

**COPEINCA AS (FORMERLY KNOWN AS "COPEINCA ASA")
AND SUBSIDIARIES**

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS
30 SEPTEMBER 2014 AND 2013

COPEINCA AS (FORMERLY KNOWN AS “COPEINCA ASA”) AND SUBSIDIARIES

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2014 AND 2013

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US\$ = United States dollar
NOK = Norwegian Kroner
S/. = Nuevo Sol

COPEINCA AS (FORMERLY KNOWN AS “COPEINCA ASA”) AND SUBSIDIARIES

OVERVIEW OF NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
30 SEPTEMBER 2014 AND 2013

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COPEINCA AS (FORMERLY KNOWN AS "COPEINCA ASA") AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	<u>As of</u> <u>30 September</u> <u>2014</u> <u>US\$000</u>	<u>As of</u> <u>31 December</u> <u>2013</u> <u>US\$000</u>
ASSETS			
Non - current assets			
Property, plant and equipment	8	259,928	241,577
Fishing licenses	9	215,036	215,036
Goodwill	9	139,693	139,693
Other intangible assets	9	656	882
Investment in associate		2,816	3,717
		<u>618,129</u>	<u>600,905</u>
Current assets			
Inventories	10	40,882	75,366
Trade accounts receivable	11	2,496	6,539
Other accounts receivable	12	21,183	17,924
Amount due from intermediate holding company	24	207,612	221,413
Amount due from related parties	24	12,288	-
Deferred expenses		9,542	718
Short-term investments		-	5,977
Cash and cash equivalents		3,157	2,057
		<u>297,160</u>	<u>329,994</u>
Total assets		<u><u>915,289</u></u>	<u><u>930,899</u></u>
EQUITY			
Attributable to owners of the parent			
Share capital	13	65,891	65,891
Share premium	13	398,497	398,497
Other reserves	13	14,224	14,224
Cumulative translation adjustment		-	(24,490)
Retained earnings		(5,774)	(25,575)
Total equity		<u>472,838</u>	<u>428,547</u>
LIABILITIES			
Non - current liabilities			
Long-term borrowings	14	249,931	249,906
Deferred income tax		70,637	72,682
Other accounts payable	15	7,903	6,341
		<u>328,471</u>	<u>328,929</u>
Current liabilities			
Bank loans and short-term debt	14	73,833	130,066
Trade accounts payable	15	8,872	18,015
Other accounts payable	15	16,412	15,586
Current income tax payable	23	7,609	-
Accounts payable to related parties	24	4,157	990
Current portion of long-term borrowings	14	3,097	8,766
		<u>113,980</u>	<u>173,423</u>
Total liabilities		<u>442,451</u>	<u>502,352</u>
Total equity and liabilities		<u><u>915,289</u></u>	<u><u>930,899</u></u>

The notes on pages from 9 to 21 are an integral part of these consolidated financial statements

COPEINCA AS (FORMERLY KNOWN AS "COPEINCA ASA") AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the nine-month period ended 30 September		For the quarter ended 30 September		For the year ended 31 December
		2014	2013	2014	2013	2013
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
		US\$000	US\$000	US\$000	US\$000	US\$000
Sales	16	232,462	156,487	66,745	101,863	209,726
Cost of goods sold	17	(146,168)	(98,584)	(47,173)	(60,597)	(134,729)
Gross profit		86,294	57,903	19,572	41,266	74,997
Selling expenses	18	(10,877)	(8,395)	(2,704)	(4,992)	(11,813)
Administrative expenses	19	(8,589)	(10,787)	(3,577)	(2,949)	(13,883)
Other income	20	6,722	1,652	3,636	(318)	2,164
Other expenses	20	(9,613)	(41,231)	(2,917)	(33,144)	(50,730)
Operating profit		63,937	(858)	14,010	(137)	735
Finance income	21	10,341	1,146	5,740	445	3,484
Finance costs	21	(19,942)	(19,329)	(6,609)	(6,694)	(25,376)
Exchange difference, net		798	(16,954)	1,459	(717)	(17,648)
Profit (loss) before income tax		55,134	(35,995)	14,600	(7,103)	(38,805)
Income tax expense (gain)	23	(15,470)	3,207	(1,910)	(3,684)	3,373
Profit (loss) for the period/year		39,664	(32,788)	12,690	(10,787)	(35,432)
Attributable to:						
Equity holders of the company		39,664	(32,788)	12,690	(10,787)	(35,432)

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COPEINCA AS (FORMERLY KNOWN AS "COPEINCA ASA") AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	For the nine-month period ended 30 September		For the quarter ended 30 September		For the year ended 31 December
	2014 (unaudited) US\$000	2013 (unaudited) US\$000	2014 (unaudited) US\$000	2013 (unaudited) US\$000	2013 (audited) US\$000
Profit (loss) for the period	39,664	(32,788)	12,690	(10,787)	(35,432)
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Cumulative translation adjustment	-	(39,514)	(4,835)	973	(41,314)
Total comprehensive income (loss) for the period/year	<u>39,664</u>	<u>(72,302)</u>	<u>7,855</u>	<u>(9,814)</u>	<u>(76,746)</u>
Attributable to:					
Equity holders of the Company	<u>39,664</u>	<u>(72,302)</u>	<u>7,855</u>	<u>(9,814)</u>	<u>(76,746)</u>

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COPEINCA AS (FORMERLY KNOWN AS "COPEINCA ASA") AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014 AND 2013**

<u>Note</u>	<u>Share capital</u> US\$000	<u>Share premium</u> US\$000	<u>Legal reserve</u> US\$000	<u>Other reserves</u> US\$000	<u>Cumulative translation adjustment</u> US\$000	<u>Retained earnings</u> US\$000	<u>Total equity</u> US\$000
Balances as of 1 January 2013	55,004	282,358	5,145	-	16,824	50,789	410,120
Loss for the period	-	-	-	-	-	(32,788)	(32,788)
Cumulative translation adjustment	-	-	-	-	(39,514)	-	(39,514)
Total comprehensive income	-	-	-	-	(39,514)	(32,788)	(72,302)
Dividend distribution	-	-	-	-	-	(35,847)	(35,847)
Sale of shares	713	4,104	-	3,994	-	-	8,811
Proceeds from shares issued	10,174	112,035	-	-	-	-	122,209
Transfer to reserves	-	-	5,085	-	-	(5,085)	-
Balances as of 30 September 2013	<u>65,891</u>	<u>398,497</u>	<u>10,230</u>	<u>3,994</u>	<u>(22,690)</u>	<u>(22,931)</u>	<u>432,991</u>
Balances as of 1 January 2014	65,891	398,497	10,230	3,994	(24,490)	(25,575)	428,547
Effect of Change in functional currency	-	-	-	-	7,430	(2,803)	4,627
Profit for the period	-	-	-	-	-	39,664	39,664
Total comprehensive income	-	-	-	-	7,430	36,861	44,291
Balances as of 30 September 2014	<u>65,891</u>	<u>398,497</u>	<u>10,230</u>	<u>3,994</u>	<u>(17,060)</u>	<u>11,286</u>	<u>472,838</u>

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COPEINCA AS (FORMERLY KNOWN AS "COPEINCA ASA") AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the nine-month period ended 30 September	
		2014	2013
		(unaudited)	(unaudited)
		US\$000	US\$000
Cash flows from operating activities			
Cash generated from operations	22	91,678	(117,594)
Interest paid		(25,591)	(22,504)
Income tax paid		(4,966)	(5,337)
Net cash generated from (used in) operating activities		61,121	(145,435)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(34,263)	(12,699)
Proceeds from sale of property, plant and equipment		998	1,575
Sale of short-term investments		5,977	538
Purchase of intangible assets	9	(3)	(198)
Loans granted to related parties		(42,732)	-
Payment of loans from related parties		65,230	-
Net cash used in investing activities		(4,793)	(10,784)
Cash flows from financing activities			
Loans from related parties		2,000	-
Payment of loans to related parties		(1,000)	-
Proceeds from bank loans and short term loans	14	123,979	84,377
Repayment of bank loans and short term loans	14	(213,707)	(49,377)
Borrowings obtained		41,841	3,500
Repayment of long-term borrowings	14	(8,341)	(49,477)
Proceeds from bonds issued	14	-	75,000
Proceeds from private placement		-	122,923
Dividends paid		-	(35,847)
Net cash (used in) generated from financing activities		(55,228)	151,099
Net increase in cash and cash equivalents		1,100	(5,120)
Cash and cash equivalents at beginning of the period		2,057	39,090
Cash and cash equivalents at end of the period		3,157	33,970

The notes on pages from 9 to 21 are an integral part of these consolidated financial statements

COPEINCA AS (FORMERLY KNOWN AS “COPEINCA ASA”) AND SUBSIDIARIES

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2014 AND 2013

1 GENERAL INFORMATION

Copeinca AS (formerly known as “Copeinca ASA” (“the Company”) and its subsidiaries (together, the “Group”) was incorporated in Norway as a Public limited liability company. The address of its registered office is Advokatfirmaet BA-HR DA, Tjuvholmen Allé 16, 0252 Oslo, Norway. The Company has its primary listing on the Oslo Børs Stock Exchange and a secondary listing on the Lima Stock Exchange.

On 18 March, 2014 the Shareholders of the Group decided to delist the company (note 13).

The Group is mainly engaged in the extraction of anchovy and its subsequent transformation into fishmeal and fish oil, for direct or indirect human consumption. Its products are mainly sold to China, Germany, Japan, Vietnam, Taiwan, Belgium, Denmark and Chile, among other foreign markets.

Dyer Coriat Holding S.L. was the ultimate parent company of the Group before 2 September 2013. On and after 2 September 2013, Grand Success Investments Limited owned all the shares in Copeinca AS and its intermediate holding company was China Fishery Group Limited (“CFGL”), a company listed on the Singapore Securities Trading Limited (“SGX”). Pacific Andes Resources Development Limited (“PARD”), a company also listed on the SGX, was the intermediate holding company of CFGL and Pacific Andes International Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (“HKEX”), is the intermediate holding company of PARD. The ultimate holding company of the Company is N.S. Hong Investment (BVI) Limited, a company incorporated in the British Virgin Islands.

On 25 March 2014, Grand Success Investment Limited transferred all shares in Copeinca AS to CFG Investment S.A.C., domiciled in Perú, an indirect wholly-owned subsidiary of China Fishery Group Limited.

These condensed consolidated interim financial statements were approved for issue on 30 November 2014 by the Management.

2 BASIS OF PREPARATION

These condensed consolidated interim financial statements for the nine-month period ended 30 September 2014 have been prepared in accordance with IAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (‘IFRS’) as approved by the European Union (IFRS’s as adopted by the EU), Interpretations of the International Financial Reporting Interpretations Committee (‘IFRIC’) and the Companies Act 2006 applicable to companies reporting under IFRS. The condensed consolidated interim financial statements are presented in United States dollars (US\$) for convenience of the readers.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as described below.

a) *Change in accounting policy*

Copeinca S.A.C. located in Perú, the main operating subsidiary, Copeinca International and Copeinca AS, holding Companies located in Spain and Norway respectively, have changed the functional currency from Peruvian Nuevos Soles (S/.) to United States Dollars (US\$) beginning on 1 January 2014. The change is made prospectively.

As acquired by Grand Success Investment Limited (hereinafter GSI) in 2013 and during the 1st half of 2014 the Peruvian Fishmeal operation is undergoing integration process. Most of Copeinca S.A.C.'s operation was being integrated into the existing operation of CFG Investment S.A.C. (hereinafter CFG SAC), where the functional currency of CFG SAC is US\$ and which is also the functional currency of GSI. As such, for management control efficiency, the functional currency of Copeinca S.A.C. was changed from S/. to US\$, to be consistent with the Group.

b) *Income taxes*

Income taxes in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

c) *New Standards and interpretations not yet adopted*

The Company decided not to adopt in advance the following standards and interpretations that were issued by the IASB but are not effective as of 31 December 2013:

IAS 32 "Financial Instruments: Presentation – Compensation of financial asset and liabilities (modification)".

Effective for annual periods beginning on or after 1 January 2014.

Amended by Recoverable Amount Disclosures for Non-Financial Assets – IAS 36 "Impairment of Assets"

Effective for annual periods beginning on or after 1 January 2014.

Amended by Novation of Derivatives and Continuation of Hedge Accounting - IAS 39 "Financial Instruments: Recognition and Measurement".

Effective for annual periods beginning on or after 1 January 2014.

Amended by "Investment Entities" (Amendments to IFRS 10, IFRS 12 and IAS 27)

Effective for annual periods beginning on or after 1 January 2014.

IFRIC 21 "Levies"

Effective for annual periods beginning on or after 1 January 2014.

The application impact of these rules has been evaluated and the Company has determined that there are not any material impacts on the Group.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group's critical accounting policies are also consistent with those disclosed in note 4 to the audited annual financial statements for the year ended 31 December 2013.

5 FINANCIAL RISK MANAGEMENT

The Group's activities continue to be exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flows interest rate risk and price risk), credit risk and

liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. A thorough explanation of the Group's risks and its approach to their identification, assessment and mitigation is included in note 3 to the annual financial statements. During the third quarter of 2014, there have been no changes on the Group's exposure and risk management principles and processes in place as of 31 December 2013.

6 SEASONALITY OF OPERATIONS

The production of fishmeal and fish oil is subject to seasonal fluctuations which cause that in Peru fishing activities are carried on during two seasons established by law. Every year, the first season begins in April/May and ends in July and the second season begins in November and ends in December/January of the following year. As of 30 September 2014, the first fishing season has finished, the non-fishing period expenses incurred have been deferred to permit their allocation to the next fishing season's production costs as explained in note 4.2 to the annual financial statements. Fixed expenses incurred in 2014 that have been deferred amounts to US\$9,542 thousand (US\$718 thousand as of 30 December 2013).

7 SEGMENT INFORMATION

The chief operating decision maker has been identified as the Chief Executive Officer (the "CEO") of the Group. The CEO reviews the Group's internal reporting in order to assess performance and allocate resources.

The CEO determined that the Group has only one operating segment. The CEO assesses the performance of fishmeal and fish oil on a consolidated basis as their production process is closely related to each other. Fishmeal and fish oil are sold in worldwide markets. Other products sold by the Group include raw material, that is, anchovy and other minor fish. The CEO assesses the performance of the operating segment based on a formula that considers earnings before finance cost, taxation, depreciation, amortization, worker's profit sharing, other income and other expenses ("Adjusted Earnings"). Accordingly, it is determined that the Group has only one operating segment.

8 PROPERTY, PLANT AND EQUIPMENT

	<u>Vessels and equipment of fleet</u> US\$000	<u>Machinery and equipment</u> US\$000	<u>Buildings and land</u> US\$000	<u>Work in progress and other fixed assets</u> US\$000	<u>Total</u> US\$000
For the nine months ended 30 September 2013					
Opening net book value As of 1 January 2013	105,912	107,767	58,173	4,874	276,726
Additions	362	-	-	12,337	12,699
Disposals, net	(758)	(1,136)	-	(246)	(2,140)
Reclassification	707	2,597	1,735	(5,039)	-
Exchange differences	(8,780)	(8,978)	(4,848)	(441)	(23,047)
Impairment charge	(5,515)	(930)	-	-	(6,445)
Depreciation charge	(4,277)	(2,652)	(1,499)	(411)	(8,839)
Closing net book value	<u>87,651</u>	<u>96,668</u>	<u>53,561</u>	<u>11,074</u>	<u>248,954</u>
At 30 September 2013					
Cost	136,674	149,867	68,720	13,956	369,217
Accumulated depreciation and impairment	(49,023)	(53,199)	(15,159)	(2,882)	(120,263)
Net book value	<u>87,651</u>	<u>96,668</u>	<u>53,561</u>	<u>11,074</u>	<u>248,954</u>

**For the nine months
ended 30 September 2014**

Opening net book value					
As of 1 January 2014	86,252	99,072	53,028	3,225	241,577
Adjustment	309	834	453	160	1,756
Additions	-	-	-	34,263	34,263
Disposals, net	(193)	(906)	-	(39)	(1,138)
Reclassification	3,978	6,566	20,267	(30,811)	-
Impairment charge	-	(1,492)	(825)	-	(2,317)
Reversal of impairment	561	-	-	-	561
Depreciation charge	(7,238)	(5,116)	(2,029)	(391)	(14,774)
Closing net book value	<u>83,669</u>	<u>98,958</u>	<u>70,894</u>	<u>6,407</u>	<u>259,928</u>

At 30 September 2014

Cost	130,305	141,991	82,879	11,213	366,388
Accumulated depreciation and impairment	(46,636)	(43,033)	(11,985)	(4,806)	(106,460)
Net book value	<u>83,669</u>	<u>98,958</u>	<u>70,894</u>	<u>6,407</u>	<u>259,928</u>

Main additions during the nine-month period ended 30 September 2014 are related to: i) acquisition of land and building for administrative office for an amount of US\$16,301 thousand and US\$2,817 thousand, respectively ii) investments in the environmental management program in the Bayovar and Ilo Plants for an amount of US\$3,010 thousand, and US\$3,940 thousand, respectively; iii) acquisition of fishing nets and investments in fleet equipment improvements for an amount of US\$4,694 thousand; iv) acquisition of machinery improvements in Chancay Plant for an amount of US\$2,323 thousand and then others for an amount of US\$1,178 thousand.

Main disposals during the nine-month period ended 30 September 2014 are related to: i) Machinery and equipment from Plants for an amount of US\$906 thousand, ii) Vessels and equipment of fleet for an amount of US\$193 thousand and laboratory equipment in Chimbote plant for an amount of US\$39 thousand.

9 INTANGIBLE ASSETS

	<u>Fishing licenses</u> US\$000	<u>Goodwill</u> US\$000	<u>Other intangible assets</u>		
			<u>Software licenses</u> US\$000	<u>Others</u> US\$000	<u>Total</u> US\$000
For the nine months ended 30 September 2013					
Opening net book value					
As of 1 January 2013	235,705	153,119	964	16	980
Additions	-	-	198	-	198
Exchange difference	(19,663)	(12,773)	(76)	(1)	(77)
Amortization charge	-	-	(180)	-	(180)
Closing net book amount	<u>216,042</u>	<u>140,346</u>	<u>906</u>	<u>15</u>	<u>921</u>
At 30 September 2013					
Cost	216,042	154,377	5,678	15	5,693
Accumulated amortization and impairment	-	(14,031)	(4,772)	-	(4,772)
Net book amount	<u>216,042</u>	<u>140,346</u>	<u>906</u>	<u>15</u>	<u>921</u>

**For the nine months
ended 30 September 2014**

Opening net book value As of 1 January 2014	215,036	139,693	867	15	882
Adjustment	-	-	8	-	8
Additions	-	-	3	-	3
Amortization charge	-	-	(237)	-	(237)
Closing net book amount	<u>215,036</u>	<u>139,693</u>	<u>641</u>	<u>15</u>	<u>656</u>

At 30 September 2014

Cost	215,036	153,724	5,708	15	5,723
Accumulated amortization and impairment	-	(14,031)	(5,067)	-	(5,067)
Net book amount	<u>215,036</u>	<u>139,693</u>	<u>641</u>	<u>15</u>	<u>656</u>

10 INVENTORIES

	As of 30 September 2014 <u>US\$000</u>	As of 31 December 2013 <u>US\$000</u>
Finished goods:		
- Fishmeal	26,042	55,257
- Fish oil	7,336	13,966
- Raw material	-	215
Spare parts, supplies and packaging	8,426	6,752
Provision for obsolete spare parts, supplies and packaging	(922)	(824)
	<u>40,882</u>	<u>75,366</u>

11 TRADE ACCOUNTS RECEIVABLE

	As of 30 September 2014 <u>US\$000</u>	As of 31 December 2013 <u>US\$000</u>
Trade accounts receivable - abroad	2,496	6,539
Doubtful accounts	-	-
	<u>2,496</u>	<u>6,539</u>
Less:		
Provision for doubtful accounts	-	-
	<u>2,496</u>	<u>6,539</u>

12 OTHER ACCOUNTS RECEIVABLE

	As of 30 September 2014 <u>US\$000</u>	As of 31 December 2013 <u>US\$000</u>
Accounts receivable from third party owners of vessels (a)	6,568	1,182
Refundable value added tax	2,692	3,937
Value-added tax credit	5,172	6,725
Prepaid income tax (b)	-	5,199
Claims to third parties	771	269
Personnel (c)	3,763	516

Insurance (d)	1,913	-
Others	304	96
Doubtful accounts	<u>1,305</u>	<u>1,385</u>
	22,488	19,309
Less: provision for doubtful accounts	<u>(1,305)</u>	<u>(1,385)</u>
	<u>21,183</u>	<u>17,924</u>

- a) As of 30 September 2014, the fishing season has ended and the Company has continued giving granted loans to vessels owners for working capital purposes, which is expected to be discounted in the following fishing season. As of December 2013, the fishing season was about to finish, the loans were granted on August 2013 and as the third party vessels owners sold fish to the Company, the loans were repaid.
- b) Prepaid income tax is higher in 2013 because it represents 12 months of prepayments. On the other hand, the prepaid income tax of 2014 is offset with the income tax calculation for the year.
- c) In 2014 out of the US\$3,763 thousand receivable to personnel, US\$2,762 thousand corresponds to workers' profit sharing paid in advance from 2014 and 2015 profits for all workers in the Company.
- d) As of 30 September 2014, the insurances paid in advance have been in force since May 2014 until August 2015. On the contrary, the insurances did not show any balances because the insurance policy was contracted from January to December 2013.

13 SHARE CAPITAL AND SHARE PREMIUM

- a) Share capital -

The authorized, signed and paid-in capital under Copeinca ASA's by-laws as of 30 September 2014 comprises 70,200,000 common shares of NOK 5 nominal value each.

	<u>Number of shares (In thousands)</u>	<u>Share capital NOK 000</u>	<u>Share capital US\$000</u>	<u>Share premium US\$000</u>	<u>Total US\$000</u>
Opening balance as of 1 January 2013	<u>57,647</u>	<u>288,236</u>	<u>55,004</u>	<u>282,358</u>	<u>337,362</u>
Sale of treasury shares	853	4,264	713	4,104	4,817
Issue of shares under private placement	<u>11,700</u>	<u>58,500</u>	<u>10,174</u>	<u>112,035</u>	<u>122,209</u>
Balance as of 30 September 2013	<u>70,200</u>	<u>351,000</u>	<u>65,891</u>	<u>398,497</u>	<u>464,388</u>

	<u>Number of shares (In thousands)</u>	<u>Share capital NOK 000</u>	<u>Share capital US\$000</u>	<u>Share premium US\$000</u>	<u>Total US\$000</u>
Opening balance as of 1 January 2014 and balances as of 30 September 2014	<u>70,200</u>	<u>351,000</u>	<u>65,891</u>	<u>398,497</u>	<u>464,388</u>

On 4 April 2013, the Company sold a total of 853 thousand treasury shares at a price of NOK59.7 (equivalent to US\$10.33) per share.

On 5 April 2013, the Company issued 11,700 thousand new ordinary shares of NOK 5 (equivalent to US\$0.83) each at an issue price of NOK 59.7 (equivalent to US\$10.45) per share.

b) Share premium –

In 2013, share premium increased by US\$4,104 thousand due to sale of treasury shares and US\$112,035 thousand due to issue of shares under private placement.

c) Other reserves -

In 2013, the Company sold its treasury shares reaching a net gain of US\$3,994 thousand (sale of US\$8,811 thousand and a book value of US\$4,817 thousand).

The Company's main subsidiary, Copeinca S.A.C., detracted from its 2012 net profit amounting to US\$5,085 thousand 10% to transfer the amount to the legal reserve in compliance of Peruvian legal requirements explained in note 17-a) to the annual financial statements.

d) Share buy-back program -

The total program was carried out for a total of 852,993 shares at an average price of US\$5.65 per share totaling US\$4,817 thousand. The Company is acquiring its own shares in order to increase the stock value. These shares are shown as a 'treasury shares' in its consolidated financial statements.

On 4 April 2013, the Company sold its treasury shares at a price of NOK59.7 (equivalent to US\$10.33) per share.

e) Annual General Meeting -

According to the General Meeting held on 30 June, the following was agreed:

Approval of Financial statements

Approval of the annual consolidated and separate financial statements of Copeinca AS and the Board of Directors Report of 2013.

According to the Extraordinary Meeting held on 22 April 2014, the following was agreed:

Change of Auditors

The change of auditors from Pricewaterhousecoopers AS to Deloitte AS was agreed.

According to the extraordinary General Meeting held on 18 March 2014, the following was agreed:

De-listing of the shares of the company from Oslo Børs

In accordance with the board's proposal, the general meeting unanimously resolved as follows:

"Copeinca ASA shall promptly apply to Oslo Børs for a de-listing of its shares from quotation at Oslo Børs pursuant to section 25 of the Norwegian Stock Exchange Act, cf. section 15.1 (4) of the Continuing obligations for stock exchange listed companies. Robin Bakken is appointed as the company's attorney in - fact to, for and on behalf of the Company, execute and deliver all applications, certificates, undertakings, documents and writings, and to do all such other acts and things, as he may in his or her sole discretion consider necessary or desirable in order to effect such de-listing, including to file a de-listing application for the Company with Oslo Børs."

De-listing of the shares of the company from Bolsa de Valores de Lima

In accordance with the board's proposal, the general meeting unanimously resolved as follows:

"Copeinca ASA shall promptly apply to Bolsa de Valores de Lima for a de-listing of its shares from quotation at Bolsa de Valores de Lima pursuant to applicable Bolsa de Valores de Lima rules. Francisco Paniagua is appointed as the company's attorney-in-fact to, for and on behalf of the Company, execute and deliver all applications, certificates, undertakings, documents and writings, and to do all such other acts and things, as he may in his sole discretion consider necessary or desirable in order to effect such de-listing, including to file a delisting application for the Company with Bolsa de Valores de Lima and/or the SMV."

Transformation from public to private limited liability company

The company is transformed from a public limited liability company (ASA) to a private limited liability company (AS) cf. section 15-1 of the Norwegian Public Limited Liability Companies Act. This resolution shall enter into force as of when the general meeting has resolved to apply for de-listing of the shares of the company from Oslo Børs and Bolsa de Valores de Lima, Oslo Børs and Bolsa de Valores de Lima have resolved to de-list such shares and the de listings have become effective."

14 BORROWINGS AND LOANS

	As of 30 September 2014 <u>US\$000</u>	As of 31 December 2013 <u>US\$000</u>
Non-current	249,931	249,906
Current	<u>76,930</u>	<u>138,832</u>
	<u><u>326,861</u></u>	<u><u>388,738</u></u>

Re-tap of US\$75 million bonds -

On January 2013, Copeinca S.A.C. reopened its US\$175 million 9.00% senior notes due in 2017 raising gross proceeds of US\$75 million, which are guaranteed by Copeinca ASA. The issue of these notes corresponds to a single issue of the US\$175 million 9.00% senior notes due 2017. The total aggregate principal amount of the 9.00% senior notes due in 2017 outstanding following such reopening amounts to US\$250 million. The net proceeds from the additional bond issue were used to repay lease obligations, to fund capital expenditures and for general corporate purposes.

15 TRADE AND OTHER ACCOUNTS PAYABLE

	As of 30 September 2014 <u>US\$000</u>	As of 31 December 2013 <u>US\$000</u>
Trade accounts payable:		
Invoices payable	7,572	18,105
Notes payable	<u>1,300</u>	<u>-</u>
	<u><u>8,872</u></u>	<u><u>18,105</u></u>
<i>Other accounts payable:</i>		
Payroll, social security and other taxes	5,807	7,966
Workers' profit-sharing (a)	6,456	874
Loans to third parties	184	291
Accrued expenses (b)	1,551	4,178
Provisions (c)	10,131	8,129
Other accruals	<u>186</u>	<u>489</u>
	<u><u>24,315</u></u>	<u><u>21,297</u></u>
Non-current portion	<u>(7,903)</u>	<u>(6,341)</u>
Current portion	<u><u>16,412</u></u>	<u><u>15,586</u></u>

- a) Workers profit-sharing is higher in the current year because of higher profits during the nine months ended as of 30 September 2014.
- b) Accrued expenses decreased because at year end major estimations regarding services rendered during the year were recorded.

- c) Provisions related to legal claims increased in US\$2,002 thousand because of new labour trials and administrative proceedings.

16 SALES

Revenues from sales relate to the following products and services:

	For the nine-month period ended	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
	US\$000	US\$000
Fishmeal	163,032	133,987
Fish oil	47,988	18,137
Mackerel/Jack mackerel	3,065	4,262
Anchovy	16,173	20
Rent of quota	2,086	-
Others	118	81
	<u>232,462</u>	<u>156,487</u>

The corresponding quantities (Metric Tons) shipped and sold were:

	For the nine-month period ended	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
	MT	MT
Fishmeal	106,955	82,578
Fish oil	24,201	7,974
Mackerel/Jack mackerel	6,422	7,386
Anchovy	62,775	70
	<u>200,353</u>	<u>98,008</u>

17 COST OF GOODS SOLD

The cost of goods sold for the period comprises:

	For the nine-month period ended	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
	US\$000	US\$000
Opening balance of finished products	70,375	13,398
Consumption of raw materials and other materials	63,435	61,460
Employee benefits expenses	26,233	27,927
Depreciation	14,376	8,661
Amortization	117	87
Other manufacturing expenses	14,551	18,870
Closing balance of finished products	(42,919)	(31,819)
	<u>146,168</u>	<u>98,584</u>

18 SELLING EXPENSES

Selling expenses comprise:

	<u>For the nine-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
	<u>US\$000</u>	<u>US\$000</u>
Employee benefits expenses	1,098	1,079
Custom duties	8,129	5,688
Services rendered by third parties	1,260	1,221
Other management charges	360	381
Depreciation	3	6
Amortization	27	20
	<u>10,877</u>	<u>8,395</u>

19 ADMINISTRATIVE EXPENSES

Administrative expenses comprise:

	<u>For the nine-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
	<u>US\$000</u>	<u>US\$000</u>
Employee benefits expenses	4,114	5,244
Services rendered by third parties	3,698	4,524
Other taxes	60	168
Other management charges	229	606
Depreciation	395	172
Amortization	93	73
	<u>8,589</u>	<u>10,787</u>

20 OTHER INCOME AND OTHER EXPENSES

Other income and other expenses comprise:

	<u>For the nine-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
	<u>US\$000</u>	<u>US\$000</u>
<i>Other income:</i>		
Administrative service income	144	-
Net gain on sale of fixed assets	-	657
Recovery of provisions (a)	4,926	369
Gain on leasing operation	-	121
Gain on sale of diesel and supplies	341	202
Impairment reversion	561	-
Other operating income	750	303
	<u>6,722</u>	<u>1,652</u>

Other expenses:

Expenses related to the search of strategic alternatives to the non-solicited takeover and issuance of additional capital	-	(18,820)
Termination benefits paid to former management	-	(6,460)
Fee for the early termination of agreements	-	(3,055)
Net loss on sale of fixed assets	(143)	-
Operating service cost	(12)	-
Expenses from non-operating vessels	(982)	-
Fines and sanctions	(388)	(1,154)
Employee severance indemnities	(2,480)	(523)
Provisions for legal lawsuits and administrative proceedings	(2,179)	(1,981)
Expenses from prior years	-	(1,344)
Impairment loss of fixed assets	(2,317)	(6,445)
Other operating expenses	(1,112)	(1,449)
	(9,613)	(41,231)

- a) Mainly comprises the recovery of Alejandra's vessel insurance reimbursement which amounts to US\$4,241 thousand.

21 FINANCE INCOME AND COSTS

The detail of finance income and costs comprise:

	<u>For the nine-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
	<u>US\$000</u>	<u>US\$000</u>
<i>Finance income:</i>		
Interest on accounts receivable to related parties	10,199	-
Interest on short-term deposits	3	330
Interest on short-term debt instruments	105	226
Interest on other accounts receivable	34	389
Others	-	201
Total finance income	<u>10,341</u>	<u>1,146</u>
<i>Interest expenses:</i>		
Bonds	(16,875)	(16,556)
Bank borrowings	(617)	(233)
Finance leases	-	(84)
Non domiciled income tax	(850)	(842)
Inventory financing	(534)	(188)
Factoring commissions	(605)	(292)
Others	(461)	(1,134)
Total finance costs	<u>(19,942)</u>	<u>(19,329)</u>
Finance income and costs, net	<u>(9,601)</u>	<u>(18,183)</u>

22 CASH GENERATED FROM OPERATIONS

	For the nine-month period ended	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
	US\$000	US\$000
Profit (loss) before income tax	55,134	(35,995)
Adjustments for:		
Depreciation (note 8)	14,774	8,839
Amortization (note 9)	237	180
Loss/gain on sale of property and equipment	143	(657)
Impairment	2,317	6,445
Impairment reversion	(561)	-
Finance costs, net	9,601	18,183
<i>Changes in working capital (net of the effects of acquisition and exchange differences on consolidation):</i>		
Inventories	35,202	(16,103)
Trade accounts receivables	4,043	(19,064)
Other accounts receivable	(33,786)	(93,768)
Trade accounts payable	(10,133)	(4,058)
Other accounts payable	<u>14,707</u>	<u>18,404</u>
Cash generated from operations	<u>91,678</u>	<u>(117,594)</u>

23 INCOME TAX EXPENSE

Income tax in interim periods is accrued using the tax rate that would be applicable to expected total annual profit or loss. The estimated average annual tax rate used for the year 2014 and 2013 is 30%. The income tax expense shown in the statement of profit or loss comprises:

	For the nine-month period ended	
	<u>30 September</u>	<u>30 September</u>
	<u>2014</u>	<u>2013</u>
	US\$000	US\$000
Current	(17,099)	(980)
Deferred	<u>1,629</u>	<u>4,187</u>
	<u>(15,470)</u>	<u>3,207</u>

24 RELATED-PARTY TRANSACTIONS

The balances are as follows:

	As of	As of
	<u>30 September</u>	<u>31 December</u>
	<u>2014</u>	<u>2013</u>
	US\$000	US\$000
Amount due from intermediate holding	207,612	221,413
Amount due from related parties	12,288	-
Accounts payable to related parties	(4,157)	(990)
	<u>215,743</u>	<u>220,423</u>

Amount due from intermediate holding

The amount due from intermediate holding company (China Fisheries International Limited) comprises loans for corporate uses, has a one-year term, unsecured and bears an annual interest of 5%.

Amount due from related parties

The amount due from related parties (CFG Investment S.A.C.) comprises loans, sale of fish and sale of supplies.

25 GUARANTEES

<u>Type of asset</u>	<u>Encumbered creditor</u>	<u>Name of the asset</u>	<u>Type of indebtedness</u>	<u>Fair Value US\$000</u>	<u>Type of guarantee</u>
Vessel	Petroperú	Rodga I	Line of credit	44,531	Mortgage
Vessel	Interbank	Ribar XVIII	Line of credit	<u>20,453</u>	Mortgage
Total				<u>64,984</u>	