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

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 MARCH 2014 AND 2013

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As of 31 March 2014 US$000	As of 31 December 2013 US$000
ASSETS			
Non - current assets			
Property, plant and equipment	**8**	242,622	241,577
Fishing licenses	**9**	215,036	215,036
Goodwill	**9**	139,693	139,693
Other intangible assets	**9**	815	882
Investment in associate		3,849	3,717
		602,015	600,905
Current assets			
Inventories	**10**	49,141	76,084
Trade accounts receivable	**11**	14,923	6,539
Other accounts receivable	**12**	19,548	17,924
Amount due from intermediate holding company	**24**	223,749	221,413
Amount due from related parties	**24**	10,589	-
Short-term investments		2,338	5,977
Cash and cash equivalents		5,576	2,057
		325,864	329,994
Total assets		927,879	930,899
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		(20,539)	(24,490)
Retained earnings		(9,588)	(25,575)
Total equity		448,485	428,547
LIABILITIES			
Non - current liabilities			
Long-term borrowings	**14**	249,914	249,906
Deferred income tax		71,482	72,682
Other accounts payable	**15**	7,801	6,341
		329,197	328,929
Current liabilities			
Bank loans and short-term debt	**14**	105,813	130,066
Trade accounts payable	**15**	25,774	19,005
Other accounts payable	**15**	15,505	15,586
Current portion of long-term borrowings	**14**	3,105	8,766
		150,197	173,423
Total liabilities		479,394	502,352
Total equity and liabilities		927,879	930,899

The notes on pages from 9 to 20 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 three-month period ended 31 March 2014 (unaudited) US$000	For the three-month period ended 31 March 2013 (unaudited) US$000	For the year ended 31 December 2013 (audited) US$000
Sales	**16**	89,522	36,063	209,726
Cost of goods sold	**17**	(53,902)	(27,843)	(134,729)
Gross profit		35,620	8,220	74,997
Selling expenses	**18**	(4,475)	(1,721)	(11,813)
Administrative expenses	**19**	(2,548)	(3,606)	(13,883)
Other income	**20**	1,047	378	2,164
Other expenses	**20**	(2,513)	(2,102)	(50,730)
Operating profit		27,131	1,169	735
Finance income	**21**	2,340	681	3,484
Finance costs	**21**	(6,722)	(6,079)	(25,376)
Exchange difference, net		101	(1,257)	(17,648)
Profit (loss) before income tax		22,850	(5,486)	(38,805)
Income tax expense (gain)	**23**	(6,863)	1,729	3,373
Profit (loss) for the period/year		15,987	(3,757)	(35,432)
Attributable to:				
Equity holders of the company		15,987	(3,757)	(35,432)

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	For the three-month period ended 31 March		**For the year ended 31 December**
	2014	**2013**	**2013**
	(unaudited)	**(unaudited)**	**(audited)**
	US$000	**US$000**	**US$000**
Profit (loss) for the period	15,987	(4,926)	(35,432)
Items that may be subsequently reclassified to profit or loss:			
Cumulative translation adjustment	3,951	(8,382)	15,755
Total comprehensive income (loss) for the period/year	19,938	(13,308)	(19,677)
Attributable to:			
Equity holders of the Company	19,938	(13,308)	(19,677)

The notes on pages from 9 to 20 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 AND 2013

	Note	Share capital US$000	Share premium US$000	Legal reserve US$000	Other reserves US$000	Cumulative translation adjustment US$000	Retained earnings US$000	Total equity US$000
Balances as of 1 January 2013		55,004	282,358	5,145	-	16,824	50,789	410,120
Loss for the period		-	-	-	-	-	(3,757)	(3,757)
Cumulative translation adjustment		-	-	-	-	(8,382)	-	(8,382)
Total comprehensive income		-	-	-	-	(8,382)	(3,757)	(12,139)
Transfer to reserves	**13**	-	-	5,085	-	-	(5,085)	-
Balances as of 31 March 2013		55,004	282,358	10,230	-	8,442	41,947	397,981
Balances as of 1 January 2014		65,891	398,497	10,230	3,994	(24,490)	(25,575)	428,547
Profit for the period		-	-	-	-	-	15,987	15,987
Cumulative translation adjustment		-	-	-	-	3,951	-	3,951
Total comprehensive income		-	-	-	-	3,951	15,987	19,938
Balances as of 31 March 2014		65,891	398,497	10,230	3,994	(20,539)	(9,588)	448,485

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the three-month period ended 31 March 2014 (unaudited) US$000	2013 (unaudited) US$000
Cash flows from operating activities			
Cash generated from operations	**22**	51,108	(8,292)
Interest paid		(12,344)	(8,596)
Income tax paid		-	(3,924)
Net cash generated from (used in) operating activities		**38,764**	**(20,812)**
Cash flows from investing activities			
Purchase of property, plant and equipment	**8**	(4,141)	(4,447)
Proceeds from sale of property, plant and equipment		133	466
Short-term investments		3,639	-
Purchase of intangible assets	**9**	(3)	(19)
Net cash used in investing activities		**(372)**	**(4,000)**
Cash flows from financing activities			
Amount due from related parties	**24**	(10,589)	-
Repayment of bank loans and short term loans	**14**	(44,790)	(10,058)
Proceeds from bank loans and short term loans	**14**	20,506	27,877
Repayment of long-term borrowings	**14**	-	(31,158)
Proceeds from bonds issued	**14**	-	75,000
Net cash (used in) generated from financing activities		**(34,873)**	**61,661**
Net increase in cash and cash equivalents		3,519	36,849
Cash and cash equivalents at beginning of the period		2,057	39,090
Exchange losses on cash and cash equivalents		-	(88)
Cash and cash equivalents at end of the period		**5,576**	**75,851**

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

OVERVIEW OF NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 MARCH 2014 AND 2013

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

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
31 MARCH 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 15 May 2014 by the Management.

2 BASIS OF PREPARATION

These condensed consolidated interim financial statements for the three-month period ended 31 March 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 and Copeinca ASA, holding Company located in Norway 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.

There are no IFRS's or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact 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 first 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 May and ends in July and the second season begins in November and ends in December or January of the following year. As of 31 March 2014, the first fishing season has not begun yet, so non-fishing period expenses incurred subsequently to the end of the second fishing season 2013, have been deferred to permit their allocation to the 2014 first 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 amounting to US$13,809 thousand (US$718 thousand as of 31 March 2013)(note 10).

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

	Vessels and equipment of fleet US$000	Machinery and equipment US$000	Buildings and land US$000	Work in progress and other fixed assets US$000	Total US$000
For the three months ended 31 March 2013					
Opening net book value					
As of 1 January 2013	105,912	107,767	58,173	4,874	276,726
Additions	389	-	-	4,058	4,447
Disposals, net	(185)	(215)	-	(1)	(401)
Reclassification	(106)	113	162	(169)	-
Exchange differences	(1,675)	(1,696)	(923)	(81)	(4,375)
Depreciation charge	(674)	(435)	(362)	(109)	(1,580)
Closing net book value	103,661	105,534	57,050	8,572	274,817
At 31 March 2013					
Cost	146,425	160,651	72,692	13,118	392,886
Accumulated depreciation and impairment	(42,764)	(55,117)	(15,642)	(4,546)	(118,069)
Net book value	103,661	105,534	57,050	8,572	274,817
For the three months ended 31 March 2014					
Opening net book value					
As of 1 January 2014	86,252	99,072	53,028	3,225	241,577
Adjustment	312	842	452	161	1,767
Additions	-	-	-	4,141	4,141
Disposals, net	-	-	-	(38)	(38)
Reclassification	83	39	-	(122)	-
Depreciation charge	(2,371)	(1,659)	(663)	(132)	(4,825)
Closing net book value	84,276	98,294	52,817	7,235	242,622
At 31 March 2014					
Cost	126,096	138,511	63,437	11,787	339,831
Accumulated depreciation and impairment	(41,820)	(40,217)	(10,620)	(4,552)	(97,209)
Net book value	84,276	98,294	52,817	7,235	242,622

Main additions during the three-month period ended 31 March 2014 are related to: i) investments in the environmental management program in the Ilo and Bayovar plants for an amount of US$1,098 thousand and US$1,052 thousand, respectively; ii) acquisition of fishing nets and investments in fleet equipment improvements for an amount US$914 thousand; iii) Change in energy supply from diesel to gas in Chancay plant for an amount of US$684 thousand, and others US$393 thousand.

Main disposals are related to laboratory equipment in Chimbote plant for an amount of US$38 thousand

9 INTANGIBLE ASSETS

	Fishing licenses US$000	Goodwill US$000	Other intangible assets Software licenses US$000	Others US$000	Total US$000
For the three months ended 31 March 2013					
Opening net book value					
As of 1 January 2013	235,705	153,119	964	16	980
Additions	-	-	19	-	19
Exchange difference	(3,642)	(2,365)	(17)	(1)	(18)
Amortization charge	-	-	(46)	-	(46)
Closing net book amount	232,063	150,754	920	15	935
At 31 March 2013					
Cost	232,063	164,785	5,925	15	5,940
Accumulated amortization and impairment	-	(14,031)	(5,005)	-	(5,005)
Net book amount	232,063	150,754	920	15	935
For the three months ended 31 March 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	-	-	(78)	-	(78)
Closing net book amount	215,036	139,693	800	15	815
At 31 March 2014					
Cost	215,036	153,724	5,707	15	5,722
Accumulated amortization and impairment	-	(14,031)	(4,907)	-	(4,907)
Net book amount	232,036	139,693	800	15	815

10 INVENTORIES

	As of 31 March 2014 US$000	As of 31 December 2013 US$000
Finished goods:		
- Fishmeal	26,096	55,257
- Fish oil	3,210	13,966
- Raw material	-	215
- Non-fishing period expenses (note 6)	13,809	718
Spare parts, supplies and packaging	6,852	6,752
Provision for obsolete spare parts, supplies and packaging	(826)	(824)
	49,141	76,084

As of 31 March 2014, the stock SD fishmeal and fish oil was 29,586 MT and 3,403 MT, respectively (65,107 MT and 15,993 MT, respectively, as of 31 December 2013).

11 TRADE ACCOUNTS RECEIVABLE

	As of 31 March 2014 US$000	As of 31 December 2013 US$000
Trade accounts receivable - abroad	14,923	6,539
Doubtful accounts	-	-
	14,923	6,539
Less:		
Provision for doubtful accounts	-	-
	14,923	6,539

12 OTHER ACCOUNTS RECEIVABLE

	As of 31 March 2014 US$000	As of 31 December 2013 US$000
Accounts receivable from third party owners of vessels (a)	7,319	1,182
Refundable value added tax	3,193	3,937
Value-added tax credit	4,959	6,725
Prepaid income tax (b)	892	5,199
Claims to third parties	288	269
Personnel (c)	2,015	516
Others	882	96
Doubtful accounts	1,360	1,385
	20,908	19,309
Less: provision for doubtful accounts	(1,360)	(1,385)
	19,548	17,924

a) As of 31 March 2014, the fishing season has not yet begun and the Company has signed agreements and granted loans to vessels owners for working capital purposes such as repairing their ships. 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 vs. 3 months in 2014. In the other hand the prepaid income tax of 2013 was offset with the income tax for the year 2013.

c) In 2014 out of the US$2,015 thousand receivable to personnel, US$1,461 thousand corresponds to workers' profit sharing paid in advance from 2014 and 2015 profits for all workers in the Company.

13 SHARE CAPITAL AND SHARE PREMIUM

a) Share capital -

The authorized, signed and paid-in capital under Copeinca ASA's by-laws as of 31 March 2014 comprises 70,200,000 common shares of NOK 5 nominal value each.

	Number of shares (In thousands)	Share capital NOK 000	Share capital US$000	Share premium US$000	Total US$000
Opening balance as of 1 January 2013 and balances as of 31 March 2013	57,647	288,236	55,004	282,358	337,762

	Number of shares (In thousands)	Share capital NOK 000	Share capital US$000	Share premium US$000	Total US$000
Opening balance as of 1 January 2014 and balances as of 31 March 2014	70,200	351,000	65,891	398,497	464,388

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) Extraordinary General Meeting -

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-infact 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 31 March 2014 US$000	As of 31 December 2013 US$000
Non-current	249,914	249,906
Current	108,918	138,832
	358,832	388,738

Movements in borrowings are analysed as follows:

Three months ended 31 March 2013	
Opening amount as of 1 January 2013	223,839
Bonds	75,000
Inventory financing obtained	24,377
Borrowings obtained	3,500
Payment of borrowings and inventory financing	(10,058)
Repayments of sale and leaseback operations	(29,892)
Repayments and accrual of bond interest	(671)
Closing amount as of 31 March 2013	286,095
Three months ended 31 March 2014	
Opening amount as of 1 January 2014	388,738
Inventory financing obtained	20,506
Payment of inventory financing	(44,790)
Repayments and accrual of bond interest	(5,622)
Closing amount as of 31 March 2014	358,832

a) 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.

b) Covenants -

The company has not complied with the following covenant as of March 31, 2014:

Limitation on indebtedness:

a. Net debt / EBITDA less than 3.75 X
b. Plus warrants: maximum 25% of sales
c. Plus additional debt not to exceed the greater of US$50 million or 7.5% of assets

Deviations: Yes. As of March 2014, the leverage ratio was not fulfilled. The ratio on the first quarter (3.80x) exceeded the indebtedness covenant (3.75x). This deviation occurred by two reasons: a) because of a decrease of EBITDA (less catch Peruvian anchovy) and b) because of an increase of short-term debt (financing obtained to fund the working capital of the second fishing season production).

15 TRADE AND OTHER ACCOUNTS PAYABLE

	As of 31 March 2014 US$000	As of 31 December 2013 US$000
Trade accounts payable:		
Invoices payable	24,315	19,005
Notes payable	1,459	-
Other accounts payable:		
Payroll, social security and other taxes	8,486	7,966
Workers' profit-sharing (a)	2,890	874
Loans to third parties	132	291
Accrued expenses (b)	1,004	4,178
Provisions (c)	10,001	8,129
Other accruals	793	489
	23,306	21,297
Non-current portion	(7,801)	(6,341)
Current portion	15,505	15,586

a) Workers profit-sharing is higher in 2014 because of higher profits during the three months ended March 31, 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$1,872 thousand because of new labour trials and administrative proceedings.

16 SALES

Revenues from sales relate to the following products:

	For the three-month period ended	
	31 March 2014 US$000	31 March 2013 US$000
Steam dried (SD) fishmeal	59,949	29,565
Fish oil	27,730	3,085
Mackerel/Jack mackerel	1,790	3,359
Others	53	54
	89,522	36,063

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

	For the three-month period ended	
	31 March 2014	31 March 2013
	MT	MT
SD fishmeal	44,272	16,952
Fish oil	14,428	1,477
Mackerel/Jack mackerel	4,112	5,942
	62,812	24,371

17 COST OF GOODS SOLD

The cost of goods sold for the period comprises:

	For the three-month period ended	
	31 March 2014	31 March 2013
	US$000	US$000
Opening balance of finished products	70,156	13,577
Consumption of raw materials and other materials	8,826	14,986
Employee benefits expenses	5,293	6,550
Depreciation	4,825	1,580
Amortization	78	46
Other manufacturing expenses	7,839	5,661
Closing balance of finished products	(43,115)	(14,557)
	53,902	27,843

18 SELLING EXPENSES

Selling expenses comprise:

	For the three-month period ended	
	31 March 2014	31 March 2013
	US$000	US$000
Employee benefits expenses	408	354
Custom duties	3,625	1,095
Services rendered by third parties	354	205
Other management charges	78	60
Depreciation	1	2
Amortization	9	5
	4,475	1,721

19 ADMINISTRATIVE EXPENSES

Administrative expenses comprise:

	For the three-month period ended	
	31 March 2014 US$000	31 March 2013 US$000
Employee benefits expenses	948	2,100
Services rendered by third parties	1,267	1,205
Other taxes	21	21
Other management charges	155	204
Depreciation	126	57
Amortization	31	19
	2,548	3,606

20 OTHER INCOME AND OTHER EXPENSES

Other income and other expenses comprise:

	For the three-month period ended	
	31 March 2014 US$000	31 March 2013 US$000
Other income:		
Net gain on sale of fixed assets	95	98
Reversal of provisions for legal lawsuits	-	42
Gain on sale of diesel and supplies	31	57
Other operating income	921	181
	1,047	378
Other expenses:		
Fines and sanctions	(53)	(437)
Employee severance indemnities	(741)	(4)
Provisions for legal lawsuits and administrative proceedings	(1,677)	(120)
Expenses from prior years	-	(1,344)
Other operating expenses	(42)	(197)
	(2,513)	(2,102)

21 FINANCE INCOME AND COSTS

The detail of finance income and costs comprise:

	For the three-month period ended	
	31 March 2014 US$000	31 March 2013 US$000
Finance income:		
Interest on accounts receivable to related parties	2,336	-
Interest on short-term deposits	-	227
Interest on short-term debt instruments	-	151
Interest on other accounts receivable	4	7
Bonds (amortized cost)	-	296
Total finance income	2,340	681

Interest expenses:		
Bonds	(5,627)	(5,306)
Bank borrowings	(1,034)	(605)
Finance leases	-	(84)
Others	(61)	(84)
Total finance costs	(6,722)	(6,079)
Finance income and costs, net	(4,382)	(5,398)

22 CASH GENERATED FROM OPERATIONS

	For the three-month period ended 31 March 2014 US$000	31 March 2013 US$000
Profit (loss) before income tax	22,850	(5,486)
Adjustments for:		
Depreciation (note 8)	4,825	1,580
Amortization (note 9)	78	46
Gain on sale of property and equipment	(171)	(67)
Share-based payment	-	1,277
Foreign exchange losses on operating activities	-	88
Finance costs, net	4,382	5,398
Changes in working capital (net of the effects of acquisition and exchange differences on consolidation):		
Inventories	26,943	(473)
Trade accounts receivables	(8,384)	9,761
Other accounts receivable	(1,624)	(13,360)
Trade accounts payable	6,769	(4,524)
Other accounts payable	(4,560)	(2,532)
Cash generated from operations	51,108	(8,292)

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%.

24 RELATED-PARTY TRANSACTIONS

The balances are as follows:

	As of 31 March 2014 US$000	As of 31 December 2013 US$000
Amount due from intermediate holding	223,749	221,413
Amount due from related parties	10,589	-
	234,338	221,413

Movements are analysed as follows:

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%.

Three months ended 31 March 2014	
Opening amount as of 1 January 2014	221,413
Compensation with receivables	(45)
Interest on loans	2,381
Closing amount as of 31 March 2014	223,749

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.

Three months ended 31 March 2014	
Opening amount as of 1 January 2014	-
Loans granted	10,400
Compensation with receivables	(24)
Payments	(325)
Purchases	538
Closing amount as of 31 March 2014	10,589

25 GUARANTEES

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

26 EVENTS OCCURRING AFTER THE REPORTING PERIOD

a) Peru authorizes the start of the 2014 First Fishing Season -

On 30 March 2014, PRODUCE, the Peruvian Ministry of Production's Fishing Vice Ministry, issued resolution No.148-2013 authorizing the start of the first fishing season on 23 April 2014 at 00:00 hours in the area between the center-north area of Peru (North of 16th parallel). The allowable catch of anchovy for indirect human consumption for the first 2014 fishing season has been established in 2,530,000 MT.

The first fishing season will end once the maximum allowable catch is reached or in 31 July 2014, whatever occurs first. This date may be extended according to the biological environment, prior report from IMARPE, the Peruvian Marine Research Institute.