,001</b>
Charge for the year	52,516,396,170	70,672,929,844	7,873,144,764	1,395,143,535	2,440,381,350	<b>134,897,995,663</b>
Disposals	(760,521,847)	(2,085,878,128)	(2,523,384,432)	-	(587,159,781)	<b>(5,956,944,188)</b>
<b>As at 31 December 2016</b>	<b>252,292,259,059</b>	<b>498,074,271,559</b>	<b>23,253,439,472</b>	<b>5,353,748,092</b>	<b>13,587,774,294</b>	<b>792,561,492,476</b>
<b>Net book value</b>						
As at 1 January 2016	420,050,286,135	473,262,189,175	38,001,458,535	3,115,038,285	8,122,354,434	<b>942,551,326,564</b>
<b>As at 31 December 2016</b>	<b>500,373,897,797</b>	<b>654,046,265,890</b>	<b>35,398,328,278</b>	<b>5,599,713,820</b>	<b>16,825,827,612</b>	<b>1,212,244,033,397</b>

As at 31 December 2016, the Group's tangible fixed assets with a net book value of VND 511,947,745,701 (2015: VND 370,645,619,035 ) had been pledged with banks as security for borrowings granted to the Group (Note 18).

Cost of fully depreciated tangible fixed assets but still in use as at 31 December 2016 was VND336,086,128,015 (2015: VND315,332,208,594).

Total interest expenses which were capitalised during the year ended 31 December 2016 were VND8,825,630,997 (2015: nil).



## (b) INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer Software VND	Total VND
<b>Historical cost</b>			
As at 1 January 2016	135,806,451,611	975,041,770	<b>136,781,493,381</b>
New purchases	4,063,165,000	188,845,300	<b>4,252,010,300</b>
Reclassification (Note 10)	(15,589,250,000)	-	<b>(15,589,250,000)</b>
<b>As at 31 December 2016</b>	<b>124,280,366,611</b>	<b>1,163,887,070</b>	<b>125,444,253,681</b>
<b>Accumulated amortisation</b>			
As at 1 January 2016	11,316,859,648	740,576,186	<b>12,057,435,834</b>
Charge for the year	2,385,753,128	106,531,394	<b>2,492,284,522</b>
<b>As at 31 December 2016</b>	<b>13,702,612,776</b>	<b>847,107,580</b>	<b>14,549,720,356</b>
<b>Net book value</b>			
As at 1 January 2016	124,489,591,963	234,465,584	<b>124,724,057,547</b>
<b>As at 31 December 2016</b>	<b>110,577,753,835</b>	<b>316,779,490</b>	<b>110,894,533,325</b>

As at 31 December 2016, the Group's land use rights with carrying value of VND 52,182,162,615 (2015: VND 47,589,316,629) had been pledged with banks as security for borrowings granted to the Group (Note 18).

Cost of fully amortised intangible fixed assets as at 31 December 2016 was VND2,093,934,617 (2015: VND 1,792,081,890).

## 10. CONSTRUCTION IN PROGRESS

	2016 VND	2015 VND
Acquisition of fixed assets	154,793,983,910	177,933,504,569
Construction of plant	-	1,960,981,367
Expenses related to fishponds	1,931,000,229	7,821,117,471
Other construction in progress	20,004,943,890	57,912,235,198
	<b>176,729,928,029</b>	<b>245,627,838,605</b>

Total interest expenses which were capitalised during the year ended 31 December 2016 were nil (2015: VND11,498,305,555).

Movements in the construction in progress during the year are as follows:

	2016 VND	2015 VND
Beginning of year	245,627,838,605	134,252,806,600
Increases	265,713,326,704	291,308,097,577
Transfers to tangible fixed assets (Note 9(a))	(334,832,978,224)	(146,017,470,804)
Reclassification (Note 9(b))	15,589,250,000	-
Other decreases	(15,367,509,056)	(33,915,594,768)
<b>End of year</b>	<b>176,729,928,029</b>	<b>245,627,838,605</b>

## 11. LONG-TERM PREPAID EXPENSES

	2016 VND	2015 VND
Fishpond construction and reinforcing fisheries	46,019,985,012	61,963,804,056
Compensation costs for land lease	18,826,543,725	19,217,406,300
Land rental prepaid	18,007,388,166	5,018,299,213
Pre-operating expenses	1,066,703,664	3,545,763,848
Others	21,637,788,154	9,546,017,811
	<b>105,558,408,721</b>	<b>99,291,291,228</b>

## 12. DEFERRED INCOME TAX

The gross movement in the deferred income tax without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows::

	2016 VND	2015 VND
<b>Deferred tax assets</b>		
Beginning of year	475,225,190	4,050,170,875
Income statement charge/(credit) (Note 34)	6,494,630,652	(3,574,945,685)
<b>End of year</b>	<b>6,969,855,842</b>	<b>475,225,190</b>

Deferred income tax assets mainly come from provision for severance allowance and provision for anti-dumping.

	2016 VND	2015 VND
<b>Deferred income tax liabilities</b>		
Beginning of year	10,451,684,812	7,757,146,557
Income statement charge (Note 34)	4,673,345,139	2,694,538,255
<b>End of year</b>	<b>15,125,029,951</b>	<b>10,451,684,812</b>

Deferred income tax liabilities mainly come from provision for diminution in value of investments in subsidiaries.

The Group uses tax rate of 15% in year 2016 (2015: 15%) for determining deferred tax assets and deferred tax liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The Group's tax losses can be carried forward to offset against future taxable income for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the subsidiaries' future taxable income are as follows:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
Year ended 31.12.2012	Outstanding	(6,683,114,441)	-	(6,683,114,441)
Year ended 31.12.2013	Outstanding	(14,395,978,801)	-	(14,395,978,801)
Year ended 31.12.2014	Outstanding	(19,360,497,434)	-	(19,360,497,434)
Year ended 31.12.2015	Outstanding	(30,074,572,814)	-	(30,074,572,814)
Year ended 31.12.2016	Outstanding	(17,846,515,610)	-	(17,846,515,610)

The Group has not recognised deferred income tax assets relating to the above tax losses carried forward, as the realisation of the related tax benefits through future taxable profits of these subsidiaries currently can not be assessed as probable.

## 13. GOODWILL

	2016 VND	2015 VND
Beginning of year	81,092,993,709	90,540,721,132
Allocation	(9,447,727,423)	(9,447,727,423)
<b>End of year</b>	<b>71,645,266,286</b>	<b>81,092,993,709</b>

## 14. SHORT-TERM TRADE ACCOUNTS PAYABLE

	2016		2015	
	Value VND	Able to pay amount VND	Value VND	Able to pay amount VND
Related parties (Note 38(b))	930,111,600	930,111,600	-	-
Third parties (*)	274,966,470,313	274,966,470,313	198,967,217,140	198,967,217,140
	<b>275,896,581,913</b>	<b>275,896,581,913</b>	<b>198,967,217,140</b>	<b>198,967,217,140</b>

(\*) CDetails of suppliers accounting for 10% or more of the total trade payables balance are as below:

	2016 VND	2015 VND
Mr. Nguyen Hoang Vu	26,885,567,050	14,380,004,380
Mr. Tran Minh Triet	7,849,784,220	38,386,331,070

As at 31 December 2016 and 31 December 2015, the Group did not have payables balance that were past due.



## 15. TAX AND OTHER PAYABLES TO THE STATE BUDGET

	2016 VND	2015 VND
Business income tax - current	108,472,187,097	32,291,805,081
Personal income tax	833,121,447	4,589,121,612
VAT	50,813,006	-
Others	4,276,775	-
	<b>109,360,398,325</b>	<b>36,880,926,693</b>

The movements in business income tax and personal income tax during the year are as follows:

	As at 1.1.2016	Payable during the year	Settled during the year	As at 31.12.2016
Business income tax	32,291,805,081	108,816,514,243	(32,636,132,227)	108,472,187,097
Personal income tax	4,589,121,612	17,311,099,518	(21,067,099,683)	833,121,447

## 16. SHORT-TERM ACCRUED EXPENSES

	2016 VND	2015 VND
Transportation	4,570,045,000	1,771,053,876
Interest expense	1,624,235,108	994,438,859
Others	5,296,689,413	6,022,008,593
	<b>11,490,969,521</b>	<b>8,787,501,328</b>

## 17. OTHER SHORT-TERM PAYABLES

	2016 VND	2015 VND
Payable to related parties (Note 38(b))	2,133,557,639	4,460,986,800
Dividends payable (Note 24)	180,012,000	85,492,750
Payment on behalf	8,351,250,000	-
Others	24,289,856,656	25,698,871,911
	<b>34,954,676,295</b>	<b>30,245,351,461</b>

As at 31 December 2016 and 31 December 2015, the Group did not have other payables balances that were past due.

## 18. BORROWINGS

	2016		2015	
	Valua VND	Repayment capability VND	Valua VND	Repayment capability VND
Short-term loans (*)	865,657,118,683	865,657,118,683	1,333,672,541,156	1,333,672,541,156
Long-term loans (**)	518,215,877,244	518,215,877,244	438,485,251,553	438,485,251,553

Movements of borrowings during the year are as follows:

	As at 1.1.2016 VND	Increase VND	Decrease VND	Reclassification VND	As at 31.12.2016 VND
Short-ter loans	1,333,672,541,156	4,673,263,333,977	(5,149,278,756,450)	8,000,000,000	865,657,118,683
Long-term loans	438,485,251,553	87,730,625,691	-	(8,000,000,000)	518,215,877,244

As at 31 December 2016 and 31 December 2015, the Group did not have overdue borrowing.

(\*) Details of short-term borrowings are as follows:

	2016 VND	2015 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade – Dong Thap Branch (ii)	408,574,739,171	144,205,865,862
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch (i)	216,563,316,238	1,134,333,304,339
HSBC Bank (Vietnam) Limited	197,969,063,274	28,083,370,955
ANZ Bank (Vietnam) Limited – Ho Chi Minh City Branch (iii)	42,550,000,000	21,950,000,000
The Vietnam Development Bank – Dong Thap Branch	-	5,100,000,000
	<b>865,657,118,683</b>	<b>1,333,672,541,156</b>

(i) The balance represents borrowings in VND, which fall due in March and April 2017, with applicable interest rates being specified for each drawdown to finance the Company's working capital requirements. The borrowings are secured by the land use rights and the fixed assets in the Company's fish powder and fat-processing factory (Note 9).

(ii) The balance represents borrowings in VND, which fall due from January to March 2017, with applicable interest rates being specified for each drawdown to finance the Company's working capital requirements. The borrowings are secured by the land use rights and the assets attached to the land including the Company's factory workshops 1, 2 and 3 and all machinery and equipment in the factory of Van Duc Tien Giang Food Export Processing Co., Ltd. (Note 9).

(i) The balance represents borrowings in VND, which fall due from January to March 2017, with applicable interest rates being specified for each drawdown to finance the Company's working capital requirements. The borrowings are secured by the land use rights and the assets attached to the land including the Company's factory workshops 1, 2 and 3 and all machinery and equipment in the factory of Van Duc Tien Giang Food Export Processing Co., Ltd. (Note 9).

(i)(ii) These are the loans in VND taken out by the Company and a subsidiary with applicable interest rates being specified for each drawdown to finance the working capital requirements. The loan is secured by the accounts receivable (Note 5) and inventory (Note 8) and the Company's guarantee amounting to USD10,000,000.

(ii)(iii) These are unsecured loans in VND, which are due for repayment in February 2017.

(\*\*) The balance represents long-term borrowings from the Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch, with terms of over 84 to 120 months and grace periods from 12 to 24 months. The borrowings are secured by the land use rights and the fixed assets in the Company's fish powder and fat-processing factory (Note 9).

## 19. PROVISIONS FOR SHORT-TERM LIABILITY

The balance represents the estimated expenses related to anti-dumping lawsuit in the United States of America.

## 20. BONUS AND WELFARE FUND

Movements of bonus and welfare fund during the year are as follows:

	2016 VND	2015 VND
Beginning of year	52,267,301,526	57,347,843,544
Appropriated during the year (Note 22)	20,000,000,000	20,012,814,000
Utilised	(23,177,087,000)	(25,093,356,018)
<b>End of year</b>	<b>49,090,214,526</b>	<b>52,267,301,526</b>

## 21. OWNERS' CAPITAL

Number of shares	2016		2015	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
		-		-
Number of shares registered	92,403,943	-	92,403,943	-
Number of shares issued	92,403,943	-	92,403,943	-
Number of shares repurchased	(102,060)	-	-	-
Number of existing shares in circulation	92,301,883		92,403,943	

Movement of share capital

	Number of share capital	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2015, 31 December 2015 and 31 December 2016	92,403,943	924,039,430,000	-	<b>9924,039,430,000</b>

Par value per share: VND10,000.



## 22. MOVEMENTS IN OWNERS' EQUITY

	Owners' Capital VND	Share Premium VND	Treasury Shares VND	Foreign Exchange Differences VND	Undistributed Earnings VND	Non-controlling Interests VND	Total VND
As at 1 January 2015	924,039,430,000	216,409,744,645	-	4,596,414,898	724,868,688,147	16,843,744,960	<b>1,886,758,022,650</b>
Net profit for the year	-	-	-	-	322,558,282,177	(1,725,595,908)	<b>320,832,686,269</b>
Dividends paid	-	-	-	-	(92,403,943,000)	-	<b>(92,403,943,000)</b>
Profit appropriation to bonus and welfare fund	-	-	-	-	(20,012,814,000)	-	<b>(20,012,814,000)</b>
Divestments from a subsidiary	-	-	-	(4,596,414,898)	2,036,421,257	-	<b>(2,559,993,641)</b>
Additional investments in a subsidiary	-	-	-	-	(636,247,753)	-	<b>(636,247,753)</b>
Others	-	-	-	97,965,256	-	(2,746,363,650)	<b>(2,648,398,394)</b>
<b>As at 31 December 2015</b>	<b>924,039,430,000</b>	<b>216,409,744,645</b>	<b>-</b>	<b>97,965,256</b>	<b>936,410,386,828</b>	<b>12,371,785,402</b>	<b>2,089,329,312,131</b>
Net profit for the year	-	-	-	-	566,737,499,651	(1,299,263,548)	<b>565,438,236,103</b>
Dividends paid (*)	-	-	-	-	(230,754,707,500)	-	<b>(230,754,707,500)</b>
Profit appropriation to bonus and welfare fund (**)	-	-	-	-	(20,000,000,000)	-	<b>(20,000,000,000)</b>
Additional investments in a subsidiary	-	-	-	-	(2,500,000,000)	(5,000,000,000)	<b>(7,500,000,000)</b>
Repurchase of treasury shares	-	-	(3,015,672,745)	-	-	-	<b>(3,015,672,745)</b>
Others	-	-	-	(383,524,213)	-	-	<b>(383,524,213)</b>
<b>As at 31 December 2016</b>	<b>924,039,430,000</b>	<b>216,409,744,645</b>	<b>(3,015,672,745)</b>	<b>(285,558,957)</b>	<b>1,250,195,178,979</b>	<b>6,072,521,854</b>	<b>2,393,415,643,776</b>

(\*) Pursuant to the Resolutions of the Annual General Meeting of shareholders on 23 May 2016, Board of Management issued the Resolutions dated 24 May 2016 and dated 7 November 2016 to declare cash dividends of 15% and 10%, respectively.

(\*\*) In accordance with the Resolutions of the Annual General Meeting of shareholders on 23 May 2016, the Company appropriated an amount of VND20,000,000,000 from the 2015's profit after tax to the bonus fund in the year ended 31 December 2016.

## 23. NON-CONTROLLING INTEREST (“NCI”)

Details of NCI are as follows:

	2016 VND	2015 VND
Share capital	10,700,000,000	15,700,000,000
Allocated losses	(4,627,478,146)	(3,328,214,598)
	<b>6,072,521,854</b>	<b>12,371,785,402</b>

Movements of the NCI are as follows:

	2016 VND	2015 VND
Beginning of year	12,371,785,402	16,843,744,960
Allocated losses for the year	(1,299,263,548)	(1,725,595,908)
Decrease due to repurchase of share capital from NCI	(5,000,000,000)	(2,746,363,650)
<b>End of year</b>	<b>6,072,521,854</b>	<b>12,371,785,402</b>

## 24. DIVIDENDS

Movements of dividends payables during the year are as follows:

	2016 VND	2015 VND
Beginning of year	85,492,750	52,953,825
Dividends payable during the year	230,754,707,500	92,403,943,000
Dividends paid in cash during the year	(230,660,188,250)	(92,371,404,075)
<b>End of year (Note 17)</b>	<b>180,012,000</b>	<b>85,492,750</b>

## 25. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares:

	2016 VND	2015 VND
Net profit attributable to shareholders (VND)	566,737,499,651	322,558,282,177
Less amount allocated to bonus and welfare funds (VND) (*)	(20,000,000,000)	(20,000,000,000)
	<b>546,737,499,651</b>	<b>302,558,282,177</b>
Weighted average number of ordinary shares in issue (shares)	92,318,614	92,403,943
<b>Basic earnings per share (VND)</b>	<b>5,922</b>	<b>3,274</b>

(\*) Amounts appropriated to the bonus and welfare fund for the year ended 31 December 2016 were estimated based on the allocation rate of the planned appropriation to the bonus and welfare fund in accordance with the 2016 profit distribution plan, which was approved in the Annual General Meeting of the Company’s shareholders.

The Company did not have potential shares which diluted earning per shares.

## 26. OFF BALANCE SHEET ITEMS

### (a) Operating leases commitments

The future minimum lease payments under non-cancellable operating leases for the years ended 31 December 2016 and 31 December 2015 are presented in Note 39.

### (b) Foreign currencies

	2016 VND	2015 VND
United States Dollar (“USD”)	6,428,780.81	12,814,557.33
Euro (“EUR”)	537.16	6,750.13
Chinese Yuan Renminbi (“CNY”)	518,869.89	184,080.02
Japanese Yen (“JPY”)	33,435	32,887
Singapore Dollar (“SGD”)	126,350.18	2,813



## 27. REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2016 VND	2015 VND
<b>Revenue</b>		
Sales of finished goods	5,895,408,486,571	5,285,034,679,557
Sales of by-products	1,043,620,343,247	934,816,938,706
Sales of merchandises	405,840,089,712	251,507,250,406
Sales of raw materials	21,309,300,676	54,498,426,502
Rendering of services	3,803,378,062	1,663,808,458
	<b>7,369,981,598,268</b>	<b>6,527,521,103,629</b>
<b>Deductions</b>		
Sales allowances	(45,613,974,190)	(17,833,262,466)
Sales returns	(20,821,424,512)	(16,297,639,677)
	<b>(66,435,398,702)</b>	<b>(34,130,902,143)</b>
<b>Net revenue</b>	<b>7,303,546,199,566</b>	<b>6,493,390,201,486</b>

## 28. COST OF GOODS SOLD AND SERVICES RENDERED

	2016 VND	2015 VND
Cost of finished goods sold	4,826,061,984,742	4,448,675,132,554
Cost of by-products sold	964,009,965,991	952,627,414,022
Cost of merchandises sold	375,715,694,726	223,593,381,403
Cost of raw materials sold	22,133,488,266	56,971,297,572
Cost of services provided	1,808,780,000	-
Provision for decline in value of inventories	46,961,129,852	8,948,317,241
Others	91,563,815	-
	<b>6,236,782,607,392</b>	<b>5,690,815,542,792</b>

## 29. FINANCIAL INCOME

	2016 VND	2015 VND
Realised foreign exchange gains	42,080,055,579	114,539,745,194
Interest income from deposits	27,976,131,561	44,089,074,021
Interest income on the advances for purchases of raw materials	7,987,243,704	7,078,813,830
Net gain from foreign currency translation at year-end	7,166,433,668	542,578,396
Others	1,528,717,117	-
	<b>86,738,581,629</b>	<b>166,250,211,441</b>

## 30. FINANCIAL EXPENSES

	2016 VND	2015 VND
Interest expense	68,145,484,377	36,841,457,042
Realised foreign exchange losses	30,868,193,721	160,561,232,714
(Reversal of provision)/provision for diminution in value of investments	(6,903,592,732)	6,903,592,732
Net loss from foreign currency translation at year-end	-	5,030,950,554
Loss from disposal of investments	456,910,205	700,938,039
Others	310,251,407	-
	<b>92,877,246,978</b>	<b>210,038,171,081</b>

## 31. SELLING EXPENSES

	2016 VND	2015 VND
Exhibition and advertising expenses	45,951,150,236	28,316,657,903
Staff costs	18,308,705,891	14,236,883,348
Transportation, storage and other outsourced service expenses	181,228,103,446	177,497,332,073
Others	20,889,993,333	32,525,445,659
	<b>266,377,952,906</b>	<b>252,576,318,983</b>

## 32. GENERAL AND ADMINISTRATION EXPENSES

	2016 VND	2015 VND
Staff costs	43,641,626,193	41,750,457,641
Depreciation and amortisation	14,252,682,572	14,806,217,283
Amortisation of goodwill	9,447,727,423	9,447,727,423
Tools and supplies	9,639,571,473	8,237,987,600
Others	37,696,632,301	43,301,081,026
	<b>114,678,239,962</b>	<b>117,543,470,973</b>

### 33. OTHER INCOME AND OTHER EXPENSES

	2016 VND	2015 VND
<b>Other income</b>		
Write-off of payables	3,857,863,226	309,529,535
Income from sales of scraps	3,090,497,698	-
Gains on disposal of fixed assets	-	618,151,477
Others	5,468,691,049	3,333,026,278
	<b>12,417,051,973</b>	<b>4,260,707,290</b>
<b>Other expenses</b>		
Depreciation and amortisation	12,180,716,947	-
Losses on disposal of fixed assets	2,650,363,315	-
Penalties	20,834,447	-
Others	4,700,406,388	6,259,262,457
	<b>19,552,321,097</b>	<b>6,259,262,457</b>
<b>Net other expenses</b>	<b>(7,135,269,124)</b>	<b>(1,998,555,167)</b>

### 34. BUSINESS INCOME TAX

In accordance with Circular No. 96/2015/TT-BTC dated 22 June 2015 issued by the Ministry of Finance, the Company and Van Duc Tien Giang Food Export Processing Co., Ltd are subject to business income tax ("BIT") rate at 15% for aquaculture processing activities and 20% for other activities.

The remaining subsidiaries of the Company have the obligations to pay BIT are as follows:

#### OCTOGONE HOLDINGS PTE. LTD. VÀ OCTOGONE (GUANGZHOU) TRADING CO., LIMITED

These companies have the obligation to pay BIT at a rate of 17% and 25% respectively in accordance with the regulations where these companies are incorporated.

#### VINH HOAN FOOD 2 CO., LTD. ("VINH HOAN 2")

In accordance with Investment Certificate No. 51121000117 dated 27 August 2012 issued by the People's Committee of Dong Thap Province, Vinh Hoan 2 is subject to the BIT rate of 20% in 10 years from the commencement date of operation for drying, peeling rice, manufacturing parboiled rice and polishing rice for export, and is exempt from BIT for 2 years from the first year making profit and entitled to a 50% reduction for 4 years thereafter. Vinh Hoan 2 has commenced operation since 2012.

#### VINH HOAN COLLAGEN CORPORATION ("VINH HOAN COLLAGEN")

In accordance with Investment Certificate No. 51121000127 dated 14 March 2013 issued by the People's Committee of Dong Thap Province, Vinh Hoan Collagen's income is subject to the BIT rate of 10% in 15 years from the first year generating revenue from activities entitled to tax incentives, and is exempt from BIT for 4 years from first year making taxable profit from the project and entitled to a 50% reduction for 9 years thereafter.

The Group's other activities are subject to BIT rate of 20% (2015: 22%).

The tax on the Group's profit before tax differs

	2016 VND	2015 VND
<b>Net accounting profit before tax</b>	<b>672,433,464,833</b>	<b>386,668,353,931</b>
Tax calculated at a rate of 20% (2015: 22%)	130,611,122,215	76,754,015,382
Effects of:		
Income not subject to tax	(1,219,100,197)	-
Non-deductible expenses	3,251,673,063	4,237,504,659
Tax incentives	(27,224,679,783)	(28,328,143,956)
Temporary differences for which no deferred income tax asset was recognised in the prior years	(6,465,000,000)	6,631,379,877
Tax losses for which no deferred income tax asset was recognised	3,703,297,489	6,540,911,700
Others	4,337,915,943	-
<b>Business income tax charge</b>	<b>106,995,228,730</b>	<b>65,835,667,662</b>
Charged/(credited) to income statement:		
Business income tax - current	108,816,514,243	59,566,183,722
Business income tax - deferred (*)	(1,821,285,513)	6,269,483,940
	<b>106,995,228,730</b>	<b>65,835,667,662</b>

(\*) Deferred income tax expenses incurred during the year are mainly as below:

	2016 VND	2015 VND
Taxable temporary differences	15,125,029,951	2,965,782,936
Reversal of deferred income tax assets	475,225,190	4,050,170,875
Deductible temporary differences	(6,969,855,842)	(475,225,190)
Reversal of deferred income tax liabilities	(10,451,684,812)	(271,244,681)
<b>Total deferred tax (income)/expense</b>	<b>(1,821,285,513)</b>	<b>6,269,483,940</b>



## 35. COST OF OPERATION BY FACTOR

	2016 VND	2015 VND
Raw materials	5,071,940,875,733	4,646,323,899,128
Labour costs	560,620,516,850	544,573,862,060
Depreciation, amortisation and allocation of goodwill	134,657,290,661	154,144,602,328
Outsourced service expenses	645,272,673,695	455,310,954,245
Other cash expenses	180,066,852,951	173,859,795,887
	<b>6,592,558,209,890</b>	<b>5,974,213,113,648</b>

## 36. SEGMENT REPORTING

### GEOGRAPHICAL SEGMENTS:

The Group's activities are mainly segmented by export and domestic activities. The Group does not monitor its operation results, fixed assets, other non-current assets or non-cash major expenses by the geographical areas of customers.

	2016 VND	2015 VND
Export	5,889,159,094,337	5,417,453,432,506
Domestic	1,414,387,105,229	1,075,936,768,981
Gross profit	<b>7,303,546,199,566</b>	<b>6,493,390,201,487</b>

### BUSINESS ACTIVITY SEGMENTS:

Growing, processing and trading aquatic products are the main activities that generate revenue and profit for the Group, while the other revenue streams only account for a small portion of the Group's total revenue; therefore the Board of Directors has determined that the Group has operated in only one business segment.

## 37. ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS

### (a) NON-CASH TRANSACTIONS AFFECT THE STATEMENT OF CASH FLOWS

	2016 VND	2015 VND
Purchase of fixed assets not yet paid	782,932,046	7,479,595,246
Transfers of prepayments to acquire shares to long-term investments	26,174,510,000	-
Capitalised interest expenses during the year	8,825,630,997	-
Prepayment to purchase shares	-	26,174,510,000
Prepayment to purchase fixed assets	-	23,630,145,530

### (b) AMOUNT OF LOAN ACTUALLY WITHDRAWN DURING THE YEAR

	2016 VND	2015 VND
Proceeds from borrowings following normal borrowing contracts	4,760,993,959,668	8,772,902,300,085

### (c) AMOUNT OF LOAN PRINCIPAL ACTUALLY PAID DURING THE YEAR

	2016 VND	2015 VND
Proceeds from borrowings following normal borrowing contracts	5,149,278,756,450	9,099,996,672,137

## 38. RELATED PARTY DISCLOSURES

### RELATED PARTY TRANSACTIONS

During the year, the following major transactions were carried out with related parties:

	2016 VND	2015 VND
<b>1. Sales of goods and rendering of services</b>		
Individuals	32,636,033,000	544,962,949
Van Duc Food Co., Ltd.	1,054,246,652	-
	<b>33,690,279,652</b>	<b>544,962,949</b>
<b>2. Purchases of goods and services</b>		
Individuals	54,554,957,660	606,204,153
<b>3. Purchases of fixed assets</b>		
Individuals	51,005,175,000	-
<b>4. Disposals of fixed assets</b>		
Van Duc Food Co., Ltd	-	450,000,000
<b>5. Compensation of key management</b>		
Gross salaries and other benefits	21,745,692,591	21,265,967,000

YEAR END BALANCES WITH RELATED PARTIES

	2016 VND	2015 VND
<b>1. Short-term trade accounts receivable (Note 5)</b>		
Van Duc Food Co., Ltd.	91,829,573	631,302,336
<b>2. Short-term prepayment to suppliers (Note 6)</b>		
Individuals	69,499,928,810	4,500,000,000
<b>3. Other short-term receivables (Note 7)</b>		
Board of Management and Directors	1,218,734,267	532,702,902
<b>4. Short-term trade accounts payable (Note 14)</b>		
Individuals	930,111,600	-
<b>5. Other short-term payables (Note 17)</b>		
Van Duc Food Co., Ltd.	2,133,557,639	4,460,986,800

### 39. OPERATING LEASES COMMITMENTS

The future minimum lease payments under non-cancellable operating leases are as follows:

	2016 VND	2015 VND
Within one year	5,367,078,408	4,827,472,224
Between one and five years	21,131,591,234	21,780,033,026
Over five years	55,758,944,702	49,104,710,975
<b>Total minimum payments</b>	<b>82,257,614,344</b>	<b>75,712,216,225</b>

### 40. EVENTS AFTER THE BALANCE SHEET DATE

Pursuant to the Board of Management's Resolutions dated 6 February 2016, the Group acquired to accept/agreed to accept/approved the transfer of share capital of Thanh Binh Dong Thap Sseafood Joint Sstock Company.

### 41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

The consolidated financial statements were approved by the Board of Directors on 27 March 2017.



**Ha Thi Phuong Thuy Hong Nhung**  
Chief Accountant/Preparer



**Nguyen Ngo Vi Tam**  
General Director



This page is intentionally left blank.

# VINH HOAN CORPORATION (VINH HOAN CORP.)

AH 30, Ward 11, Cao Lãnh City, Đồng Tháp Province, Vietnam

Tel: (+84) 673 891 166

Fax: (+84) 673 891 062

Website: [vinhhoan.com](http://vinhhoan.com)