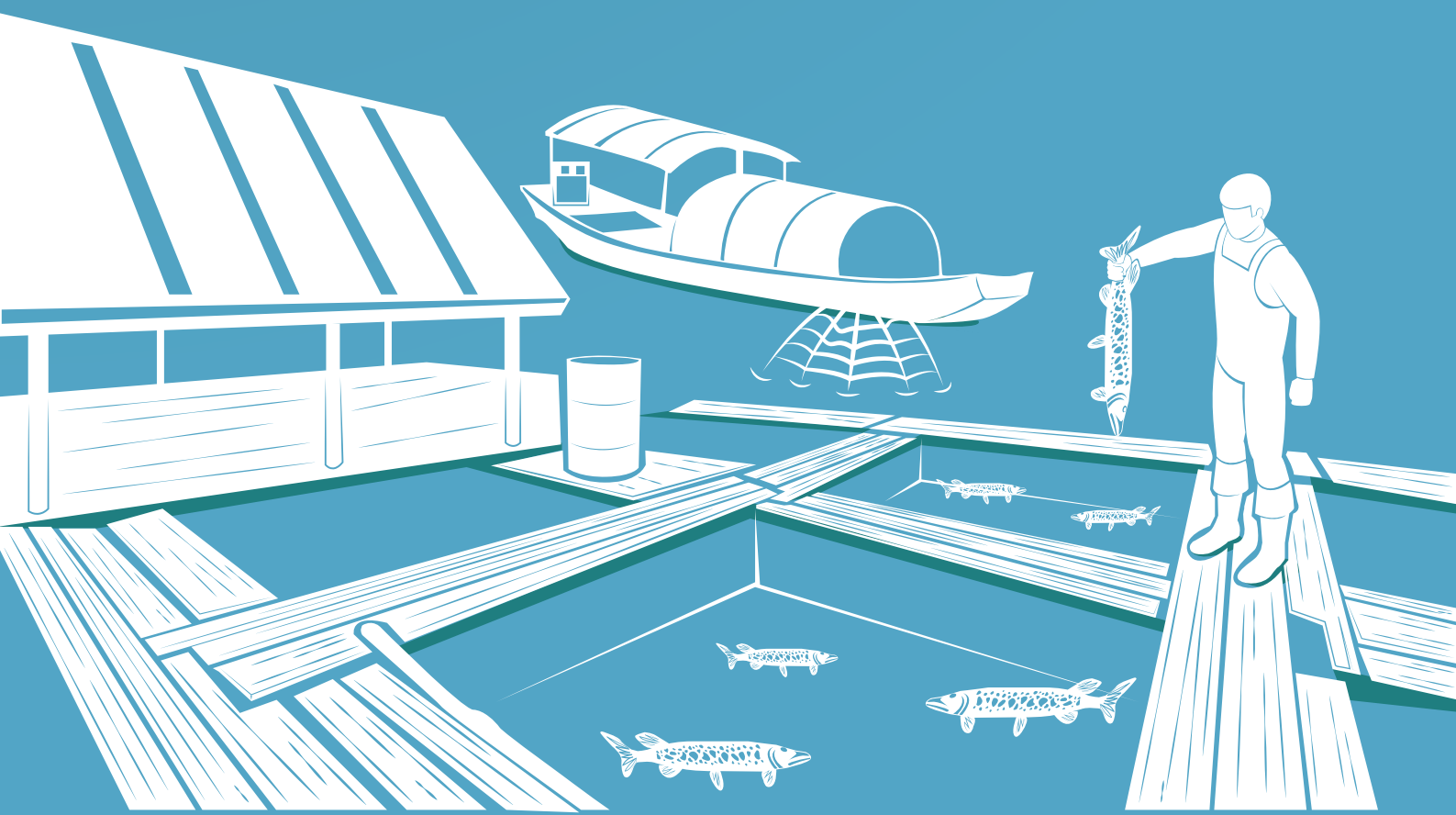
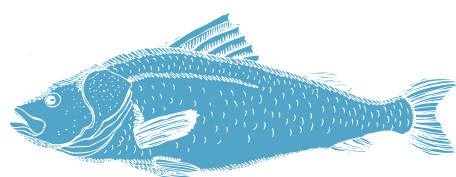


FISHERY

INDUSTRY REPORT






EXECUTIVE SUMMARY

Vietnam Fisheries Industry Report was prepared by VietnamCredit in June 2020, including general information about Vietnam's economic situation, overview of the fisheries industry and its current situation in 2019 as well as the opportunities, challenges and forecasts for future industry development. In addition, the report also presents information of 10 typical businesses in the fisheries sector selected by VietnamCredit, based on the criteria of company scale, credit rating and business performance in three consecutive year 2017, 2018 and 2019.

Over the past years, along with the stable development of the economy, Vietnam's fishery industry has made great strides and become an important sector in Vietnam's economic structure. The value-chain of fisheries sector has been formed with the participation of numerous economic sectors, although there is still a lack of sustainable linkages. The consumption market of Vietnam's seafood industry is growing significantly. The United States, Japan, the EU and China are major import markets of the fisheries industry, representing 60% of the total export value.





The structure of enterprises and employees in the industry witnessed a deep disparity between the fishing and aquaculture industries. Besides, the scarcity of technical labors is putting more pressure on the fisheries industry, especially in the field of aquaculture, leading to a number of constraints for the development of the whole sector.

In 2019, Vietnam's fisheries sectors suffered several difficulties related to seafood exports, especially with two key commodities, shrimp and pangasius fish. In addition, the Sino-American trade war has imposed considerable challenges on the fishery industry.

Due to the effects of Covid-19 epidemic in early 2020, many orders were congested, canceled or suspended, causing the companies to suffer from increasing additional costs for human resources, preservation and inventories. On 8 June 2020, the National Assembly voted to approve the EVFTA Agreement, promising great opportunities for Vietnam's fisheries products in export activities with European market. However, before that, Vietnam needs to put great efforts to remove the EC's "yellow card" warning, improve the reputation of fisheries products in the EU market to optimize the advantages from this Agreement.

Table of Contents

1. Vietnam's Economic Situation

- 1.1. Economic growth
- 1.2. Trade and prices
- 1.3. Realized capital, State budget revenue and expenditure
- 1.4. Import-export activities
- 1.5. Establishment and dissolution of enterprises

2. Vietnamese Fishery Industry's Development

- 2.1. Vietnamese fishery industry overview
- 2.2. Enterprises and labor in Vietnam's fishery industry
- 2.3. Key ratios of Vietnam's fishery industry
- 2.4. Fishery industry average financial ratios 2019
- 2.5. Opportunities, challenges and industry forecasts

3. 10 outstanding companies in Vietnam's fishery industry in 2019

ABBREVIATION

| Abbreviation | Meaning |
|--------------|---------------------------------------|
| GDP | Gross Domestic Product |
| CPI | Consumer Price Index |
| USD | United States Dollar |
| VND | Vietnamese Dong |
| VNC | VietnamCredit |
| PPI | Producer Price Index |
| GDVC | General Department of Vietnam Customs |
| GSO | General Statistics Office of Vietnam |
| US | United States |
| EU | European Union |

LIST OF FIGURES

Figure 1.1.1: Vietnam GDP Growth Rate 2011-2020

Figure 1.2.2: GDP Growth, CPI and Inflation (Last year = 100)

Figure 1.2.1: Total retail sales of consumer goods and services at current prices 2015-2019

Figure 1.2.3: Producer price index by sector compared to previous quarter

Figure 1.2.4: Commodity terms of trade growth rate 2015-2019 (%)

Figure 1.3.1: Growth rate and structure of social investment capital in the first quarter of 2016-2020 period at current prices

Figure 1.4.1: Import-export turnover and trade balance of goods 2011-2019 (US \$ billion)

Figure 1.5.1: Enterprise Establishment in Q1/2020 (compared to Q1/2019)

Figure 2.1.1: Vietnam Fisheries Value-Chain by Industry

Figure 2.2.1: Number of enterprises and labors in fisheries industry by sector in value-chain

Figure 2.2.2: Aquaculture enterprise structure

Figure 2.2.3: Enterprises and labors in fishing and aquaculture

Figure 2.2.4: Enterprises and labor in breeding of fisheries

Figure 2.3.1: Fisheries volume and growth rate by sector 2011-2019

Figure 2.3.2: Farmed shrimp by region

Figure 2.3.3: Key provinces for fisheries production in Vietnam

Figure 2.3.4: Vietnam's seafood export value Q1/2019 - Q1/2020 (USD million)

Figure 2.3.5: Seafood export value of Vietnam's key markets Q1/2020

Figure 2.3.6: Seafood import turnover Q1/2020 by market

Figure 2.3.7: Volume and value of export seafood products in 2019

LIST OF TABLES

Table 1.1.1. GDP growth by sector Q1/2020 at current prices

Table 2.4.1: Fishery industry average financial ratios 2019

VIETNAM'S ECONOMIC

1.1. ECONOMIC GROWTH



Growth of Gross Domestic Product (GDP)

Over the past 10 years, Vietnamese economy has maintained a stable development with the **average GDP increasing by 6.3% per year**. Especially, by the end of 2019, Vietnam continued to gain impressive results with an increase of **7.02% in GDP**. This marked the second consecutive year that the economic growth accelerated to over 7%. Besides, the size of the economy has been steadily expanding, reaching more than **US\$ 257 billion** in 2019 at current prices.

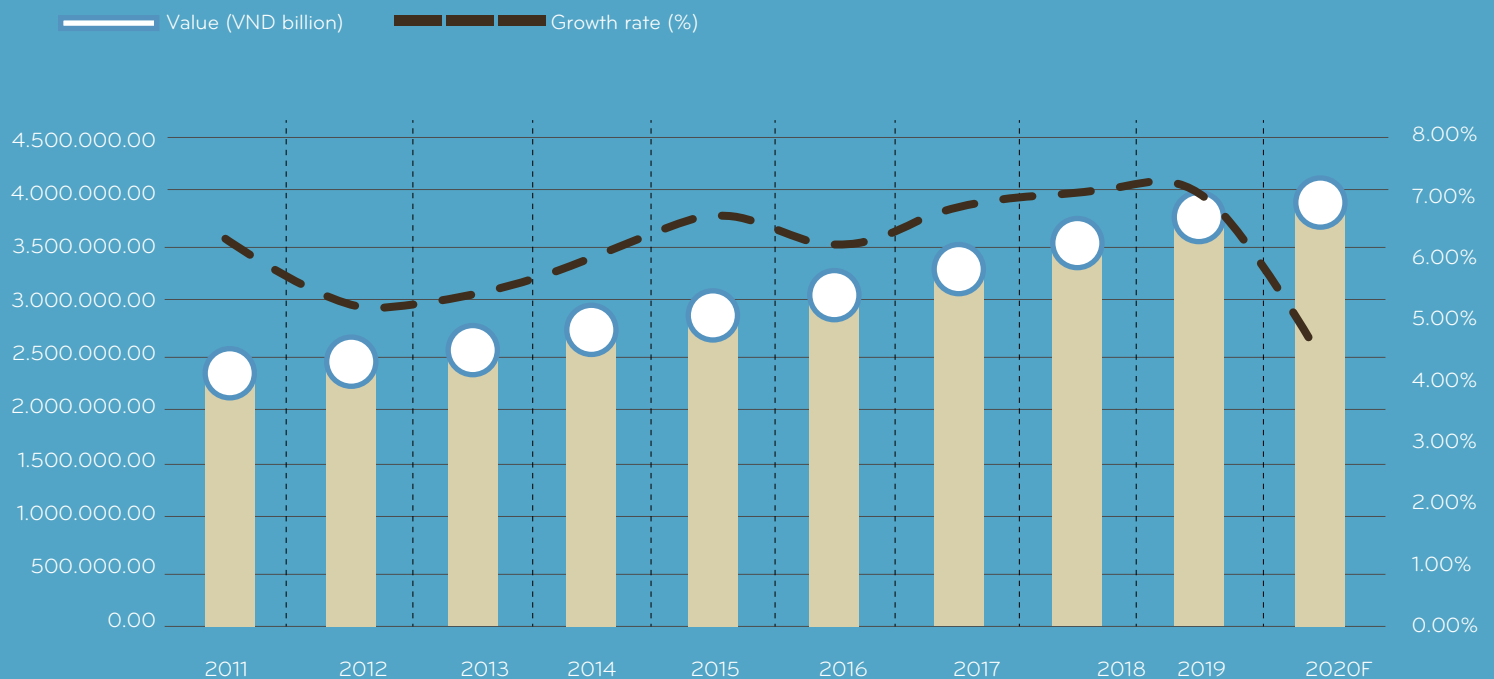
Due to the negative effects of the Covid-19 pandemic on socio-economic and business activities, Vietnam's Q1/2020 GDP dropped to 3.82 percent, the lowest rate since 2011. According to the Ministry of Planning and Investment, Vietnam's economy is predicted to increase **4.4-5.4%** y-o-y, provided the coronavirus is contained. In the case that Vietnam's major trade partners could not recover until the fourth quarter of 2020, the economic growth is projected to slow down to **3.6 - 4.4%**. However, Vietnam is forecasted to remain one of the fastest-growing economies in Southeast Asia.

SITUATION



Figure 1.1.1: Vietnam GDP Growth Rate 2011-2020

Source: GSO, VNC





Economic growth by sector

Vietnam's economy continues to witness positive transformation among economic sectors in its structure.

The industry, construction and service sectors are expanding to be the main contributors to the annual GDP growth. Specifically, the proportion of these sectors accounted for **79.23%** of total GDP, whilst the agriculture, forestry and fishery sector contributes **10.24%**.

In 2019, the industry and construction sector saw an increase of **8.90%**, of which the processing and manufacturing industry played a key role with a **11.29%** growth rate. By contrast, there was a slowdown in the growing pace of the agriculture, forestry and fishery sector, up **2.01%**. Of which, **the sector of fishery recorded an positive rise of 6.3%** which was contributed mainly by the farming and catching volume.

Due to effects of the climate change, the market competition and Covid-19 pandemic, the agriculture, forestry and fishery sector have been dwindling since Q1/2020. The sector of fishery dropped to **2.79%** growth, significantly lower than the rate of **5.42%** in the first quarter of 2019. Compatibly, industry, construction and service sectors also suffered the slowest growth in ten years.

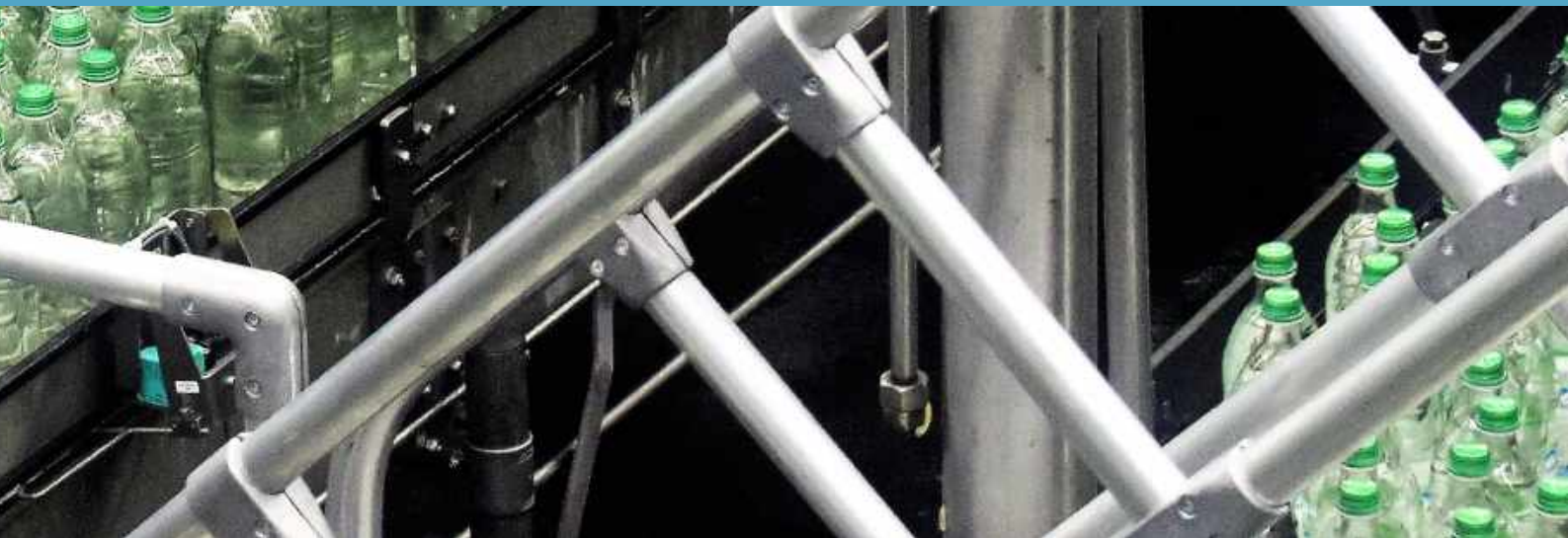


Table 1.1.1. GDP growth by sector Q1/2020 at current prices

Source: GSO, VNC

| | Value (VND billion) | Proportion (%) | Growth rate vs Q1/2019 (%) |
|-----------------------------------|---------------------|----------------|-------------------------------|
| Total | 1,188,207 | 100.00% | 103.82% |
| Agriculture, forestry and fishery | 120,084 | 10.11% | 100.08% |
| Industry and construction | 422,089 | 35.52% | 105.15% |
| Service | 519,313 | 43.71% | 103.27% |



1.2. TRADE AND PRICES

Total retail sales of consumer goods and services

Total retail sales of consumer goods and services was estimated to evolve steadily during 2015-2019 with a major contribution of more than 74% from retail sales. Goods are distributed through wide diverse networks and ensured to sufficiently supply to customers. However, the modern retail sector remains low market share and lacks of professional management system compared with other countries in the region.

Despite Covid-19 effects, Vietnam saw a slight rise of 4.7% in the total retail sales of consumer goods and services in Q1/2020. Retail sales of goods was estimated at **VND 985.8 trillion**, representing **79.1%** of the total. Goods were kept well-stocked to meet customers' demands, price fever was fairly controlled, except for the pork and other necessities prices soaring during the peak of the pandemic. Shopping online is gradually preferred by the customers. Hence, in 2020, apps for retail businesses and e-commerce are expected to be actively developed and improved to strengthen domestic market.

Consumer Price Index (CPI)

Due to the price hikes of several foods especially pork, average CPI went up by **5.56%** in Q1/2020 compared to the same period last year. However, the CPI was partly curbed by the plunge of crude oil prices and efforts to contain the pandemic of Vietnam's government. Besides, a number of measures are imposed to curb consumer price inflation, including the requirement to lower pork price. Despite government efforts, pork price has not been reduced as expectation.

Figure 1.2.2: GDP Growth, CPI and Inflation (Last year = 100)

Source: GSO, VNC

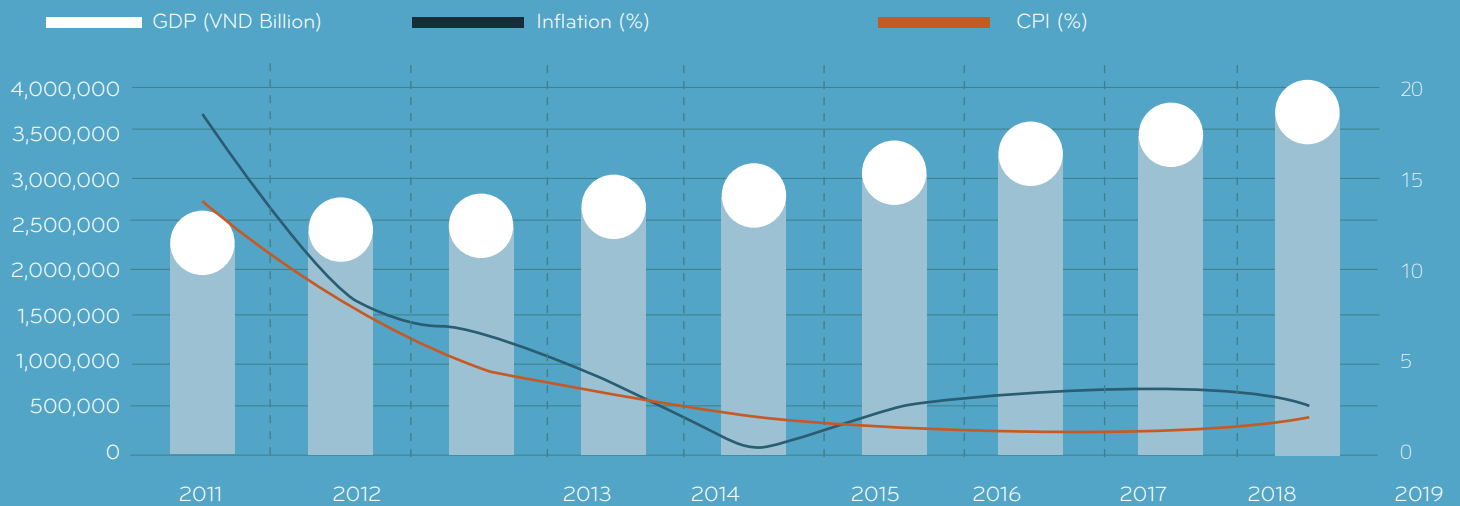
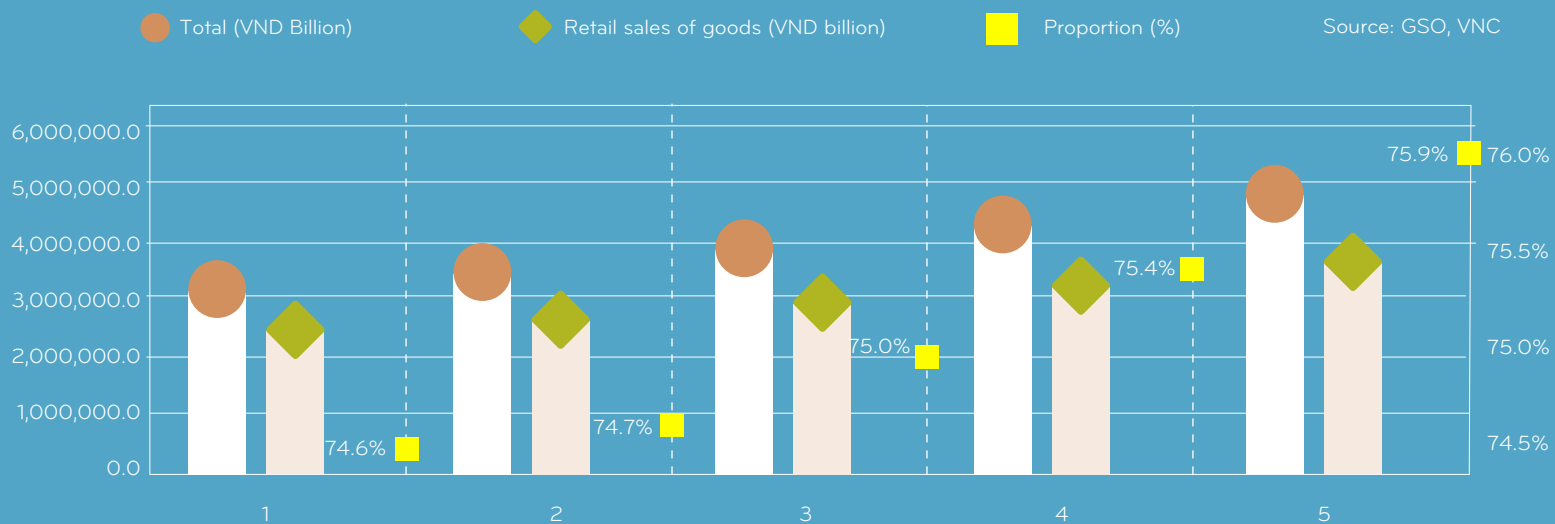


Figure 1.2.1: Total retail sales of consumer goods and services at current prices 2015-2019

Source: GSO, VNC



Inflation

During 2011-2015, annual inflation rate of Vietnam shrank by approximately 18%, declining from 18.58% in 2011 to 0.63% in 2015. Inflation rate is kept at within a favorable limits, the economy's development remained steady for the past ten years.

Vietnam's inflation rate in Q1/2020 rose by **3.05%** compared with the same quarter the previous year, partly due to the impact of coronavirus. However, according to Viet Nam Institute for Economic and Policy Research, the annual inflation rate is forecasted to be kept under 4%, provided that the increase in food prices is effectively controlled.

Gold Price and US Dollar Index

In global market, the gold price sees an upward trend due to the increasing demand for safe-haven assets amid the Covid-19 pandemic. Domestic gold price fluctuates unpredictably. In April 2020, the gold price index in Vietnam rose by **0.69%** from the previous month, increasing by 12.14% over December 2019 and by 26.81% compared to the same period last year. The US dollar price index in April 2020 witnessed a 0.95% increase against last month, a rise of 1.47% compared to December 2019 and a growth of 1.15% over the same period last year.

Producer Price Index (PPI)

The producer price index of service sector witnessed an downward trend in the last three quarters while the agriculture, forestry and fishery PPI tended to reduce. The producer price of this sector surged by **4.45%** in Q1/2020, mainly in the agricultural and fisheries commodities. In the first quarter of 2020, PPI soared to hit the 3-year high compared to last quarter and to the same period in 2019.

Commodity Terms of Trade

After a period of depreciation 2018-2019, the commodity terms of trade started to recover with a y-o-y growth rate of 2.41% in 2019.

However, in the first quarter of 2020, the commodity terms of trade contracted for the first time in 3 years as the relatively decrease in the export prices of fuel to the import prices of foods, agricultural goods and fuel. Specifically, **Vietnam's Q1/2020 terms of trade fell by 0.12% q-o-q and by 0.61% against the same period last year.**



Figure 1.2.4: Commodity terms of trade growth rate 2015-2019 (%)

Source: GSO, VNC

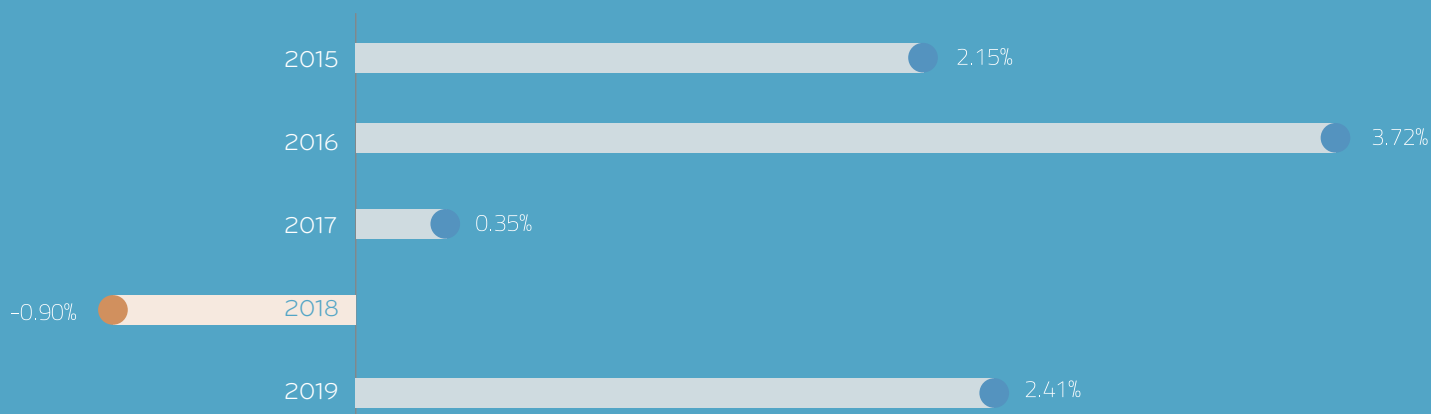
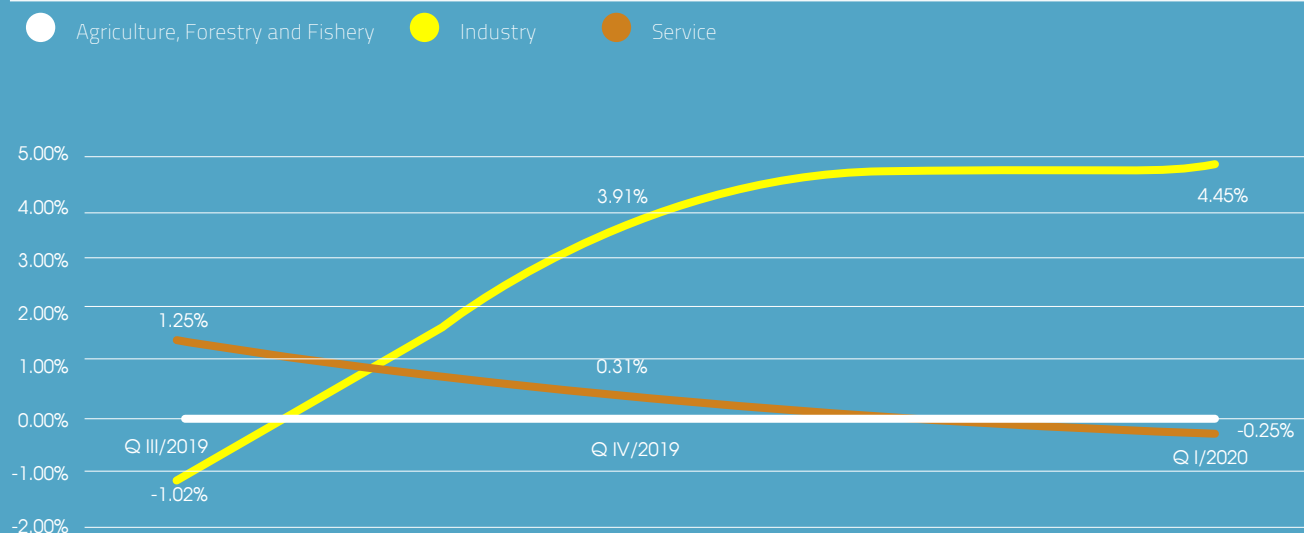


Figure 1.2.3: Producer price index by sector compared to previous quarter

Source: GSO, VNC



1.3. REALIZED CAPITAL, STATE BUDGET REVENUE AND EXPENDITURE

Realized social investment capital

Total realized social investment capital in the first quarter of 2016-2020 declined gradually. Of which, non-state sector went up rapidly whilst state sector saw a downward trend.

The realized capital in the first quarter of 2020 rose slightly by **2.2%** compared to the same period last year, *the slowest rate in 5 years as a result* of Covid-19.

Non-state economic sector in Q1/2020 reached **166.5 trillion VND**, accounting for the highest proportion with **45.3%** of the total. Social investment capital of the state sector was estimated at **VND 112.1 trillion**, representing **30.5%** of the total. The structure reflected the obvious trend of enlarging non-state sector in total realized capital.

In the first quarter of 2020, social investment capital from state sector completed **13,2%** yearly target. This was resulted from the increasing implementation of disbursement of public investment.

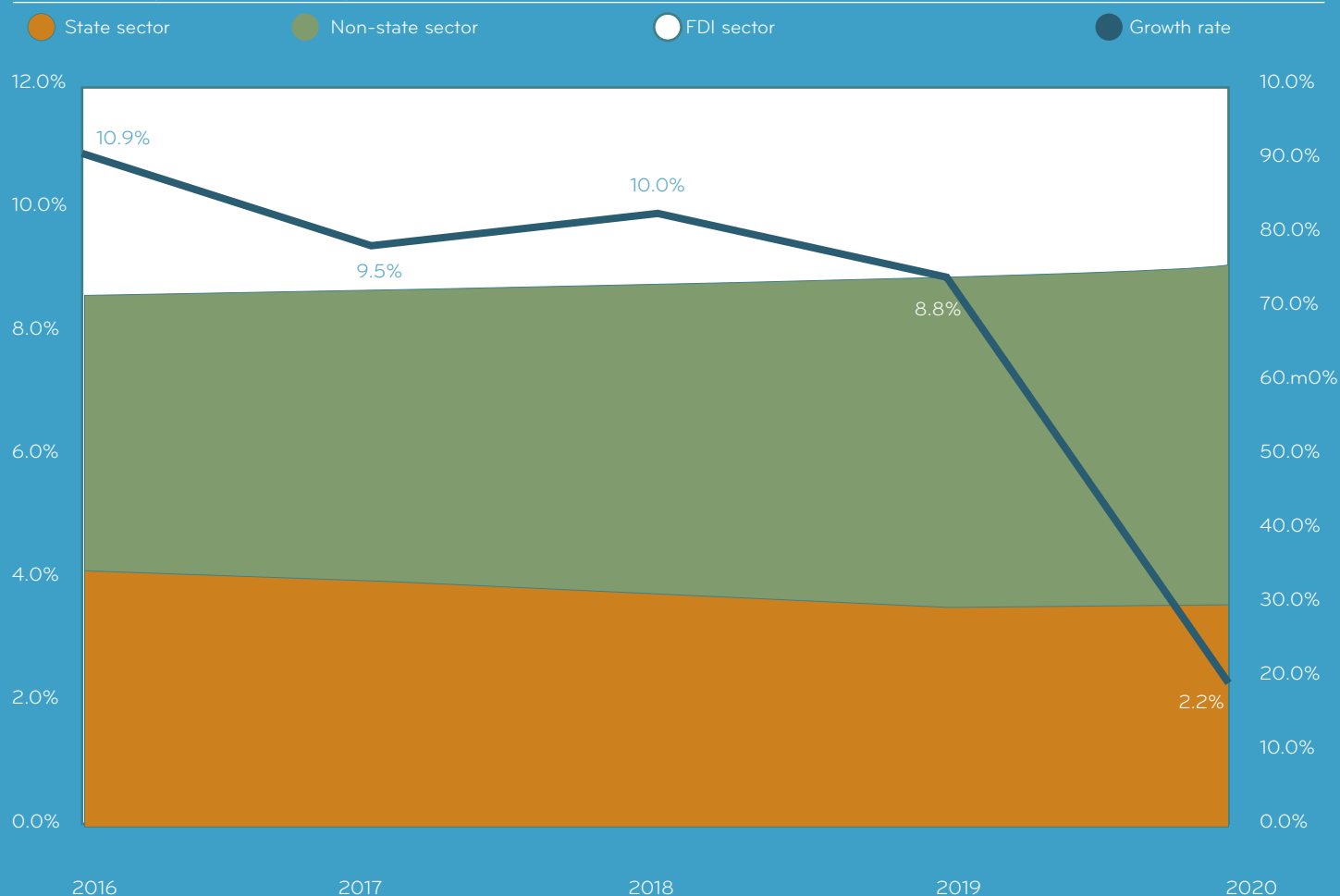
State budget revenue and expenditure

The effects of Covid-19 on production, business and import-export activities are putting strong pressure on revenue and expenditure of State budget in the first half of 2020, especially after the first quarter. The total revenue of State budget in Q1/2020 was evaluated at **391 trillion VND**, accomplishing 25.9% of annual estimation and going up by 1.8% over the same period in 2019. The structure of state budget revenue has shifted, gradually rising the proportion of domestic revenue and reducing revenue balance from imports - exports and crude oil. The revenues from the domestic manufacturing and trading sector has grown over the years, accounting for an increasing high proportion in the total state budget revenue.

As of 15 March 2020, total state budget expenditure reached **278.1 trillion dong**, representing 15.9% of the annual estimation, up by 8.7% compared to the same period last year. This was resulted partly from the expansion of spending on community health activities, environmental sanitation and other support activities to contain the coronavirus.

Figure 1.3.1: Growth rate and structure of social investment capital in the first quarter of 2016-2020 period at current prices

Source: GSO, VNC



1.4. IMPORT – EXPORT ACTIVITIES

Import - Export Turnover

Total import and export turnover of goods in 2019 was estimated at **516.96 billion USD**, of which export sector reached **263.45 billion USD**, growing by 8.1% over the previous year. Although the export prices have the tendency to decrease, the volume exported from Vietnam market remains positive growth, contributing to limit the impact of price reduction. However, the volume of export outputs can not compensate for falling prices in several industries. The turnover of agriculture, forestry and fisheries sector in 2019 went down by **4.2%** with most of the items experienced negative growth.

In the first quarter of 2020, import - export activities showed robust growth amid the Covid-19 pandemic since the companies boosted exporting goods before the border closures. Starting from April 2020, the pandemic has had serious impacts on Vietnam's major trade partners such as Japan, the EU and the US, which leads to an expected slow-down in trade activities in Q2/2020.

For the first quarter of 2020, export turnover is estimated at **US \$59.08 billion**, expanding by 0.5% compared to Q1/2019. The estimated import turnover of the quarter was at **US \$ 56.26 billion**, down 1.9% over the same period last year.

By April 2020, export turnover plummeted by **18.4%** compared to last month and contracted by **3.5%** compared to the same period in 2019.

Balance of trade in goods

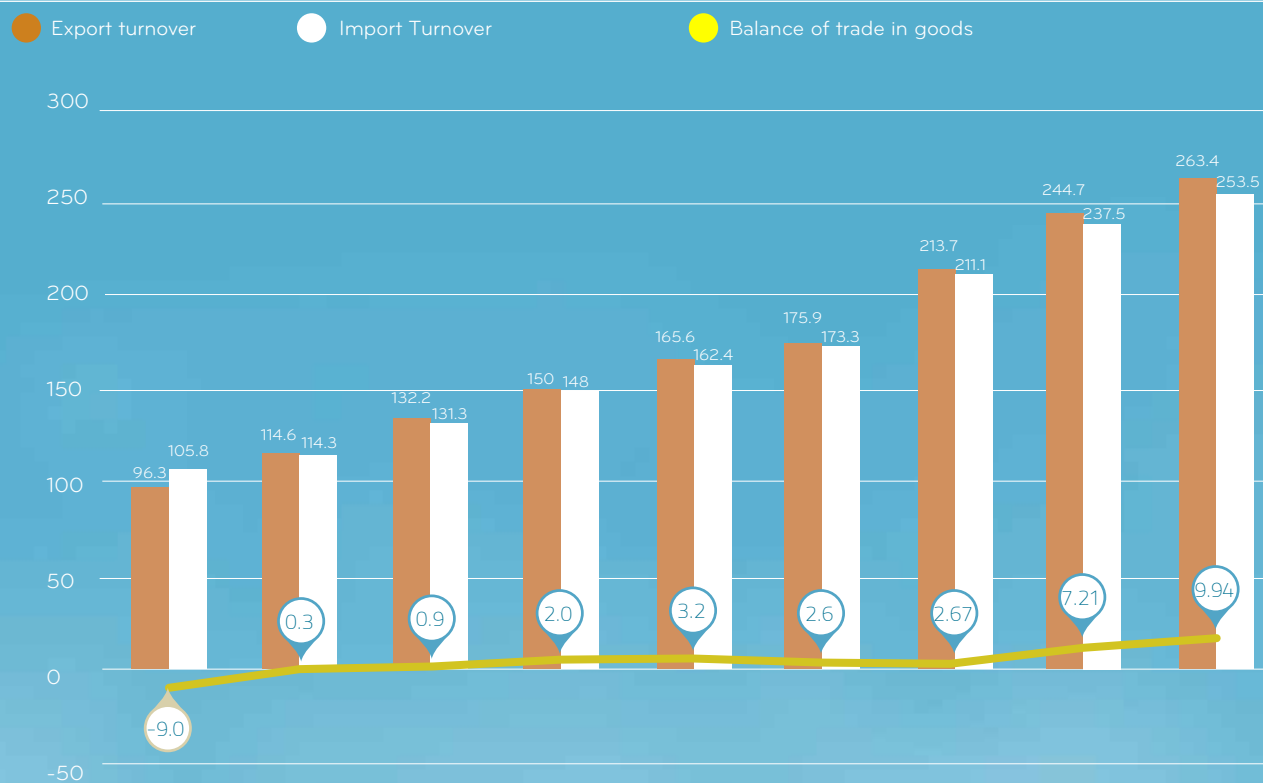
Vietnam's trade balance of goods in 2019 recorded an estimated surplus at **US \$9.9 billion**, the highest level in 4 consecutive years.

In Q1/2020, Vietnam continue to post a trade surplus of **US \$3.7 billion**, going up **86.7%** against the same period last year due to the export growth in the quarter.

In April, Vietnam's trade deficit was evaluated at **US \$700 million** due to the negative effects of Covid-19 on trade activities.

Figure 1.4.1: Import-export turnover and trade balance of goods
2011-2019 (US \$ billion)

Source: GSO, VNC



1.5. ESTABLISHMENT AND DISSOLUTION OF ENTERPRISES

By the end of 2019, there were 758,610 active businesses nationwide, a rise of 6.1% compared to the same period in 2018. Vietnam saw 138,100 newly established enterprises, increasing by 5.2% year-on-year. The total charter capital was estimated at 1,730.2 VND trillion, up by 17.1% and the number of registered labor was recorded at 1,254,400, a growth of 13.3% against last year.

The establishment of new enterprises in the first quarter of 2020 faced difficulties due to direct impacts of Covid-19.

The numbers show that Q1/2020 saw **29,700 new established enterprises**, up **4.4%** compared to 2019, a lowest growth in the first quarter in 5 years. The value of charter capital was estimated at **351.4 VND trillion**, falling by 6.4% over the same period last year. Total number of registered employees by **new businesses was 243,700**, witnessing a plummet of 23.3%.

The average registered capital of a new established enterprise in the first quarter of 2020 reached **11.8 VND billion**, dropping by 10.4% against the same period last year. Vietnam had **9,100 enterprises changing** their capital to increase a total value of **552.4 VND trillion**, contributing to rise the additional capital to the economy by a value of **903.8 VND trillion**, a fall of 17.7% over the same period in 2019.

Besides, there were **14.8 thousand enterprises returned to operation**, down 1.6% compared to the first quarter of 2019, bringing the total number of **newly established and back-to-operation businesses to 44,500**. On average, Vietnam had **14,800 enterprises newly established and resumed operation** each month.

Figure 1.5.1: Enterprise Establishment in Q1/2020 (compared to Q1/2019)

Source: GSO, VNC



Charter Capital

↓6.40%

351,400 VND Billion



Average charter capital per newly established enterprise

↓10.4%

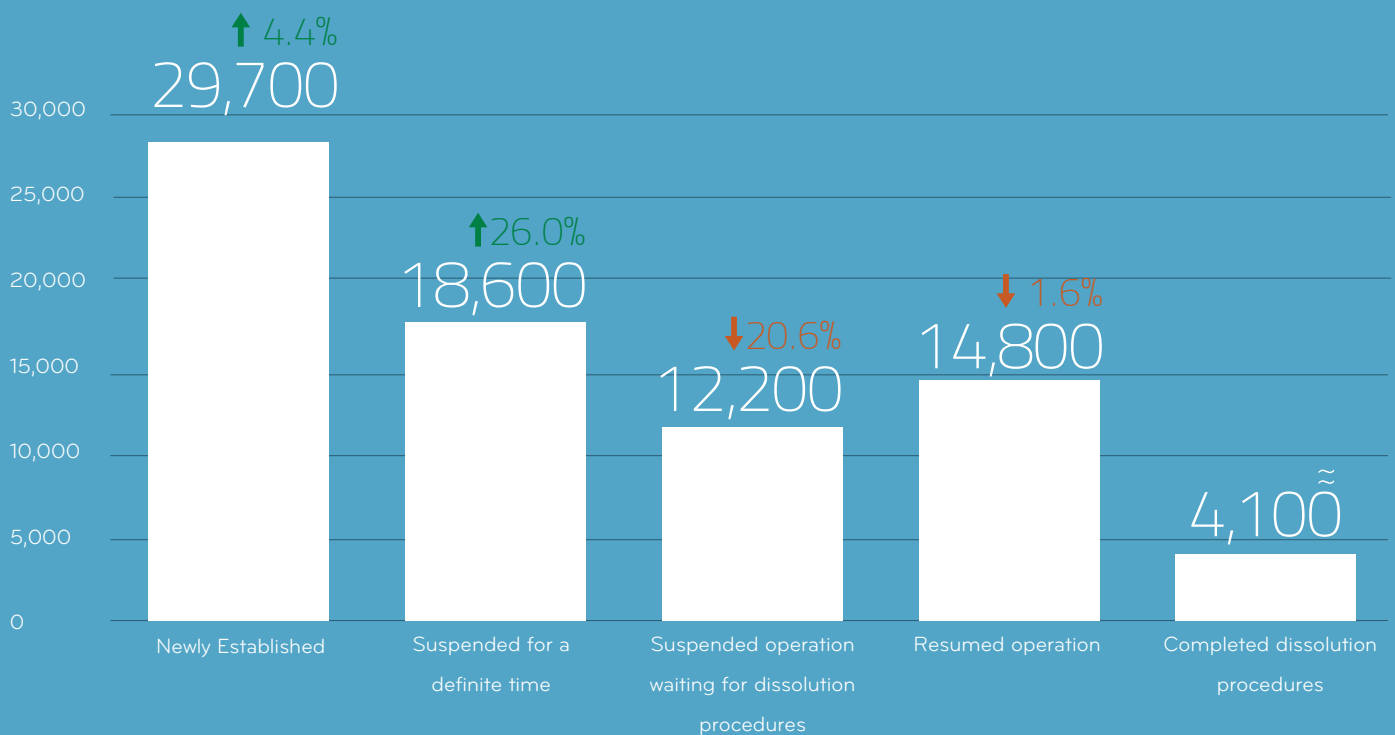
11,8 VND Billion



Registered Employees

↓23.3%

243,700 Person









VIETNAM FISHERY INDUSTRY DEVELOPMENT

2.1. VIETNAM FISHERY INDUSTRY OVERVIEW

Vietnam Fishery Industry Highlights

Over the past ten years, Vietnam's fisheries sector has gradually become a key commodity-producing economy industry, contributing to ensuring food security and international economic integration. Besides, fishery industry to support asserting sovereignty, preserving national security and defense on Vietnam's sea and islands. Despite the fast and stable development, the fishery industry has to face several inevitable difficulties and challenges. Here are some highlights of the industry's recent performance.



-  The value chain of fisheries sector is still lack of sustainable linkages. However, large enterprises in the industry are putting effort to strengthen linkages through the value chain, in order to ensure raw -material source and aquatic product outputs.
-  The seafood consumption market is increasingly expanding, supporting Vietnam to gain important foothold of major markets such as the US, Japan, the EU and China. The export value of key trade partners accounted for approximately 60% of the total.
-  Due to unpredictable effects of the Sino-American trade war, there were increasing strict requirements on aquatic raw-material origin and fisheries products, contributing to rise the market competition. In 2019, Vietnam's fishery industry experienced difficulties in seafood exports, especially in top two products of shrimp and pangasius fish.
-  After receiving yellow card from the EC, Vietnam has implemented several long-term strong measures to ensure fisheries certificate of origin, control fishing vessels in and out of the port as well as enforce laws against illegal fishing activities. However, the reality shows that the implementation has not been closely and seriously.
-  The requirements for the system of monitoring and positioning fishing vessels has not been met, impacting the export of aquatic products of Vietnam.
-  In 2019, after 3 years of negotiations, Vietnam's Pangasius Food Safety Control System had officially recognized, proving that Vietnam had developed a system that can meet the US regulations.
-  These has been favorable conditions for pangasius export growth since the last months of 2019.
-  In 2020, the system of legal documents related to the fisheries sectors, especially the Fisheries Law, will be completed and implemented uniformly.
-  Since the outbreak of Covid-19 pandemic, many orders were congested, canceled or suspended, leading to an increase in inventories and other costs incurred by businesses, contributing to the falling seafood exports of the industry.



SERVICES AND FISHERIES PHARMACEUTICALS

VSIC 75000 Veterinary activities
VSIC 21001 Manufacture of drugs
VSIC 21002 Manufacture of medical chemical and pharmaceutical products



BREEDING OF FISHERIES

VSIC 03214 Breeding of marine fisheries
VSIC 03224 Breeding of inland fisheries



AQUATIC ANIMAL FEEDS

VSIC 10800 Manufacture of feeds for cattle, poultry and aquatic animals
VSIC 46204 Wholesale of feed and related ingredients for cattle, poultry and aquatic animals

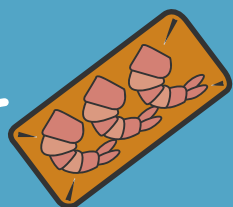


FISHING AND AQUACULTURE

VSIC 03110. Marine Fishing
VSIC 03120. Inland Fishing
Marine aquaculture
VSIC 03211. Fish farming
VSIC 03212. Shrimp farming
VSIC 03213. Farming of other fisheries
Inland aquaculture
VSIC 03221. Fish farming
VSIC 03222. Shrimp farming
VSIC 03223. Farming of other fisheries

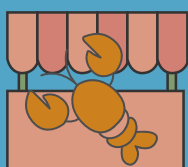
Fisheries sector sees a shortage of sustainable linkages in the value-chain

- The current operating model shows a deep reliance on barns for purchasing and supplying seafood.
- The volume of raw materials supplied by farmers directly to processing enterprises accounts for a minor proportion of 10%.
- Due to the dependence on the middlemen, fishing vessels and farmers are more vulnerable to price pressures. Besides, companies also suffer from the increasing prices of raw-material inputs, affecting the processing and manufacturing of fisheries and aquatic products.
- The purchasing activities through the middlemen causes many difficulties for companies to trace the material origins, control food hygiene and safety as well as the quality of inputs.
- However, direct trading activities among shipping vessel, fisheries farms and seafood companies are facing a number of challenges as the limitation in working with contracts of fishermen and farmers.



PROCESSING AND PRESERVING OF AND FISHERY PRODUCTS

- VSIC 10201. Processing and preserving of frozen fisheries
- VSIC 10202. Processing and preserving of dried fisheries
- VSIC 10203. Processing and preserving of fish sauce
- VSIC 10209. Processing and preserving of other fishery products
- VSIC 10752. Manufacture of prepared meals and dishes from fisheries



TRADING FISHERY PRODUCTS

- VSIC 46322. Wholesale of fishery products
- VSIC 47222. Retail sale of fish, other seafood and products thereof in specialized stores
- VSIC 47816. Retail sale of fresh and frozen fishery products via stalls or markets

A number of new collaborative models have been created to overcome existing limitation in fisheries sector's value chain

Vertical linkages:

Processing enterprises play a key chain to work closely with fishermen and farmers, veterinary services and pharmaceuticals providers, aquatic animal feeds and breeding, based on a consensus on a specific independent international standards to ensure the origin and other stringent requirements of the market.

Horizontal linkages:

Develop the relationships among vessel owners operating in the same area or the same fishing field with each other and with middlemen or processing enterprises in order to support each other and improve economic efficiency.

Accomplish the model of linking farms that produce same fisheries categories and improve the uniform management from breeding stages, veterinary services, water sources to environmental protection in order to supply for processing enterprises.

Developing and completing a closed-loop value chain, proactively ensure the input materials source in large enterprises of the industry.

Big seafood corporations have the intention to develop and accomplish a closed-loop value chain, focusing on growing their own farming areas to ensure input materials. It was estimated that there are 65% of pangasius farming area in Mekong River Delta region comes from the investment of enterprises.

2.2. ENTERPRISES AND LABOR IN VIETNAM'S FISHERY INDUSTRY

Seafood processing is a key economic sector, creating jobs for a large number of labors in the industry.

Stats from Vietnam Credit Ratings (VietnamCredit) show that there are currently more than **12.7 thousand enterprises operating** in the fields related to fisheries industry. Of which, most of the businesses are manufacturers of aquatic animal feeds and aquaculture enterprises with nearly **6,000 enterprises**.

Seafood processing and export sector has just over 1.3 active enterprises, attracting the highest number of labor with nearly **180 thousand people**. Although fishing and aquaculture are important sectors in fisheries industry, there is a small number of enterprises and employees working in the fields as labors mostly work for independent vessels or fishing farms rather than for companies.

Shrimp and fish are the two prime commodities contributing majorly to the aquaculture sector.

- In the inland aquaculture industry, the number of farmed shrimp producers accounts for more than **50%** of the total while farmed fish sector acquires nearly **40%** of the whole industry's enterprises.
- Regarding the marine aquaculture industry, the majority of businesses operating in the field are specialized in fish farming with more than **120 enterprises**.



Figure 2.2.1: Number of enterprises and labors in fisheries industry

Source: GSO, VNC

by sector in value-chain

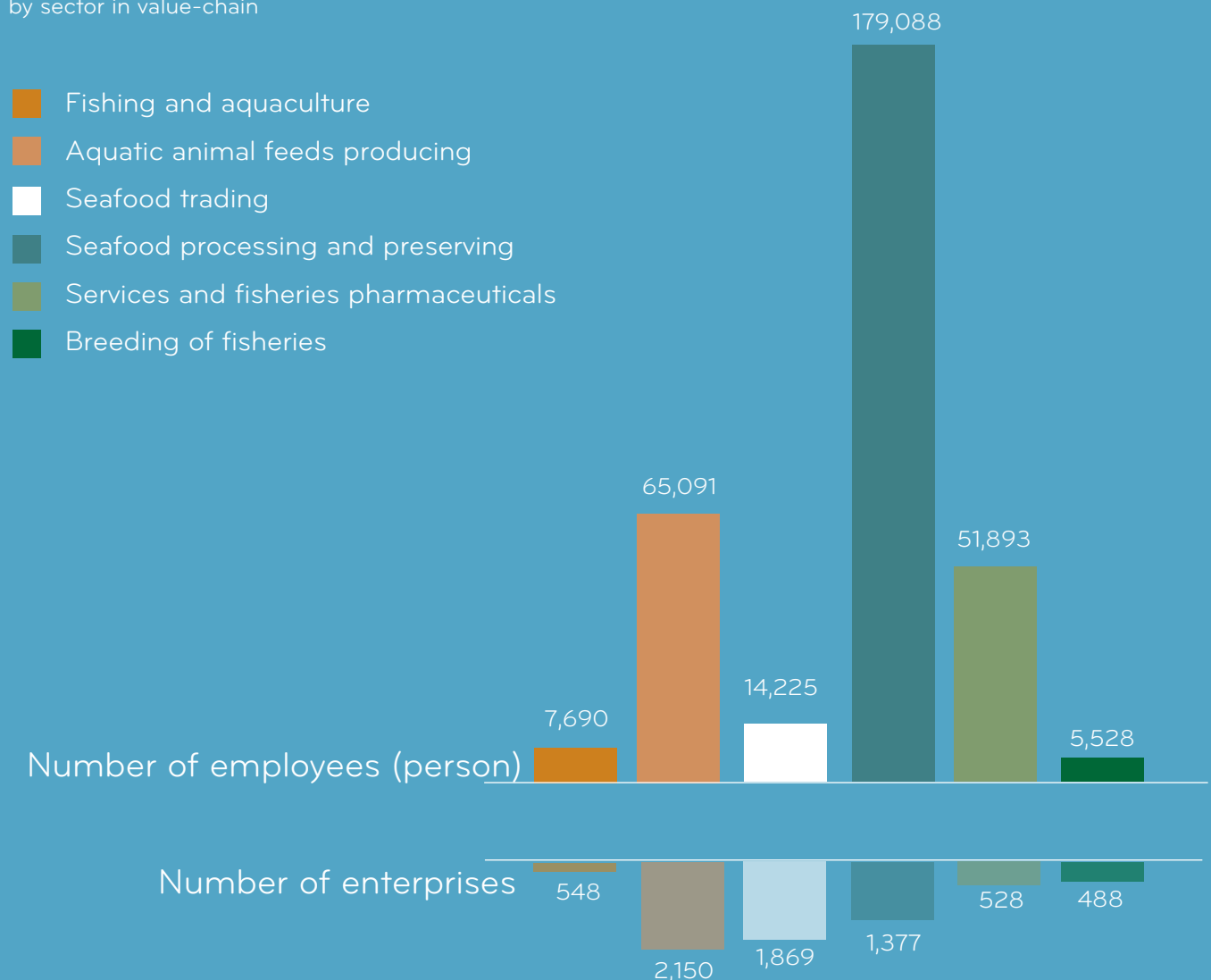
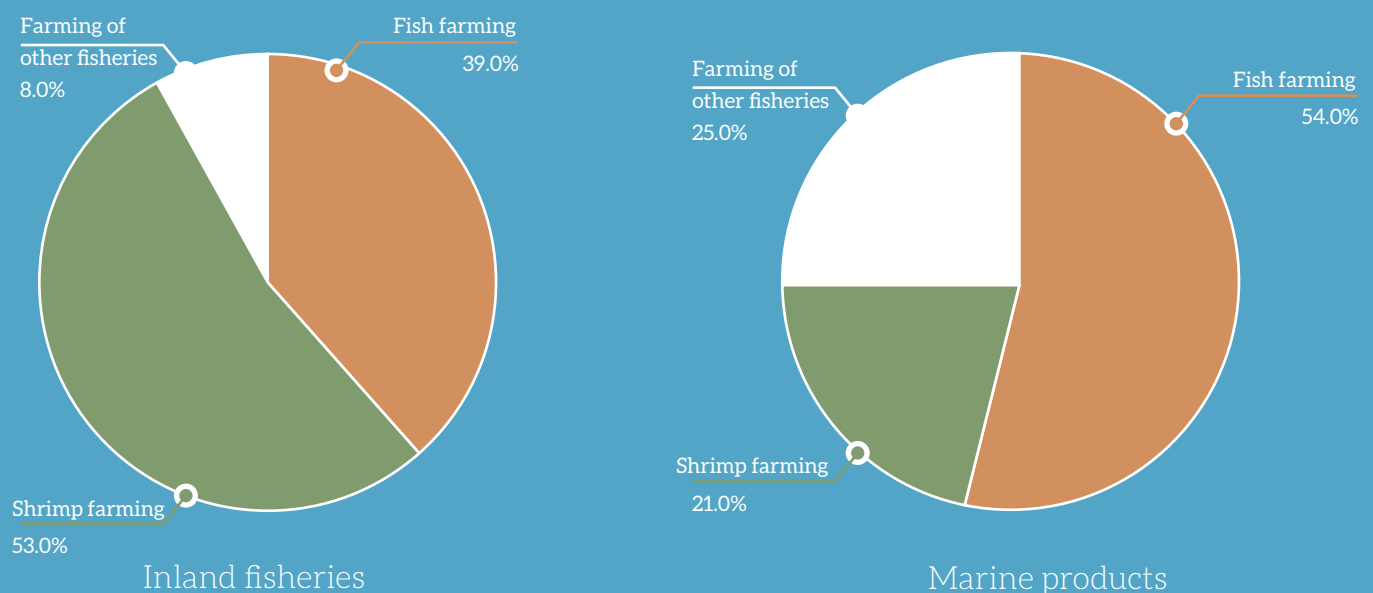


Figure 2.2.2: Aquaculture enterprise structure

Source: GSO, VNC



There is a minor number of enterprises participating in the fishing and aquaculture sectors.

The structure of fishing and aquaculture industry has profound differences. The number of enterprises operating in the fishing industry accounts for **14%** of the total, with labors numbers 1.3 thousand, making up **17%** of the workforce.

Labors working directly in fishing and aquaculture industry are currently operating individually and separately without the management of enterprises.



The scarcity of technical labor in aquaculture sector are affecting the development of fishery industry.

Enterprises in aquaculture industry are facing the problem of technical labor shortage, especially in the sector of fisheries breeding.

Labor scarcity, especially in a key industry in supplying raw materials, hinders the development of the whole fishery industry.

Figure 2.2.3: Enterprises and labor in fishing and aquaculture

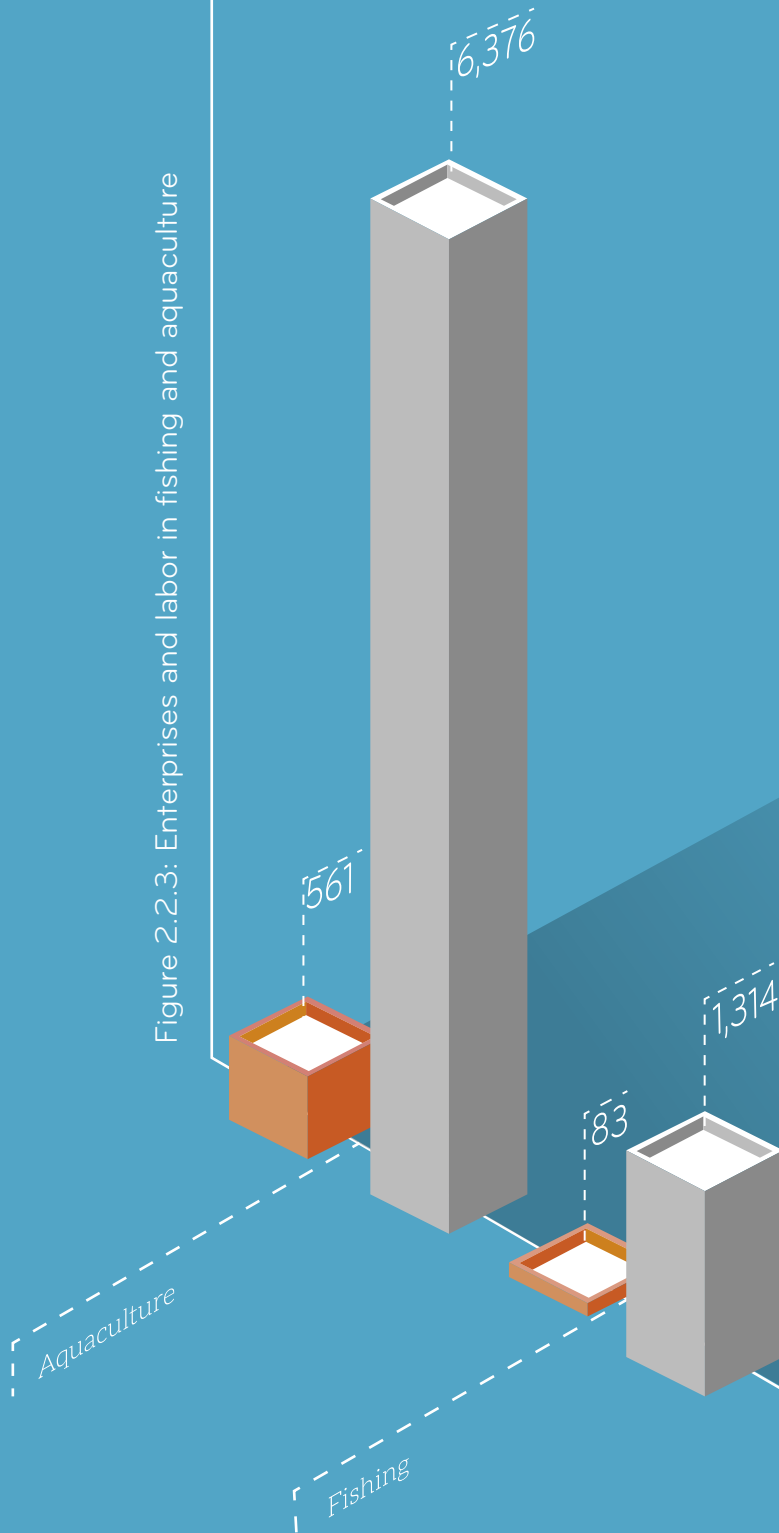
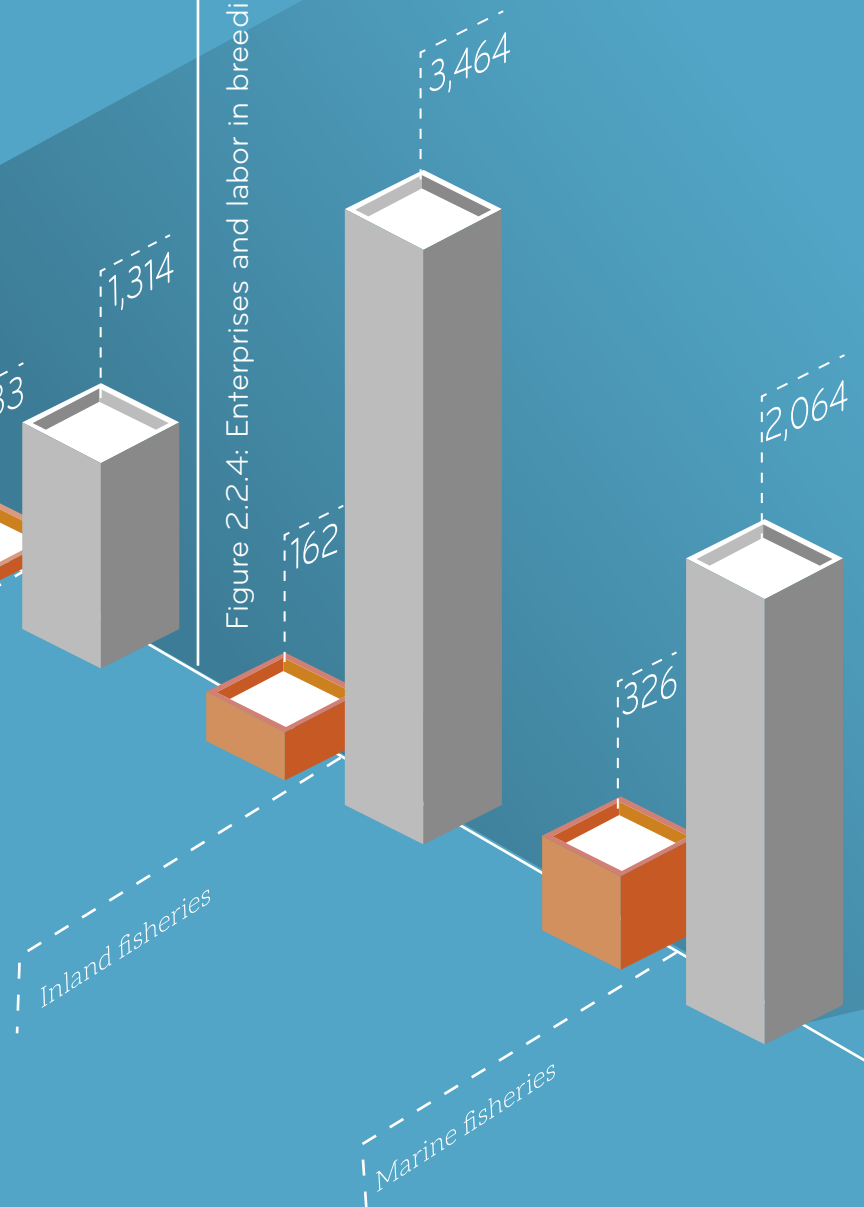


Figure 2.2.4: Enterprises and labor in breeding of fisheries



Number of
Enterprises



Number of
Employees (Person)

2.3. KEY RATIOS OF VIETNAM FISHERY INDUSTRY

The activities of domestic fisheries production and processing have witnessed positive changes.

Fishery production sector has grown steadily over the years since 2011. Regarding two main commodities, shrimp yield has strongly fluctuated year to year and showed an increasing trend recently.

The fishery harvested quantity from fishing activities has experienced a declining growth since 2016, going down to a **4.54%** increase in 2019 due to the dwindling natural fishery resources as well as the limitations in methods and techniques of fishing.

In terms of consumption, there are increasing domestic needs for diverse fish and fisheries products of different types of quality. Domestic consumption market is shifting from volume-based to value-based, with a value growth of over **10% per year**. However, products processed for domestic consumption remains several shortcomings related to food hygiene and safety in production systems compared to those manufactured for export purpose.

Seafood export processing enterprises have recently arranged additional manufacturing activities for domestic consumption, creating a shift in the industry in order to meet the rising needs of the local market.

The Mekong River Delta is the biggest fisheries producer in the industry

Due to its exceptional geographical position as an intersection of saltwater, brackish and fresh water areas, the Mekong River Delta has favorable conditions to develop the aquaculture industry. This region concentrates most of the leading provinces in terms of culture area and production volume of aquatic products such as Dong Thap, An Giang, Can Tho, Vinh Long and Ben Tre.

The special advantage of the Mekong River Delta, South Central and South Central Coast region is brackish water aquaculture. In which, the Mekong River Delta has provided the largest volume of shrimp production, with more than 80% of the total for Vietnam's fisheries industry.

Figure 2.3.1: Fisheries volume and growth rate by sector 2011-2019

Source: GSO, VNC

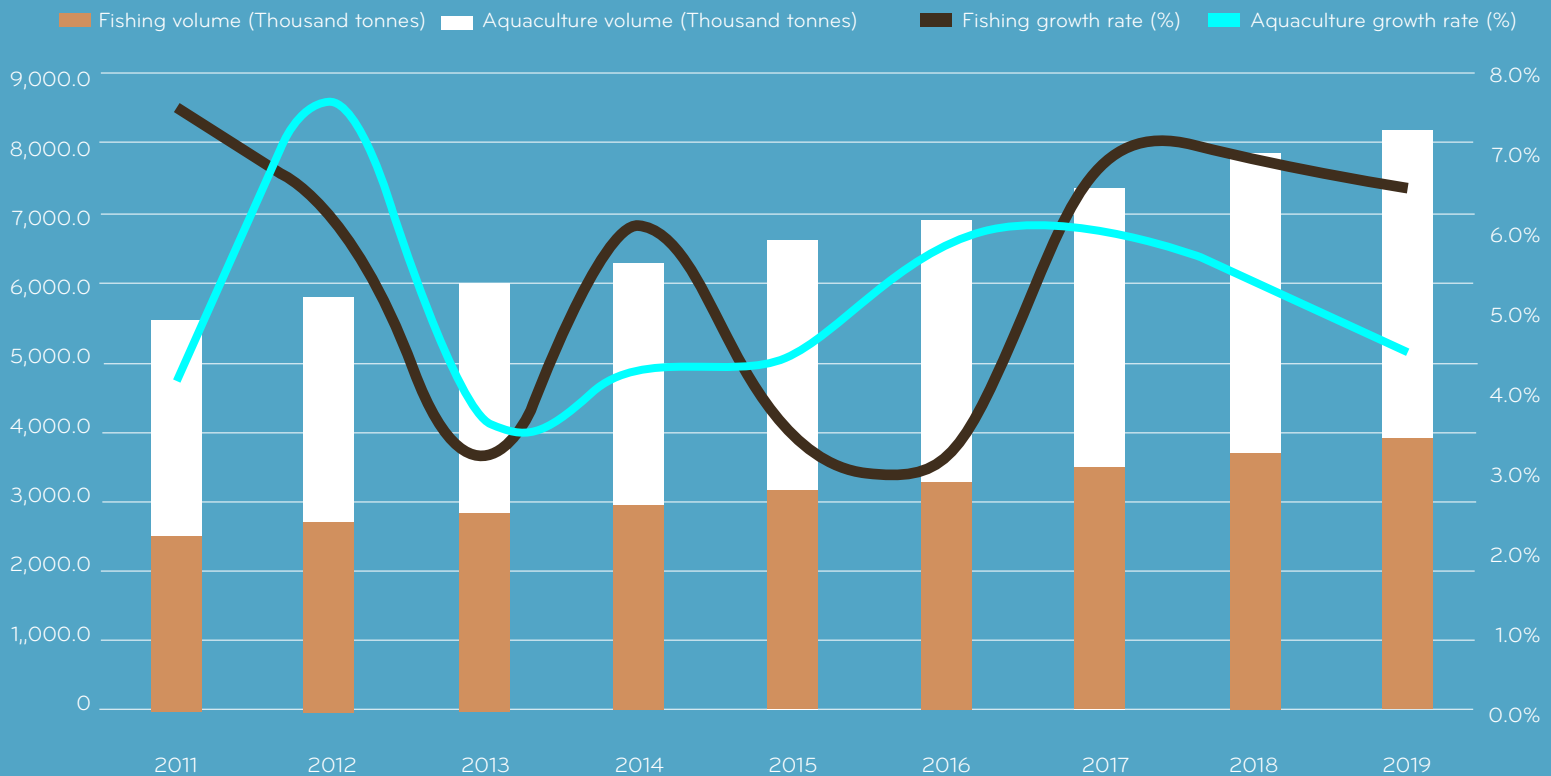


Figure 2.3.3: Key provinces for fisheries production

Source: GSO, VNC

in Vietnam

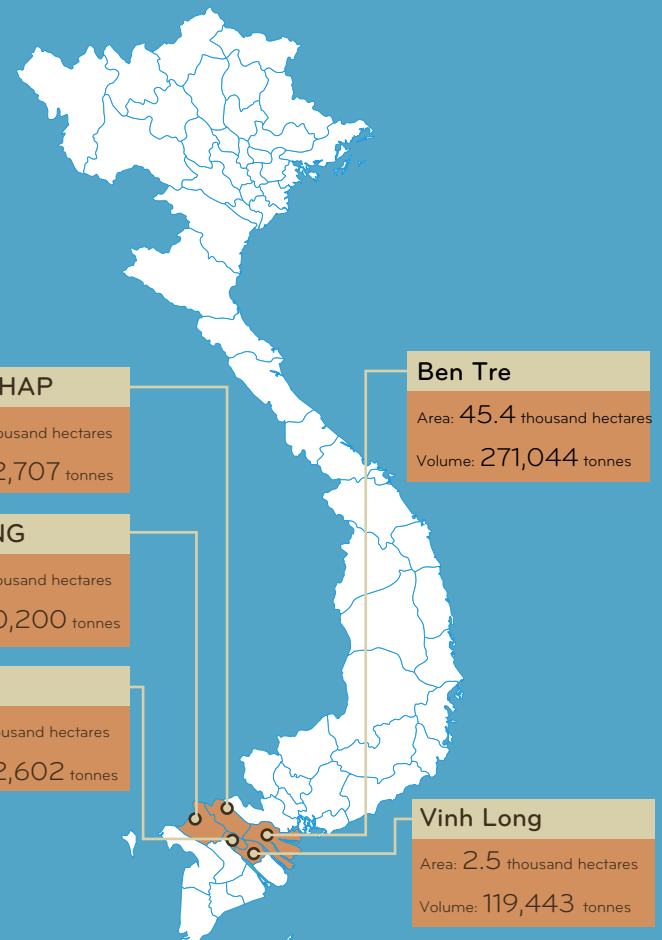
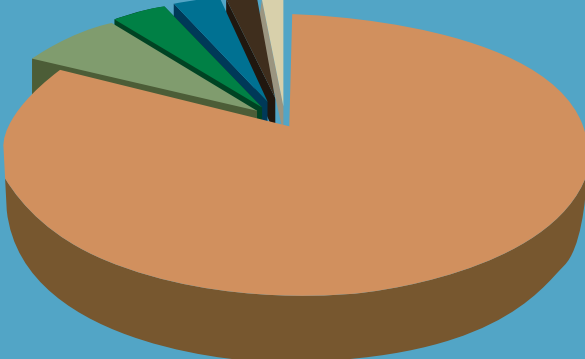
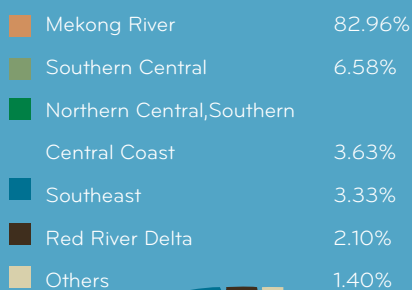


Figure 2.3.2: Farmed shrimp by region

Source: GSO, VNC





Vietnam's seafood export value in Q1/2020 plummeted, especially in major markets adversely affected by Covid-19.

The value of fish and fisheries products export in the first three months of 2020 reached US \$1.61 billion, shrinking by 9,7% compared to the same period last year.

The value of seafood exports to Japan and the United States increased slightly, while other two main markets - China and the EU experienced a sharp decline compared to 2019. Specifically, fisheries exports to Chinese market went down significantly, with a **27%** decrease over the same period in last year.

Figure 2.3.4: Vietnam's seafood export value Q1/2019 - Q1/2020
(USD million)

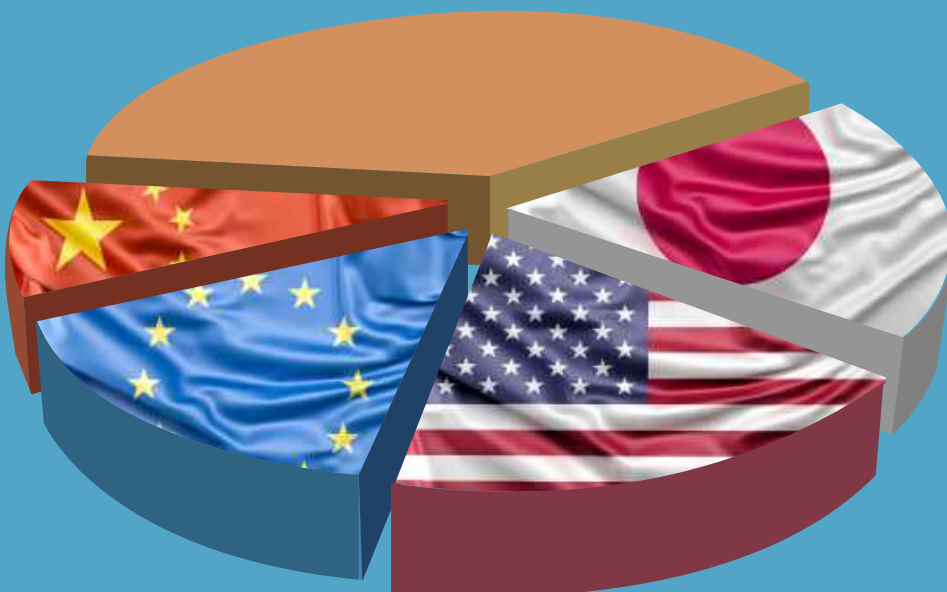
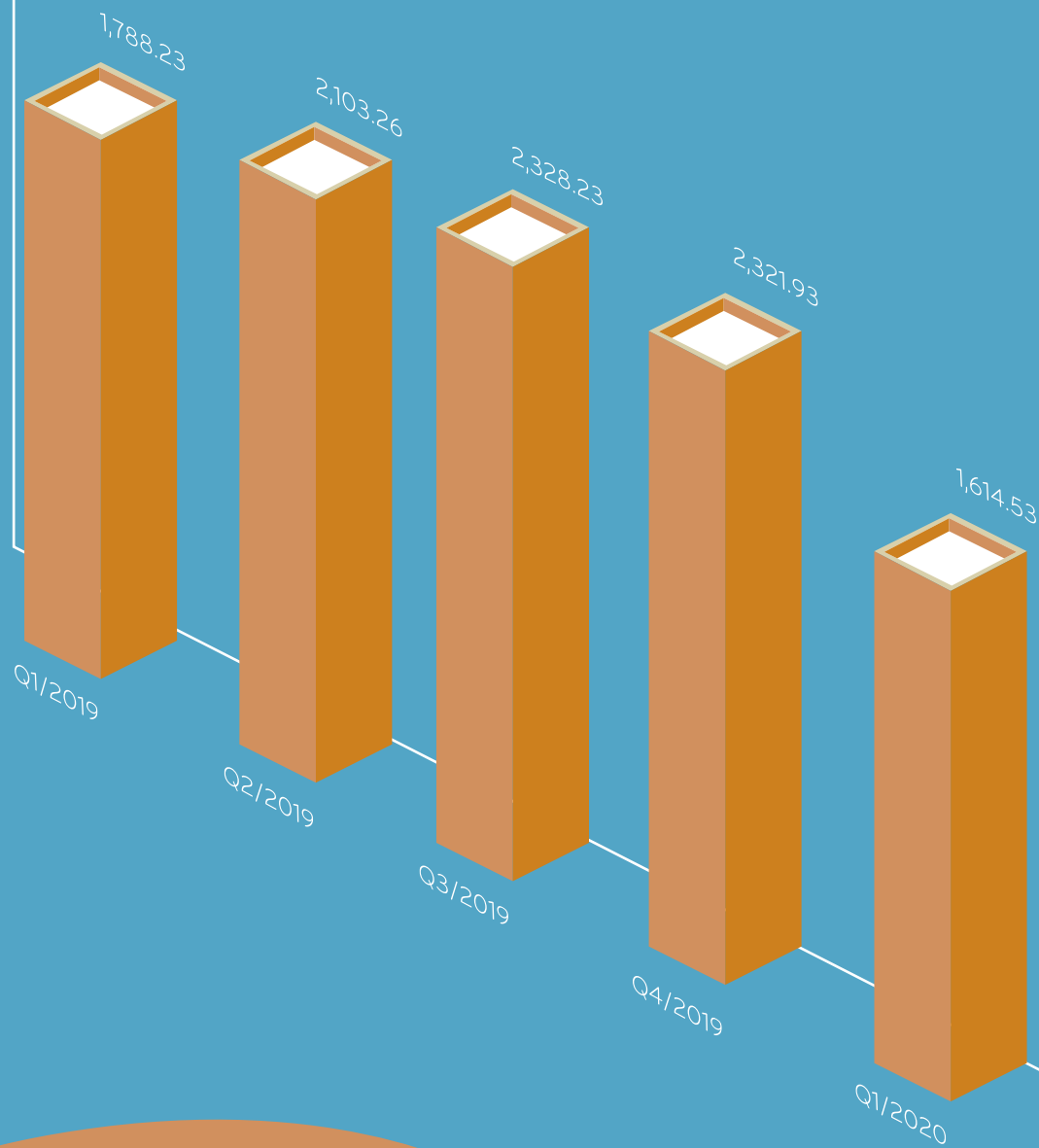


Figure 2.3.5: Seafood export value of
Vietnam's key markets Q1/2020

Source: GSO, VNC

| | |
|-------|-----------------|
| Japan | 313 Million USD |
| USA | 286 Million USD |
| EU | 242 Million USD |
| China | 140 Million USD |
| Other | 629 Million USD |

Despite the diversity in fish and fisheries export products, Vietnam's export value of seafood remains low.

Shrimp, pangasius fish, frozen fish, and tuna fish were some of the key export commodities of Vietnam in 2019. Most of the products saw an comparative higher growth rate in volume over value, exhibiting export prices are not favorable to Vietnam.

Import turnover in Q1 / 2020 decreased slightly, India is the main supply market.

Seafood import turnover in the first 3 months of 2020 decreased slightly, reaching 408.84 million USD, down 0.9% over the same period in 2019. India took the lead in exporting fisheries products to Vietnam's market, with total turnover rose 38% compared to Q1/2019, amounting more than 39 million USD.

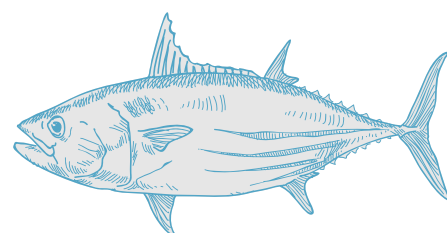
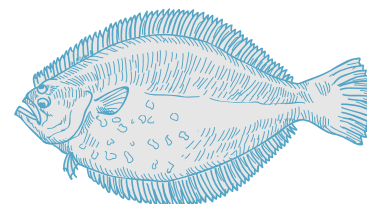
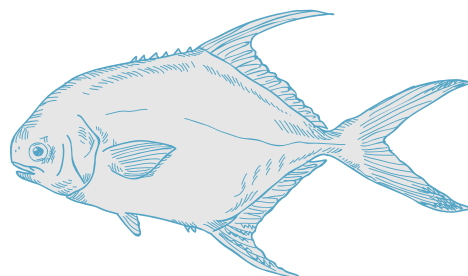
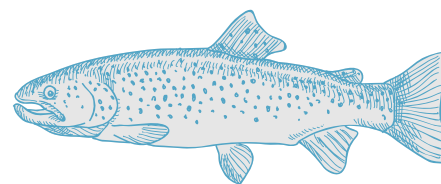
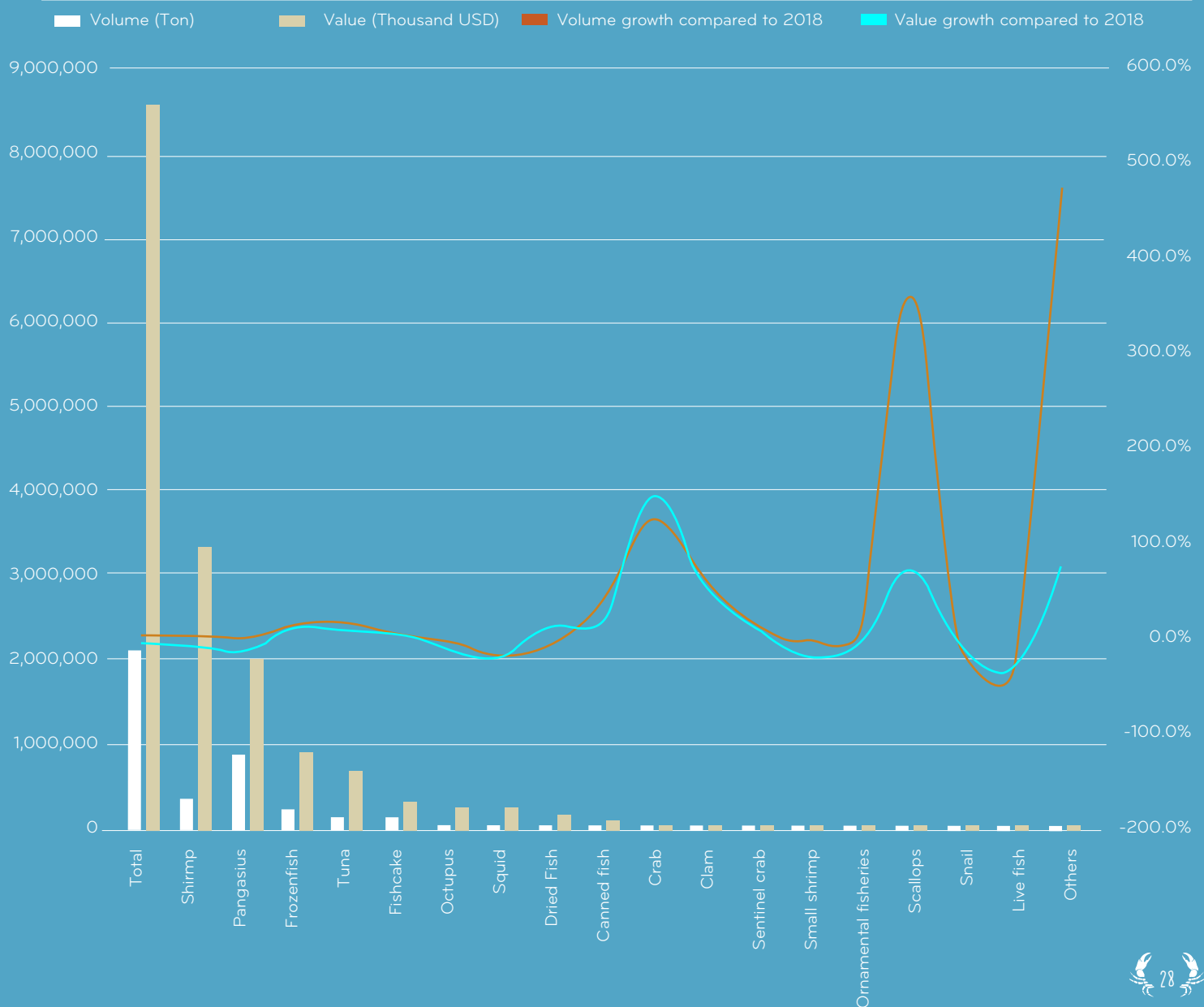


Figure 2.3.6: Seafood import turnover Q1/2020 by market



Figure 2.3.7: Volume and value of export seafood products in 2019





2.4. FISHERY INDUSTRY AVERAGE FINANCIAL RATIOS 2019

The industry average financial ratio are the indices calculated by VietnamCredit since 2009 with the goal of developing a standard to evaluate and compare the performance of enterprises in the same industry.

Regarding average financial indicators in this report, the data is aggregated from financial statements of 161 businesses operating in the sub-sectors of the fisheries value chain. Specifically, total value of each index of 161 enterprises is determined and used to calculate the industry average ratios. Although VietnamCredit has investigated and ranked businesses in the most accurate possible way, the estimated industry average financial ratios remains inevitable limitations. Some noticeable ones are the difference between registered industry and the actual business of enterprises and the revenue of each operating segment is not reflected in the financial statements.

The calculation methodology for industry average financial ratios will be gradually improved when the registration for main line of business is implemented thoroughly and the data on the main business activities of the enterprise is fully and transparently updated transparently.

| Financial Ratios | Average Industry Financial Ratios 2019 |
|------------------------------|---|
| Current Liquidity Ratio | 1.31 |
| Quick Liquidity Ratio | 0.76 |
| Inventory Circle | 5.44 |
| Days Sales Outstanding (DSO) | 43.78 |
| Utilizing Asset Performance | 1.61 |
| Inventory/ Monthly Sale | 186.84 |
| Shareholder Equity Ratio | 44.30 |
| Total Loan/Total Assets | 32.38 |
| Return on Assets (ROA) | 11.34 |
| Return on Equity (ROE) | 25.60 |
| Net Profit Margin (NPM) | 4.57 |
| Gross Profit Margin (GPM) | 12.63 |

Opportunities

After EU-Vietnam Free Trade Agreement (EVFTA) coming into

effect, EU pangasius imports from Vietnam will be exempted from customs duty immediately, bringing out great opportunities for Vietnam's fishery industry over fierce competitors such from Thailand and India. The agreement is expected to sharply raise the pangasius exports to the EU market in the near future.

As the outbreak of Covid-19 in China has been relatively limited so far, manufacturing and trading enterprises have started to resume operation, providing more opportunities for Vietnam's fisheries exports to recover.

Vietnamese's effective response to the coronavirus has strengthened investors' confidence, contributing to the earlier recovery of the market than other competitors' from India, Ecuador, Indonesia,... This is a great opportunity that fisheries sector to bounce back in the second half of 2020.

Since the Sino-American trade war and the Covid-19 pandemic, there has been an increasing in the number of manufactures shifting their production from China to Vietnam.

Enterprises have actively controlled the quality and quantity of raw-material supply, ensuring the sustainable development of the market in the future.





Challenges

Vietnam's lack of strong well-known fisheries national brands has put seafood products under great pressure from unfair competition to passively and constantly suffer from price and market changes.

The costs of input materials have increased gradually due to the rising prices of aquatic animal feeds and raw seafood for manufacturing. In addition, electricity, water, logistics and labor costs have surged rapidly especially in this labor-intensive industry.

The requirements on food hygiene and safety management and the origin of fishery products have increasingly tightened to protect consumers as well as producers in local markets, causing challenges for Vietnam's fishing and aquaculture sectors.

Although the industry is abundant in labor, most of them are unskilled workers without proper training. The shortage of technical labor contributes to limit the development of the industry.

As a result of the pandemic, consumer's purchasing power and demands for seafood products from Vietnam's export markets witnessed a declining trend.



Industry forecasts

Amid the complicated development of Covid-19 in numerous countries, fisheries export is expected to witness a continuous decline in the next few months.

Fishery enterprises should develop a plan to allocate their financial resources appropriately to overcome the difficult period forecasted to take place at least until the end of Q3/2020.

As drought and salinity intrusion have continuously occurred, aquaculture enterprises and farmers have reduced the stocking of new crops, which is a condition for raw material pangasius prices to increase. It is expected that Pangasius export will recover completely from Q3/ 2020. This is an optimistic scenario for Pangasius production and import activities to recover and continue to grow in the future.



Shrimp prices in the second half of 2020 are anticipated to increase as supply is up as faster rate than demand. However, farmers have been hesitated in stock shrimp for new crop, leading to an expected shortage of raw shrimp after the pandemic. Therefore, farmers and businesses should coordinate to maintain and ensure a stable level of raw materials for processing and export until the market recovers fully which is expected in the last months of 2020.

Vietnam's domestic market is forecasted to hold a great potential for consumption, which is in need of concentrated development to improve industry efficiency as well as reduce pressure on the export sector by

10-20%



10 OUTSTANDING COMPANIES IN FISHERY INDUSTRY IN 2019

List of 10 outstanding enterprises in Vietnam's fishery industry was created by Vietnam Credit Ratings (VietnamCredit) by selecting from over 160 businesses operating within fisheries sector. The evaluation criteria include credit rating, company scale estimated by VietnamCredit and financial indicators of the businesses in 3 consecutive years 2017, 2018 and 2019.



VINH HOAN

BUSINESS INFORMATION

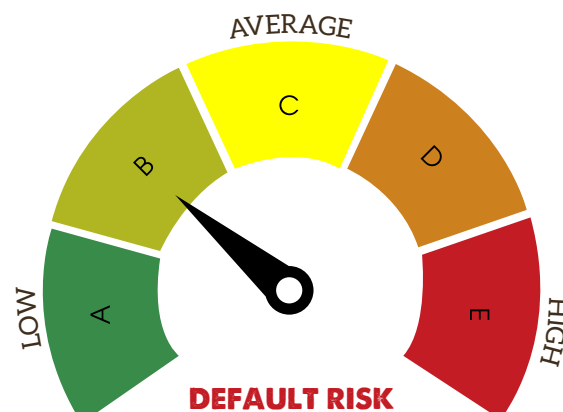
| | |
|-----------------------|--|
| Vietnamese name: | CONG TY CP VINH HOAN |
| Business ID No. : | 1400112623 |
| Date of Registration: | 17/04/2007 |
| Line of business: | VSIC 1020: Processing and preserving of fish, crustaceans and molluscs |
| Charter capital: | 1,833,769,560,000 VND |
| General Director : | Ms. Nguyen Ngo Vi Tam |
| Company scale: | Extremely Large |
| Total employees: | 7,000 |
| Stock symbol: | VHC |
| Stock market: | HOSE |
| Address: | National Road 30, Ward 11, Cao Lanh City, Dong Thap Province |
| Telephone: | (84-277) 3891 166/ 3891 663/ 3891 664 |
| Email: | info@vinhhoan.com |
| Website: | http://vinhhoan.com/ |

Since the establishment in 1997, Vinh Hoan Corporation has developed into one of the Vietnam's leaders in pangasius processing and export. The company has been operating based on the optimization of value chain, managing from breeding and aquaculture stage to pangasius products processing and exporting.

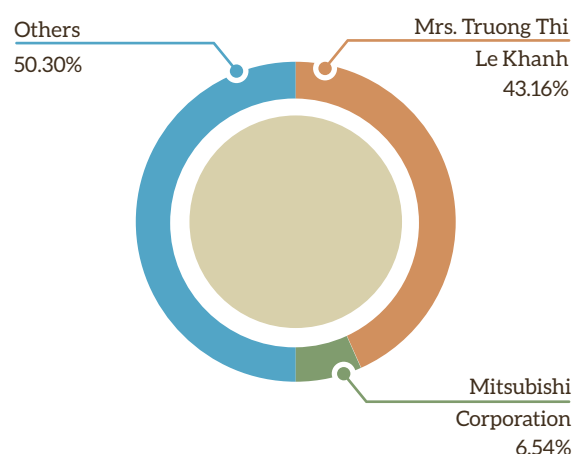
According to 2019 annual report, the company currently owns 5 pangasius fillets and value added products manufacturing factories, 2 fish meal and fish fat processing factories, 1 subsidiary of pangasius breeding and 1 subsidiary producing collagen and gelatin from fish skin. The three key lines of products contributing the highest revenue for Vinh Hoan in 2019 are fillet products (69%), fish meal and fish fat (13%), collagen and gelatin (7%). Vinh Hoan's seafood products have gained high international importers' confidence, qualified to export to fastidious markets such as the US and the EU. The US is the largest pangasius import market of the company which accounts for 54%, following by the Chinese market with 20% of the total exports.

According to VietnamCredit's evaluation, Vinh Hoan Corporation received B rating, representing a low credit risk and the company is expected to meet contractual financial commitments under normal conditions.

CREDIT RATING



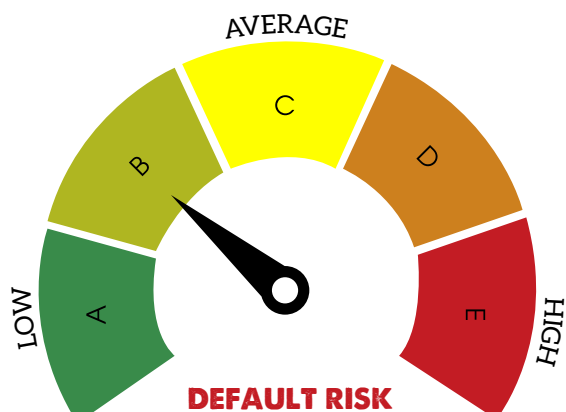
MAJOR SHAREHOLDERS



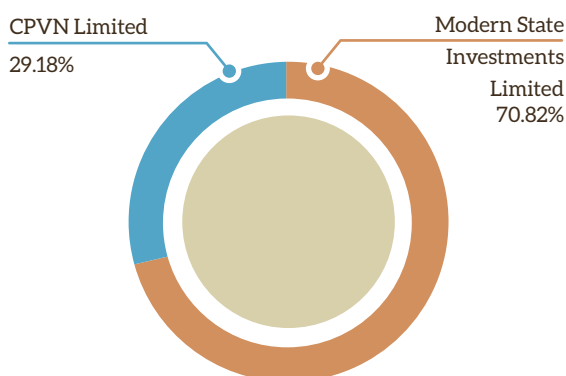
FINANCIAL RATIOS AND INDUSTRY AVERAGE RATIOS

| Financial Ratio | FYE 31 DEC 2019 | Industry Average |
|------------------------------|--------------------|---------------------|
| Current Liquidity Ratio | 2.69 | 1.31 |
| Quick Liquidity Ratio | 1.86 | 0.76 |
| Inventory Circle | 4.48 | 5.44 |
| Days Sales Outstanding (DSO) | 66 | 43.78 |
| Utilizing Asset Performance | 1.19 | 1.61 |
| Inventory/ Monthly Sale | 214.88 | 186.84 |
| Shareholder Equity Ratio | 73.76 | 44.30 |
| Total Loan/Total Assets | 13.1 | 32.38 |
| Return on Assets (ROA) | 20.7 | 11.34 |
| Return on Equity (ROE) | 28.07 | 25.60 |
| Net Profit Margin (NPM) | 14.94 | 4.57 |
| Gross Profit Margin (GPM) | 19.49 | 12.63 |

CREDIT RATING



MAJOR SHAREHOLDERS



FINANCIAL RATIOS AND INDUSTRY AVERAGE RATIOS

| Financial Ratio | FYE 31 DEC 2019 | Industry Average |
|------------------------------|--------------------|---------------------|
| Current Liquidity Ratio | 1.61 | 1.31 |
| Quick Liquidity Ratio | 0.31 | 0.76 |
| Inventory Circle | 3.39 | 5.44 |
| Days Sales Outstanding (DSO) | 2 | 43.78 |
| Utilizing Asset Performance | 1.97 | 1.61 |
| Inventory/ Monthly Sale | 270.94 | 186.84 |
| Shareholder Equity Ratio | 62.95 | 44.30 |
| Total Loan/Total Assets | 24.31 | 32.38 |
| Return on Assets (ROA) | 25.08 | 11.34 |
| Return on Equity (ROE) | 39.84 | 25.60 |
| Net Profit Margin (NPM) | 9.26 | 4.57 |
| Gross Profit Margin (GPM) | 19.07 | 12.63 |



BUSINESS INFORMATION

| | |
|------------------------|---|
| Vietnamese Name: | CONG TY CO PHAN CHAN NUOI C.P VIET NAM |
| Business ID No.: | 3600224423 |
| Date of Registration : | 22/07/1996 |
| Line of business: | VSIC 1080: Manufacture of feeds for cattle, poultry and aquatic animals |
| Charter capital: | 9,188,671,500,000 VND |
| General Director: | Mr. Montri Suwanposri |
| Company scale: | Extremely Large |
| Total employees: | 22,000 |
| Stock symbol: | CPVN |
| Stock market: | OTC |
| Address: | Bien Hoa II Industrial Zone, Long Binh Tan Ward, Bien Hoa City, Dong Nai Province |
| Telephone: | (84-251) 383 6251/ 383 6258 |
| Email: | web-info@cp.com.vn |
| Website: | https://www.cp.com.vn |

C.P Vietnam Corporation is a 100% foreign-invested enterprise established by C.P Thailand, a multi-industry manufacturing and trading group founded in 1993.

C.P. Vietnam has currently focused on developing in three main areas - three linkages in a closed-loop value chain, namely "Animal Feed - Farm - Food". With a modern and highly effective business model, CP Vietnam has become one of the leading enterprises in the production of feed for cattle, poultry and aquatic animals, under the brand names of Hi-Gro, Star Feed, Nuvo, Bell Feed.

In the field of aquatic feed production, the company currently owns 3 food and seafood processing factories in Dong Nai and Hanoi, which are implemented European standards. Seafood for processing are under strict quality, food hygiene and safety control as they are supplied from Vietnam's CP raw-material factory, contributing to optimize the efficiency and profits for aquaculture sector.

According to VietnamCredit's evaluation, C.P Vietnam Corporation received B rating, representing a low credit risk and the company is expected to meet contractual financial commitments under normal conditions.



BUSINESS INFORMATION

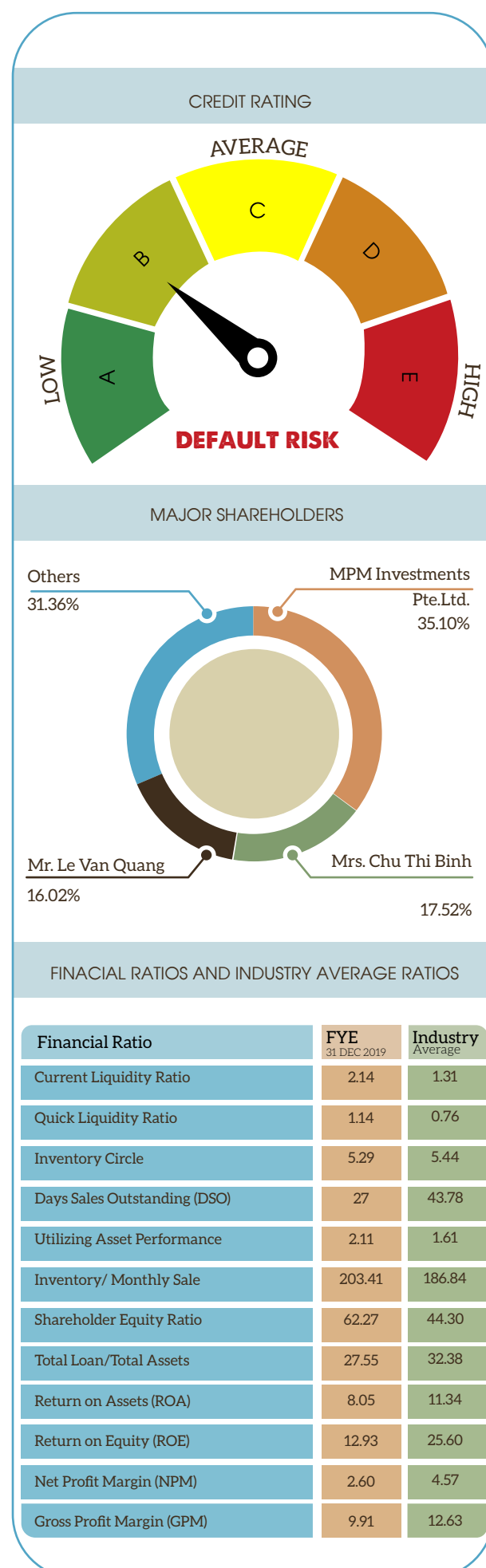
| | |
|-----------------------|--|
| Vietnamese Name: | CONG TY CP TAP DOAN THUY SAN MINH PHU |
| Business ID No.: | 2000393273 |
| Date of Registration: | 12/05/2006 |
| Line of business: | VSIC 1020: Processing and preserving of fish, crustaceans and molluscs |
| Charter capital: | 2,000,000,000,000 VND |
| General Director: | Mr. Le Van Quang |
| Company scale: | Extremely Large |
| Total employees: | 12,741 |
| Stock symbol: | MPC |
| Stock market: | UPCoM |
| Address: | Ward 8 Industrial Zone, Ward 8, Ca Mau City, Ca Mau Province |
| Telephone: | (84-290) 3838 262 / 3839 391 |
| Email: | minhphu@minhphu.com |
| Website: | http://minhphu.com |

Minh Phu Seafood Corporation was established in 1992 as a private enterprise supplying commodity for exports. The company was listed in 2007 with stock symbol of MPC, traded on UPCoM.

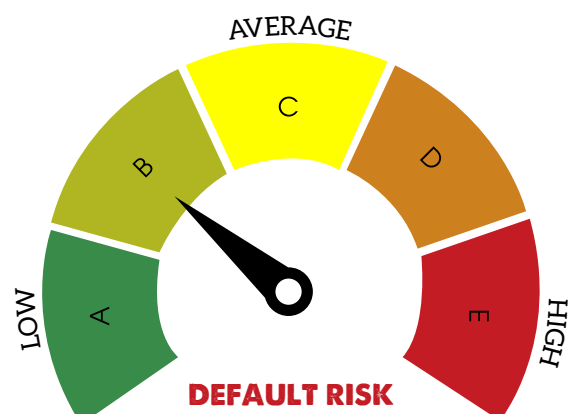
After nearly 30 years of operation, Minh Phu has recognized as one of the leading businesses in Vietnam's fisheries industry with two prime products, majorly contributing to the company reputation growth, namely black tiger shrimp and white leg shrimp. The company was the first seafood company in Vietnam to be awarded GlobalGAP Seafood Certificate for shrimp production and export. Minh Phu has expanded their business network from Vietnam to international markets such as the US, the EU, Canada and Australia.

Due to the incidence of climate change and fisheries diseases on supply volume, the price of raw material shrimp surged in the last months of 2019. In the fourth quarter of 2019, Minh Phu recorded a sudden decline of 43% in shrimp export revenue over the same period last year. In 2020, despite the negative impact on business and export activities of Covid-19, the company continued to receive regular export orders within the first 5 months.

According to Vietnam Credit, Minh Phu Corporation was rated B in 2019, showing a low credit risk and the company is forecasted to meet contractual financial commitments under normal conditions.



CREDIT RATING



MAJOR SHAREHOLDERS



FINANCIAL RATIOS AND INDUSTRY AVERAGE RATIOS

| Financial Ratio | FYE 31 DEC 2019 | Industry Average |
|------------------------------|--------------------|---------------------|
| Current Liquidity Ratio | 1.79 | 1.31 |
| Quick Liquidity Ratio | 0.74 | 0.76 |
| Inventory Circle | 6.96 | 5.44 |
| Days Sales Outstanding (DSO) | 26 | 43.78 |
| Utilizing Asset Performance | 2.39 | 1.61 |
| Inventory/ Monthly Sale | 131.08 | 186.84 |
| Shareholder Equity Ratio | 70.98 | 44.30 |
| Total Loan/Total Assets | 1.51 | 32.38 |
| Return on Assets (ROA) | 14.58 | 11.34 |
| Return on Equity (ROE) | 20.54 | 25.60 |
| Net Profit Margin (NPM) | 4.71 | 4.57 |
| Gross Profit Margin (GPM) | 16.36 | 12.63 |



BUSINESS INFORMATION

| | |
|-----------------------|---|
| Vietnamese Name: | CONG TY TNHH CARGILL VIET NAM |
| Business ID No.: | 3600233178 |
| Date of Registration: | 31/10/1995 |
| Line of business: | VSIC 1080: Manufacture of feeds for cattle, poultry and aquatic animals |
| Charter capital: | 381,408,000,000 VND |
| General Director: | Mr. Fering Thomas John |
| Company scale: | Extremely Large |
| Total employees: | 2,000 |
| Stock symbol: | Unlisted |
| Stock market: | N/A |
| Address: | Room 1104, 11th Floor, Mapletree Business Centre, No. 1060, Nguyen Van Linh Street, Tan Phong Ward, District 7, Ho Chi Minh |
| Telephone: | (84-28) 5416 1515 |
| Email: | hong_nguyen@cargill.com |
| Website: | www.cargill.com.vn |

Cargill Vietnam Co., Ltd. was established in 1995, after the decision to normalize bilateral relations between Vietnam and the United States. The parent company - Cargill, Incorporated is a world's leading provider of agricultural, food, and financial products and services. With the advantages from the holding company, Cargill Vietnam has become one of the key players in animal feed manufacturing and aquaculture in the market. Currently, the company holds 11 animal feed processing plants across the country, including Dong Nai, Long An, Tien Giang, Can Tho, Dong Thap, Binh Duong, Binh Dinh, Nghe An, Hung Yen and Ha Nam, with more than 2000 employees. The raw materials for processing company's products are mainly imported from Argentina, India, the United States, Belgium and Australia.

Cargill Vietnam has nearly 25 years in the industry and is expected to continue to operate effectively in the future. According to Vietnam Credit's evaluation, Cargill Vietnam had B rating with low credit risk and is forecasted to be fulfill its contractual financial commitments under normal conditions.



BUSINESS INFORMATION

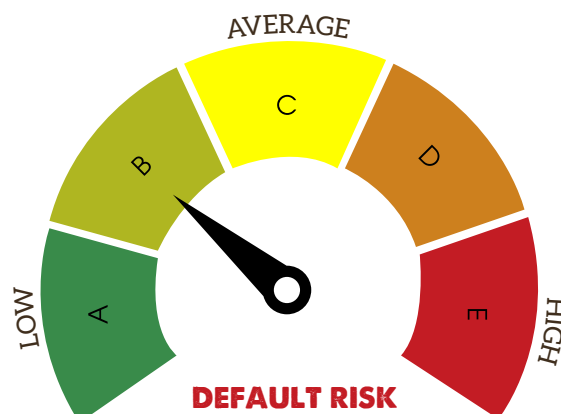
| | |
|-----------------------|--|
| Vietnamese Name: | CONG TY TNHH DE HEUS |
| Business ID No.: | 3701091716 |
| Date of Registration: | 21/10/2008 |
| Line of business: | VSIC 1080: Manufacture of feeds for cattle, poultry and aquatic animals |
| Charter capital: | 35,100,000 USD |
| General Director: | Mr. Gabor Fluit |
| Company scale: | Extremely Large |
| Total employees: | 1,500 |
| Stock symbol: | Unlisted |
| Stock market: | N/A |
| Address: | Lot A4, Hoa Phu Industrial Zone, Phuoc Hoa Hamlet, Hoa Phu Commune, Long Ho District, Vinh Long Province |
| Telephone: | (84-270) 3962 736 |
| Email: | infovn@deheus.com |
| Website: | https://www.deheus.com.vn |

De Heus Vietnam, held by De Heus Animal Nutrition B.V, was established in late 2008, specializing in producing cattle, poultry and aquatic animal feed products. The company owns a system of factories and transshipment warehouses operating nationwide with 3 brands De Heus, Windmill and Koudijs, providing products for not only Vietnamese market but also for countries in Southeast Asia region.

In 2016, De Heus reached 1 million tons of total feed consumption, marking a milestone of the company's development, affirming the customers' confidence in the company's brand and the product quality. In 2018, Orient Commercial Joint Stock Bank (OCB) signed a cooperation agreement with De Heus to create favorable financial conditions for all customers including agents, farm owners, suppliers participating in the value-chain developed by De Heus Vietnam.

In general, the company has a extremely large scale, ranking in the top 5 largest animal feed production companies in Vietnam. Business activities have grown steadily and have been expanding year by year. De Heus was rated B in 2019 by VietnamCredit, with a low level of credit risk and is expected to be fulfill all contractual financial commitments under normal conditions.

CREDIT RATING



MAJOR SHAREHOLDERS



FINANCIAL RATIOS AND INDUSTRY AVERAGE RATIOS

| Financial Ratio | FYE 31 DEC 2019 | Industry Average |
|------------------------------|--------------------|---------------------|
| Current Liquidity Ratio | 1.70 | 1.31 |
| Quick Liquidity Ratio | 0.85 | 0.76 |
| Inventory Circle | 11.47 | 5.44 |
| Days Sales Outstanding (DSO) | 16 | 43.78 |
| Utilizing Asset Performance | 2.72 | 1.61 |
| Inventory/ Monthly Sale | 82.28 | 186.84 |
| Shareholder Equity Ratio | 76.42 | 44.30 |
| Total Loan/Total Assets | 4.00 | 32.38 |
| Return on Assets (ROA) | 18.14 | 11.34 |
| Return on Equity (ROE) | 23.74 | 25.60 |
| Net Profit Margin (NPM) | 5.35 | 4.57 |
| Gross Profit Margin (GPM) | 14.80 | 12.63 |



BUSINESS INFORMATION

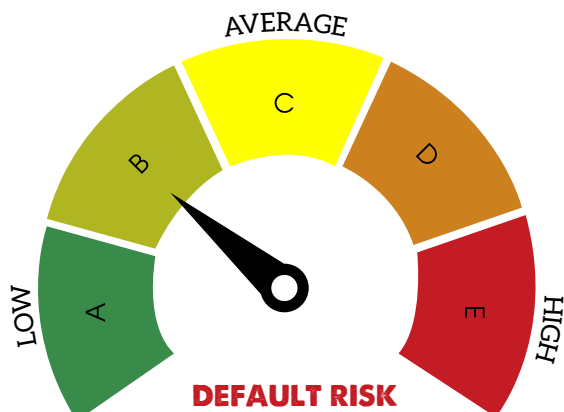
| | |
|-----------------------|--|
| Vietnamese Name: | CONG TY CO PHAN THUC PHAM SAO TA |
| Business ID No.: | 2200208753 |
| Date of Registration: | 19/12/2002 |
| Line of business: | VSIC 1020: Processing and preserving of fish, crustaceans and molluscs |
| Charter capital: | 490,440,000,000 VND |
| General Director: | Mr. Pham Hoang Viet |
| Company scale: | Extremely Large |
| Total employees: | 3,720 |
| Stock symbol: | FMC |
| Stock market: | HOSE |
| Address: | Km 2132, Highway 1A, Ward 2, Soc Trang City, Soc Trang Province |
| Telephone: | (84-299) 3822201/ 3822203 |
| Email: | fimexvn@hcm.vnn.vn |
| Website: | http://fimexvn.com |

Sao Ta Food Joint Stock Company was established in 1995 and officially came into operation in 1996, with 100% capital investment from Soc Trang Office of the Provincial Party Committee. The main business activities of Sao Ta are processing and export frozen shrimp.

In Vietnam, the company's shrimp products are produced at a complex level of processing and are distributed over large distribution systems across Vietnam. The US, Japan, and the EU are the three major import markets of Sao Ta, accounting for over 90% of total frozen shrimp exports. Sao Ta's raw materials are mainly purchased domestically while flour is imported from Thailand and machinery is bought from China. From 6 November 2019, Sao Ta has raised its charter capital from VND 402,000,000,000 to 490,440,000,000 VND. After more than 23 years of operation, the enterprise has a relatively good reputation in the market and is expected to continue to operate and develop effectively in the future.

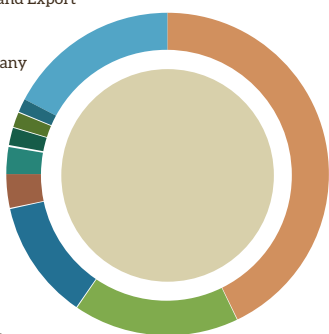
Sao Ta Food Joint Stock Company was rated B in 2019 by VietnamCredit, exhibiting a low level of credit risk. The company is expected to meet all contractual financial commitments under normal conditions.

CREDIT RATING



MAJOR SHAREHOLDERS

| | |
|--|--------|
| The PAN Group Joint Stock Company | 42.96% |
| Bentre Aquaproduct Import and Export Joint Stock Company | 16.49% |
| PAN Foods Joint Stock Company | 12.16% |
| SocTrang Office of the Provincial Party Committee | 3.43% |
| Andbanc Investments Sif Vietnam Value and Income Portfolio | 2.68% |
| NDH INVEST Co.LTD | 1.81% |
| Mr. Ho Quoc Luc | 1.65% |
| AnKhanh VQ Construction Investment Consultant One Member Company Limited | 1.40% |
| Others | 17.42% |



FINANCIAL RATIOS AND INDUSTRY AVERAGE RATIOS

| Financial Ratio | FYE 31 DEC 2019 | Industry Average |
|------------------------------|--------------------|---------------------|
| Current Liquidity Ratio | 2.22 | 1.31 |
| Quick Liquidity Ratio | 1.05 | 0.76 |
| Inventory Circle | 5.66 | 5.44 |
| Days Sales Outstanding (DSO) | 24 | 43.78 |
| Utilizing Asset Performance | 2.44 | 1.61 |
| Inventory/ Monthly Sale | 186.80 | 186.84 |
| Shareholder Equity Ratio | 66.60 | 44.30 |
| Total Loan/Total Assets | 18.21 | 32.38 |
| Return on Assets (ROA) | 16.63 | 11.34 |
| Return on Equity (ROE) | 24.97 | 25.60 |
| Net Profit Margin (NPM) | 6.17 | 4.57 |
| Gross Profit Margin (GPM) | 11.45 | 12.63 |



BUSINESS INFORMATION

| | |
|-----------------------|--|
| Vietnamese Name: | CONG TY CO PHAN THUY SAN SOC TRANG |
| Business ID No.: | 2200108445 |
| Date of Registration: | 08/05/2006 |
| Line of business: | VSIC 1020: Processing and preserving of fish, crustaceans and molluscs |
| Charter capital: | 77,500,000,000 VND |
| General Director: | Mr. Tran Van Pham |
| Company scale: | Extremely Large |
| Total employees: | 2,600 |
| Stock symbol: | STAPIMEX |
| Stock market: | OTC |
| Address: | No. 220, National Road 1A, Ward 7, Soc Trang City, Soc Trang Province |
| Telephone: | (84-299) 3822 367 /3822 164 |
| Email: | stapimex@hcm.vnn.vn |
| Website: | http://www.stapimex.com.vn |

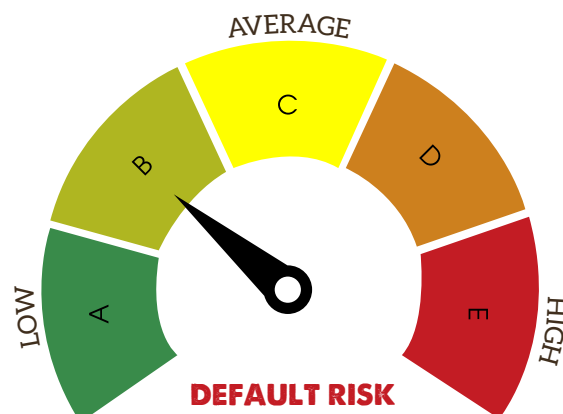
The enterprise was established in 1978 and transformed from a state-owned company to a joint stock company in 2006, under the name of Soc Trang Seafood Joint Stock Company. The company's main line of business is processing and trading of frozen shrimp, including sushi, nobashi, shrimp powder, and black tiger shrimp.

In Soc Trang province, the company currently has 2 frozen factories, namely Tan Long and An Phu, with quality management systems meeting ISO 9001: 2000, HACCP and BRC standards.

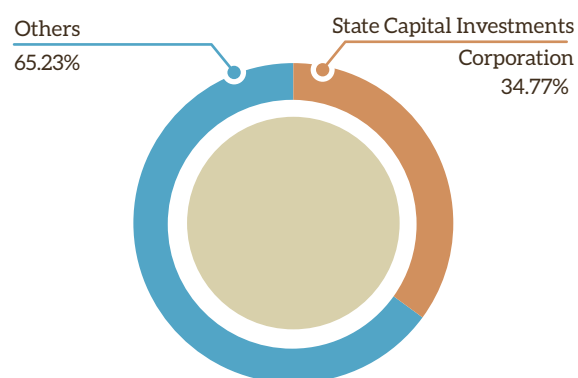
Raw materials for processing of Soc Trang Seafood Joint Stock Company are mainly provided by farms in the Mekong River Delta provinces such as Soc Trang (accounting for 80% of the total), Bac Lieu and Ca Mau. Most of the products are exported to the United States, the EU, Japan, Korea, Canada... and a small amount is provided for the domestic market.

According to Vietnam Credit's evaluation, Soc Trang Seafood Joint Stock Company was rated B, representing a low level of credit risk. The company is expected to meet contractual financial commitments under normal conditions.

CREDIT RATING



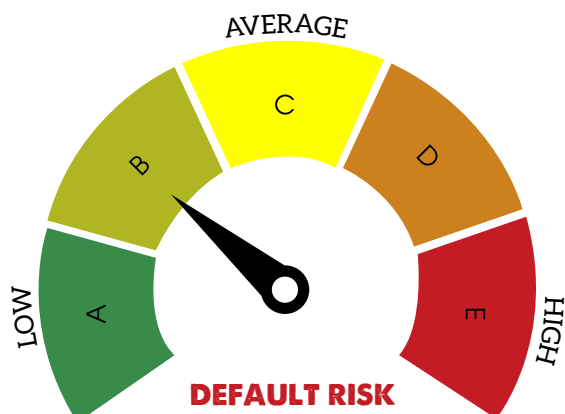
MAJOR SHAREHOLDERS



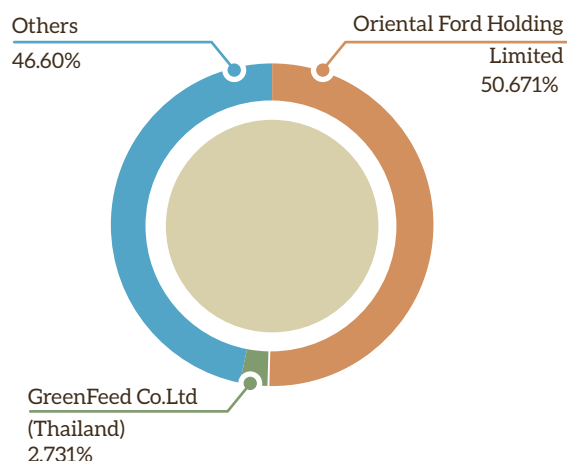
FINANCIAL RATIOS AND INDUSTRY AVERAGE RATIOS

| Financial Ratio | FYE 31 DEC 2019 | Industry Average |
|------------------------------|--------------------|---------------------|
| Current Liquidity Ratio | 1.78 | 1.31 |
| Quick Liquidity Ratio | 1.17 | 0.76 |
| Inventory Circle | 11.36 | 5.44 |
| Days Sales Outstanding (DSO) | 32 | 43.78 |
| Utilizing Asset Performance | 3.66 | 1.61 |
| Inventory/ Monthly Sale | 94.08 | 186.84 |
| Shareholder Equity Ratio | 52.66 | 44.30 |
| Total Loan/Total Assets | 32.89 | 32.38 |
| Return on Assets (ROA) | 21.09 | 11.34 |
| Return on Equity (ROE) | 40.05 | 25.60 |
| Net Profit Margin (NPM) | 5.42 | 4.57 |
| Gross Profit Margin (GPM) | 10.39 | 12.63 |

CREDIT RATING



MAJOR SHAREHOLDERS



FINANCIAL RATIOS AND INDUSTRY AVERAGE RATIOS

| Financial Ratio | FYE 31 DEC 2019 | Industry Average |
|------------------------------|--------------------|---------------------|
| Current Liquidity Ratio | 1.31 | 1.31 |
| Quick Liquidity Ratio | 0.97 | 0.76 |
| Inventory Circle | 10.49 | 5.44 |
| Days Sales Outstanding (DSO) | 25 | 43.78 |
| Utilizing Asset Performance | 1.93 | 1.61 |
| Inventory/ Monthly Sale | 95.35 | 186.84 |
| Shareholder Equity Ratio | 47.04 | 44.30 |
| Total Loan/Total Assets | 38.18 | 32.38 |
| Return on Assets (ROA) | 14.05 | 11.34 |
| Return on Equity (ROE) | 29.86 | 25.60 |
| Net Profit Margin (NPM) | 5.42 | 4.57 |
| Gross Profit Margin (GPM) | 16.66 | 12.63 |



BUSINESS INFORMATION

| | |
|-----------------------|---|
| Vietnamese Name: | CONG TY CO PHAN GREENFEED VIET NAM |
| Business ID No.: | 1100598642 |
| Date of Registration: | 30/05/2008 |
| Line of business: | VSIC 1080: Manufacture of feeds for cattle, poultry and aquatic animals |
| Charter capital: | 348,006,450,000 VND |
| General Director: | Mr. Ly Anh Dung |
| Company scale: | Extremely Large |
| Total employees: | 2,500 |
| Stock symbol: | Unlisted |
| Stock market: | N/A |
| Address: | Nhut Chanh Commune, Ben Luc District, Long An Province |
| Telephone: | (84-272) 3632 881/ 3 632 882/ 3 632 883/ 3 632 884 |
| Email: | info@greenfeed.com.vn / webinfo@greenfeed.com.vn |
| Website: | http://www.greenfeed.com.vn |

GreenFeed Vietnam Corporation was established in 2003 with a charter capital of over 349 VND billion, the headquarters are located in Long An province.

The company started out in the field of animal, poultry and aqua animal feed production and has grown to become a extremely large-scale enterprise in the industry. Up to now, GreenFeed has a system of 9 modern factories in Vietnam, Cambodia, Myanmar and Laos, providing more than 2 million tons of products annually. All factories are equipped with cutting-edge technology from America and Europe, in which the quality and origin of raw materials and output products are strictly controlled.

Although the Covid-19 pandemic is adversely affecting the operation of businesses in the fisheries sector, the company's factories still operate normally. GreenFeed Vietnam was rated B in 2019 by VietnamCredit, showing a low level of credit risk. The company is expected to be able to fulfill contractual financial commitments under normal conditions.



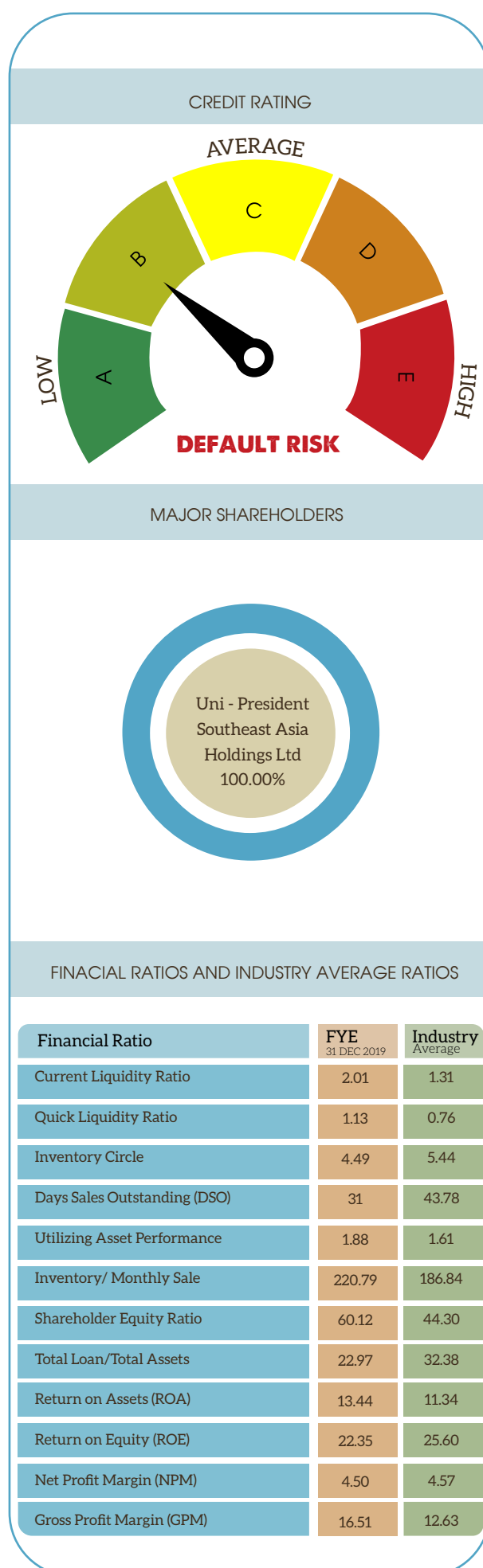
BUSINESS INFORMATION

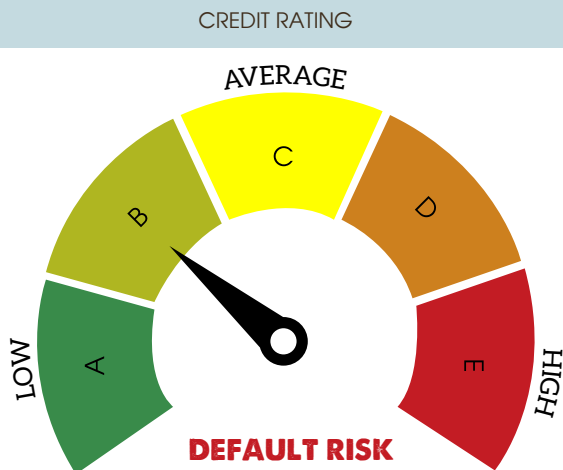
| | |
|-----------------------|--|
| Vietnamese Name: | UNI-PRESIDENT VIETNAM CO., LTD |
| Business ID No.: | 3700306630 |
| Date of Registration: | 06/02/1999 |
| Line of business: | VSIC 1080: Manufacture of feeds for cattle, poultry and aquatic animals |
| Charter capital: | 103,800,000 USD |
| General Director: | Mr. Chen I Shen |
| Company scale: | Extremely Large |
| Total employees: | 3,000 |
| Stock symbol: | Unlisted |
| Stock market: | N/A |
| Address: | No. 16-18-20, Road DT 743, Song Than 2 IP, Di An Ward, Di An City, Binh Duong Province |
| Telephone: | (84-274) 373 2663 / 379 0811 |
| Email: | marketing@upvn.net services@upvn.com.vn |
| Website: | https://uni-president.com.vn/ |

Uni - President Vietnam was established in 1999 with the first factory located in Song Than II Industrial Park, Binh Duong. The lines of business of the company varies from producing cattle, aquatic animal feeds, flour to trading instant noodles and soft drinks. Uni-President's products are consumed in the domestic market and exported to the United States, Germany, Australia, Japan, Philippines, Singapore, Malaysia, China,... Since the demand of the market has increasingly increased, Uni-President Vietnam in turn built and inaugurated more factories in Tien Giang, Ninh Thuan and Quang Nam, to meet the needs of Southeast Asia markets.

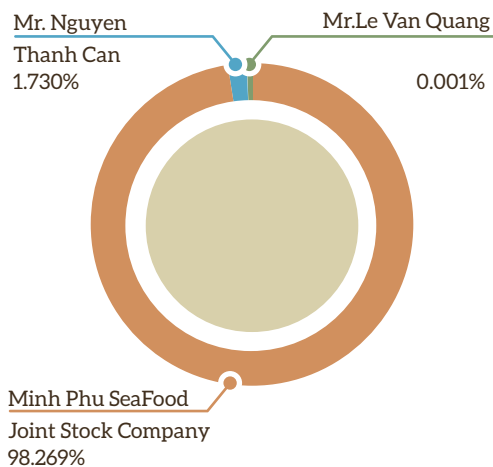
Instead of antibiotics and banned drugs, Uni-President Vietnam uses algae feeds of balance nutrition for shrimp breeding crops. The company is currently providing one of the highest quality shrimp source, which is trusted and highly appreciated by farmers. A competitive advantage of Uni-President is that the algae material can be produced by the company, assuring a sufficient quantity of feeds for the production of shrimp seed.

Uni - President Vietnam was rated B in 2019 by VietnamCredit, showing a low level of credit risk. The company is expected to meet contractual financial commitments under normal conditions.





MAJOR SHAREHOLDERS



FINANCIAL RATIOS AND INDUSTRY AVERAGE RATIOS

| Financial Ratio | FYE 31 DEC 2019 | Industry Average |
|------------------------------|--------------------|---------------------|
| Current Liquidity Ratio | 1.18 | 1.31 |
| Quick Liquidity Ratio | 0.63 | 0.76 |
| Inventory Circle | 9.52 | 5.44 |
| Days Sales Outstanding (DSO) | 38 | 43.78 |
| Utilizing Asset Performance | 3.28 | 1.61 |
| Inventory/ Monthly Sale | 119.66 | 186.84 |
| Shareholder Equity Ratio | 41.05 | 44.30 |
| Total Loan/Total Assets | 48.19 | 32.38 |
| Return on Assets (ROA) | 4.37 | 11.34 |
| Return on Equity (ROE) | 10.65 | 25.60 |
| Net Profit Margin (NPM) | 0.52 | 4.57 |
| Gross Profit Margin (GPM) | 4.60 | 12.63 |

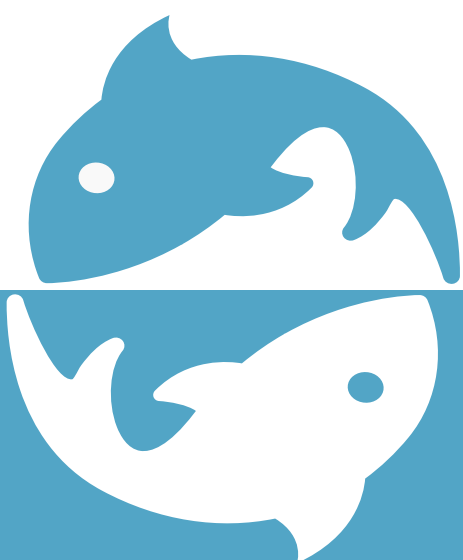


BUSINESS INFORMATION

| | |
|-----------------------|---|
| Vietnamese Name: | CONG TY CP THUY SAN MINH PHU - HAU GIANG |
| Business ID No.: | 6300033769 |
| Date of Registration: | 29/12/2006 |
| Line of business: | VSIC 1020: Processing and preserving of fish, crustaceans and molluscs |
| Charter capital: | 1,000,000,000,000 VND |
| General Director: | Mr. Le Van Quang |
| Company scale: | Extremely Large |
| Total employees: | 6,000 |
| Stock symbol: | Unlisted |
| Stock market: | N/A |
| Address: | Song Hau Industrial Zone - Phase 1, Dong Phu Commune, Chau Thanh District, Hau Giang Province |
| Telephone: | (84-293) 2228 788 |
| Email: | N/A |
| Website: | N/A |

Minh Phu Hau Giang Seafood Joint Stock Company is a processing factory of Minh Phu Seafood Corporation. Currently, the parent company is holding more than 98% of Minh Phu Hau Giang's shares. In 2013, Mitsui - leading seafood corporation in Japan and Asia, started to invest in the company. Minh Phu Hau Giang mainly operates in the field of purchasing and processing frozen shrimp for export. The company's raw material sources are concentrated in the domestic market, mainly from the aquaculture farms of Minh Phu Corporation's member companies and surrounding private farms. The key export markets of Minh Phu Hau Giang are the United States, the EU, Japan and South Korea. During the Covid-19 pandemic, the business activities of both Minh Phu Corporation and Minh Phu Hau Giang were negatively affected. The seafood exports have reached only 70% of the total outputs for export. However, import activities has gradually recovered with a rising number of orders.

Minh Phu Hau Giang Joint Stock Company was rated B in 2019 by Vietnam-Credit, with a low level of credit risk. The company is considered to be able to fulfill contractual financial commitments under normal conditions.



WRITTEN BY:
CINDY KHANH

EDITED BY:
JIMMY LE

DESIGN BY:
DANIEL NGUYEN

VIETNAMCREDIT - BUSINESS INFORMATION PROVIDER IN VIETNAM

Company Report - Industry Report - Business Supporting Service

Email: sales@vietnamcredit.com.vn

Website: <http://www.vietnamcredit.com.vn>

HANOI OFFICE

Address: Floor 15, LICOGI 13 tower
No.164, Khat Duy Tien Street,
Thanh Xuan District, HN, Vietnam
Tel: +84-246 262 0082
Fax: +84-246 262 0083

HOCHIMINH.C OFFICE

Address: Floor 8, Master Building
No.41-43, Tran Cao Van Street,
District 3, HCMC, Vietnam
Tel: +84-283 521 0453
Fax: +84-283 521 0460

