



FINANCIAL STATEMENTS

**AN GIANG AGRICULTURE AND FOODS
IMPORT – EXPORT JOINT STOCK COMPANY**

For the fiscal year ended as at 31/12/2014
(audited)

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of An Giang Agriculture and Foods Import – Export Joint Stock Company (the “company”) presents its report and the Company’s Financial Statements for the fiscal year ended as at 31 December 2014.

COMPANY

An Giang Agriculture and Foods Import – Export Joint Stock Company (abbreviated as Aflix), was transformed from An Giang Import and Export Agricultural Products Company, a State Enterprise, in accordance with Decision No.1808/QD-UBND dated 22 September 2010, issued by The People’s Committee of An Giang province.

The Company operates under Business License No. 1600194461, first registered on 01 April 2011; first revised on 14 July 2011; second revised on 09 May 2013; third revised on 14 May 2014 issued by Department of Planning and Investment of An Giang Province

The company’s head office is located at No 25/40 Tran Hung Dao Street, Thanh An Quarter, My Thoi Ward, Long Xuyen City, An Giang Province.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF CONTROLLERS

The members of The Board of Management during the fiscal year and to the reporting date are:

Mr. Pham Van Bay	Chairman
Mr. Nguyen Thanh Xuan	Member
Mr. Tran Trung Nguon	Member
Mr. Pham Ngoa Long	Member
Mr. Tran Bay	Member
Mr. To Thien Huu	Member

The members of The Board of General Directors during the fiscal year and to the reporting date are:

Mr. Pham Van Bay	General Director
Mr. Tran Trung Nguon	Deputy General Director
Mr. Nguyen Thanh Xuan	Deputy General Director
Mr. Pham Ngoa Long	Deputy General Director

The members of the Board of Controllers are:

Mr. Trinh Ngoc Thuan	Head of Control Department
Mr. Nguyen Phuoc Tao	Member
Mr. Bui Ton Son	Member

AUDITORS

The auditors of the AASC Auditing Firm Company Limited take the review of Financial statements for the Company.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of General Directors is responsible for the Financial Statements of each financial year which give a true and fair view of the state of affairs of the Company and of its operation results and cash flows for the year. In preparing those Financial Statements, The Board of General Directors is required to:

- Establish and maintain of an internal control system which is determined necessary by the Board of General Directors and Those charged with governance to ensure the preparation and presentation of separate financial statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the basis of compliance with accounting standards and system and other related regulations
- Prepare the Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of Company and to ensure that the accounting records comply with the registered accounting system. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirm that the Financial Statements for the fiscal year ended as at 31/12/2014 prepared by us, give a true and fair view of the financial position at 31 December 2014, its operation results and cash flows in the year 2014 of Company in accordance with the Vietnamese Accounting System and in compliance with relevant statutory requirements.

Other commitments

The Board of General Directors pledges that the company does not offend obligation of information disclosure under regulation in Circular No. 52/2012/TT-BTC dated 05 April 2012 issued by Ministry of Finance guiding disclosure of information on Securities Market.

On behalf of The Board of General Directors



Pham Van Bay

General Director

An Giang, 26 March 2015

INDEPENDENT AUDITOR'S REPORT

To: **Shareholders, The Board of Management and The Board of General Directors**
An Giang Agriculture and Foods Import – Export Joint Stock Company

We have audited the Financial Statements of An Giang Agriculture and Foods Import – Export Joint Stock Company prepared on 26 March 2015, as set out on pages 06 to 34 including: Statement of financial position as at 31 December 2014, Statement of comprehensive income, Statement of cash flows and Notes to financial statements for the year ended as at 31 December 2014

The responsibility of the Board of General Directors

The Company's Board of General Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of General Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The responsibility of Auditor

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

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

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

Basis of qualified opinion

In the fiscal year, the Company had not allocated its goodwill value into the operating result in accordance with Circular No.138/2012/TT-BTCT dated 20 August 2012. The value of the unallocated goodwill in year 2013 and year 2014 was: VND 5,657,000,000 per year. This problem led to an increase in "Long-term prepaid expenses" on Statement of financial position as at 31/12/2014 with the amount of VND 11,314,000,000, and an increase in "Total profit before tax" on Statement of comprehensive income of year 2013 and year 2014 with the amount of VND 5,657,000,000 per year.

In the fiscal year, the Company had changed the depreciation method of food manufacturing and seafood processing machinery and equipment from straight-line depreciation method to units-of-output depreciation method; however, the actual capacity did not reach 100% of designed capacity. The depreciation of the year was decreased by VND 3,187,250,160 accordingly; "Accumulated depreciation" item of Tangible fixed assets on Statement of financial position as at 31 December 2014 was decreased and "Total profit before tax" on Statement of comprehensive income (year 2014) was increased by the equivalent amount.



Auditor's opinion

In our opinion, except the issue mentioned at "Basis of qualified opinion", the financial statements of An Giang Agriculture and Foods Import – Export Joint Stock Company give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2014, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and in compliance with relevant statutory requirements.

Emphasis-of-Matter

Not in order to refuse the above auditor's opinion, we want to note the readers of the Financial statements that: "In the fiscal year, although not receiving dividend declaration of SAGICO (Saigon - An Giang Trading Co., Ltd), the Company had estimated and recognized the dividend which could be received at capital contribution ratio into Financial income with the amount of VND 1,250,000,000 (details in note No.05).

Other -Matter

In the audited Financial statements for the fiscal year ended as at 31/12/2013, the auditors had given qualified opinion for the matter that the Company did not allocated the value of the goodwill from Long-term prepaid expenses to the operating result following the guidelines of Circular No 138/2012/TT-BTC dated 20/08/2012. At 31/12/2014, this matter was also mentioned at "Basis of qualified opinion" as above.

AASC Auditing Firm Company Limited

Cat Thi Ha

Deputy General Director

Registered Auditor No : 0725-2013-002-1

Hanoi, 31 March 2015

Lam Anh Tuan

Auditor

Registered Auditor No : 1859-2013-002-1



STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

Code ASSETS	Note	31/12/2014	01/01/2014
		VND	(Adjusted) VND
100 A. CURRENT ASSETS		705,153,807,120	656,646,829,543
110 I. Cash and cash equivalents	3	164,841,322,053	46,481,790,475
111 1. Cash		18,351,322,053	9,181,790,475
112 2. Cash equivalents		146,490,000,000	37,300,000,000
120 II. Short-term investments	4	37,300,000,000	-
121 1. Short-term investments		37,300,000,000	-
130 III. Short-term accounts receivable		128,465,318,956	254,688,837,609
131 1. Trade receivables		110,921,979,068	121,536,054,706
132 2. Advances to suppliers		15,159,603,199	55,240,071,574
135 5. Other receivables	5	9,569,271,844	82,332,591,459
139 6. Provisions for short-term bad debts		(7,185,535,155)	(4,419,880,130)
140 IV. Inventory	6	366,371,612,283	349,401,310,691
141 1. Inventory		369,268,127,159	368,578,922,524
149 2. Provision for obsolescence of inventory		(2,896,514,876)	(19,177,611,833)
150 V. Other current assets		8,175,553,828	6,074,890,768
151 1. Short-term prepaid expenses	7	6,120,818,080	3,624,175,894
152 2. VAT deductibles		686,117,510	1,849,098,042
154 3. Taxes and other receivables from State	8	2,500,000	2,500,000
158 5. Other current assets	9	1,366,118,238	599,116,832
200 B. NON- CURRENT ASSETS		236,001,815,195	246,365,235,581
220 II. Fixed assets		166,131,981,346	174,731,515,385
221 1. Tangible fixed assets	10	120,214,192,041	129,082,042,044
222 - Cost		359,965,541,117	352,608,123,099
223 - Accumulated depreciation		(239,751,349,076)	(223,526,081,055)
227 3. Intangible fixed assets	11	26,614,114,347	26,647,672,710
228 - Cost		26,818,351,833	26,818,351,833
229 - Accumulated amortization		(204,237,486)	(170,679,123)
230 4. Construction in progress	12	19,303,674,958	19,001,800,631
240 III. Investment properties	13	5,908,768,982	6,877,028,219
241 - Cost		16,137,653,892	16,137,653,892
242 - Accumulated depreciation		(10,228,884,910)	(9,260,625,673)
250 IV. Long-term financial investments	14	4,500,000,000	4,500,000,000
252 2. Investments in joint-ventures, associates		4,500,000,000	4,500,000,000
260 V. Other long-term assets		59,461,064,867	60,256,691,977
261 1. Long-term prepaid expenses	15	59,377,064,867	60,068,291,377
268 3. Other long-term assets		84,000,000	188,400,600
270 TOTAL ASSETS		941,155,622,315	903,012,065,124

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2014
 (continued)

Code RESOURCES	Note	31/12/2014	01/01/2014
		VND	VND
300 A. LIABILITIES		584,133,008,667	543,135,782,684
310 I. Current liabilities		583,569,170,972	538,395,448,472
311 1. Short-term loans and debts	16	501,139,244,941	429,275,639,006
312 2. Trade payables		38,396,513,657	67,258,114,809
313 3. Advances from customers		3,956,877,876	4,248,198,838
314 4. Tax payables and statutory obligations	17	669,763,548	126,628,114
315 5. Payables to employees		908,738,352	764,408,176
316 6. Accrued expenses	18	1,037,649,539	923,936,111
319 9. Other payables	19	33,383,617,055	31,722,625,688
323 11. Bonus and welfare fund		4,076,766,004	4,075,897,730
330 II. Long-term liabilities		563,837,695	4,740,334,212
333 3. Other long-term payables		503,000,000	503,000,000
334 4. Long-term loans and debts	20	60,837,695	4,237,334,212
400 B. OWNER'S EQUITY		357,022,613,648	359,876,282,440
410 I. Equity	21	357,022,613,648	359,876,282,440
411 1. Contributed legal capital		350,000,000,000	350,000,000,000
417 7. Investment and development fund		2,494,377,620	2,437,539,346
418 8. Financial reserve fund		2,494,377,620	2,437,539,346
419 9. Other funds belonging to owners' equity		2,002,602,581	2,002,602,581
420 10. Undistributed earnings		31,255,827	2,998,601,167
440 TOTAL RESOURCES		941,155,622,315	903,012,065,124



OFF STATEMENT OF FINANCIAL POSITION ITEMS

Items	Note	31/12/2014	01/01/2014
5. Foreign currencies			
- USD		569,353	16,215.38
- EUR		303.58	319.88

An Giang, 26 March 2015

Prepared by

Chief Accountant

General Director

Truong Thi Thu Huong

Tran Kim Uyen



Pham Van Bay

STATEMENT OF COMPREHENSIVE INCOME

Year 2014

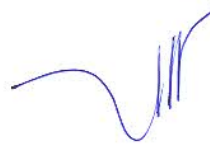
Code	Items	Note	Year 2014	Year 2013
			VND	(Adjusted) VND
01	1. Revenue from sale of goods and rendering of	22	1,639,944,575,500	1,746,583,154,501
02	2. Deductible items	23	13,467,561,613	13,983,443,396
10	3. Net revenue from sale of goods and rendering	24	1,626,477,013,887	1,732,599,711,105
11	4. Cost of sales	25	1,540,286,106,126	1,637,118,712,091
20	5. Gross profit from sale of goods and rendering		86,190,907,761	95,480,999,014
21	6. Revenue from financial activities	26	21,216,467,160	31,796,475,475
22	7. Finance costs	27	40,595,312,588	51,313,470,214
23	<i>In which : Interest expenses</i>		20,737,044,767	36,787,814,600
24	8. Selling expenses	28	65,212,388,073	71,121,749,122
25	9. Administrative expenses	29	11,206,664,890	12,144,630,015
30	10. Net profit from operating activities		(9,606,990,630)	(7,302,374,862)
31	11. Other income	30	8,001,502,308	10,719,702,966
32	12. Other expense	31	1,191,342,196	2,280,562,624
40	13. Other profit		6,810,160,112	8,439,140,342
50	14. Total profit before tax		(2,796,830,518)	1,136,765,480
51	15. Current corporate income tax expenses	32	-	-
60	17. Profit after tax		(2,796,830,518)	1,136,765,480
70	18. Earnings per share	33	(80)	32

Prepared by



Trung Thi Thu Huong

Chief Accountant



Tran Kim Uyen

An Giang, 26 March 2015

General Director



Pham Van Bay

STATEMENT OF CASH FLOWS

Year 2014

(Indirect method)

Code ITEMS	Note	Year 2014	Year 2013
		VND	(Adjusted) VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax	(2,796,830,518)	1,136,765,480
	2. Adjustments for		
02	Depreciation	17,278,189,932	23,094,617,769
03	- Provisions	(13,515,441,932)	(19,027,904,295)
04	- Gain/loss from unrealized foreign exchange	352,070,784	358,713,469
05	Gain/loss from investment activities	(14,001,848,982)	24,237,889,249
06	Interest expenses	20,737,044,767	36,787,814,600
08	3. Profit from operating activities before changes in working capital	8,053,184,051	66,587,896,272
09	Increase/Decrease in receivables	(32,935,799,540)	(14,508,357,517)
10	Increase/Decrease in inventories	(689,204,635)	81,345,471,833
11	Decrease in payables (excluding interest payables, enterprise income tax payables)	(26,834,586,614)	(602,010,212)
12	Increase/Decrease in prepaid expenses	(1,805,415,676)	1,744,385,357
13	Interest paid	(20,720,055,011)	(37,322,772,801)
14	Income taxes paid	-	(2,500,000)
15	Other receipts from operating activities	65,849,187,476	15,173,203,448
16	Other expenses on operating activities	(20,926,088,451)	(57,562,832,348)
20	Net cash flows from operating activities	(30,008,778,400)	54,852,484,032
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets and other long-term assets	(5,464,768,442)	(11,835,423,827)
22	Proceeds from disposals of fixed assets and other long-term assets	-	116,904,763
25	5. Investments in other entities	(177,900,000,000)	-
26	6. Investment returns from other entities	255,900,000,000	-
27	Interest, dividends and profit received	12,788,202,571	23,927,568,220
30	Net cash flows from investing activities	85,323,434,129	12,209,049,156
III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from short - term, long - term	1,902,319,551,959	2,272,181,915,609
34	Loan repayment	(1,839,196,120,845)	(2,501,226,405,328)
36	Dividends, profit paid to equity owners	(73,245,000)	(6,804,412,000)
40	Net cash flows from financing activities	63,050,186,114	(235,848,901,719)
50	Net cash flows within the year	118,364,841,843	(168,787,368,531)
60	Cash and cash equivalents at the beginning of the year	46,481,790,475	215,269,032,463
61	Impact of foreign exchange fluctuation	(5,310,265)	126,543
70	Cash and cash equivalents at the end of year	3	164,841,322,053
			46,481,790,475

An Giang, 26 March 2015

Prepared by

Chief Accountant

General Director

Truong Thi Thu Huong

Tran Kim Uyen

Pham Van Bay



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 AN GIANG

NOTES TO THE FINANCIAL STATEMENTS

Year 2014

1 . BACKGROUND

Forms of Ownership

An Giang Agriculture and Foods Import – Export Joint Stock Company (abbreviated as Afiex), was transformed from An Giang Import and Export Agricultural Products Company, a State Enterprise, in accordance with Decision No.1808/QD-UBND dated 22 September 2010, issued by The People’s Committee of An Giang province.

The Company operates under Business License No. 1600194461, first registered on 01 April 2011; first revised on 14 July 2011; second revised on 09 May 2013; third revised on 14 May 2014 issued by Department of Planning and Investment of An Giang Province

The company’s head office is located at No 25/40 Tran Hung Dao Street, Thanh An Quarter, My Thoi Ward, Long Xuyen City, An Giang Province.

Company's charter capital: VND 350,000,000,000; equivalent to 35,000,000 shares with the price of VND 10,000 per share.

The Company’s member entities are as follows:

Name	Address	Principle activities
- Afiex Food Export Enterprise	No.25/40 Tran Hung Dao Street, Thanh An Quarter, My Thoi Ward, Long Xuyen City, An Giang Province.	Food Processing
- Aquatic Feed Manufactory	National Road 91, Dong Thanh B Quarter, My Thanh Ward, Long Xuyen City, An Giang	Cattle feeds
- Afiex Frozen Seafood Factory	National Road 91, Vinh Thuan Hamlet, Vinh Thanh Trung Ward, Chau Phu District, An Giang Province.	Frozen seafood
- Forestry and Animal Processing Enterprise	National Road 91, Dong Thanh B Quarter, My Thanh Ward, Long Xuyen City, An Giang Province.	Livestock processing
- Vinh Khanh Farm	Provincial Road 943, Trung Binh Tien Hamlet, Vinh Trach Ward, Thoai Son District, An Giang	Farming
- Nam Chau Doc Residential Area Trade Centre	National Road 91, My Duc village, Chau Phu District, An Giang Province	Real estate
- Branch in Ho Chi Minh City	No.386/3B Le Van Sy Street, Ward 14, District 3, HCMC.	Services

Business field

Main business field of the Company

- Livestock products;
- Trading in rice, corn and other cereals, trading in feed materials and cattle providing services;
- Wood logging;
- Producing, processing and preserving aquatic products;
- Trading in drinks, wine, beer;
- Trading in construction materials;
- Trading in hardware;
- Trading in water supply equipment and spare parts;
- Trading in thermal equipment and spare parts;



Business field (continued)

- Producing packaging supplies;
- Trading in cosmetic and cosmetic chemicals;
- Producing, processing and preserving of meat;
- Milling and manufacturing powder and starch products;
- Manufacturing cattle and aquatic feeds;
- Wholesale of packaging products;
- Trading in fertilizers;
- Trading in veterinary medicine;
- Trading in foods;
- Trading in slaughtered meat and poultry;
- Manufacturing, processing and storing canned vegetable and animal oils and fats;
- Real estate activities;
- Pre-processing wood;
- Manufacturing products of wood;
- Road freight transport;
- Livestock farming; trading in household goods; providing freight forwarding and customs clearance services for imported and exported goods; cattle and poultry slaughtering service; producing and trading in chalkboard; processing of Bio-Diesel oil and other fuels from fish fat; trading in normal goods; providing veterinary care; freshwater fish breeding.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting monetary unit

Annual accounting period commences from 1st January and ends on 31st December.
The Company maintains its accounting records in VND.

2.2 . Accounting Standards and Accounting system

Accounting System

The company applies Enterprise Accounting System issued under Decision No.15/2006/QĐ-BTC dated 20 March, 2006 by Minister of Finance amended and supplemented in accordance with 244/2009/TT-BTC 31/12/2009 Circular of the Minister of Finance.

Announcement on compliance with Vietnamese standards and accounting system

The company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.

Form of accounting record

The company is using computers to record accounting events.

2.3 . Basis for preparation of separate financial statements

Financial statements are presented based on historical cost principle.

Financial statements of the Company are prepared based on summarization of transactions incurred, then recorded into accounting books of dependent accounting entities and at the offices of the Company.

In the Financial statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payable are not eliminated in full.

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash and cash equivalents, trade receivables and other receivables, lending, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company include loans, trade payables and other payables, accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expense directly related to the issuance of those liabilities.

Value after initial recognition

There are currently no regulations on revaluation of financial instruments after initial recognition.

2.5 . Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

2.6 . Receivables

Receivables is presented on the Financial statements according to book value of trade receivable and other receivables after deducting provision for bad receivable debts.

The provision for bad receivable debts is made for each bad receivable debt based on overdue period of debts or possible loss.

2.7 . Inventories

Inventories are stated at original cost. Where the net realizable value is lower than cost, inventories should be measured at the net realizable value. The cost of inventories comprise the purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventory at the year-end is calculated by weighted average method.

Method for valuation of work in process: works in progress is obtained for each construction unfinished or related revenue unrecognised.

Inventory is recorded by perpetual/periodic method.

Provisions for devaluation of inventories made at the end of the year are the excess of original cost of inventory over their net realizable value.

2.8 . Fixed assets and depreciation of fixed assets

Fixed assets (tangible and intangible) are stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and net book value.

Depreciation is provided on a straight-line basis. Annual rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

- Buildings	06 - 50 years
- Machinery, equipment	06 - 15 years
- Transportation equipment	06 - 30 years
- Office equipment and furniture	03 - 08 years
- Others	04 - 25 years
- Long-term land use rights	No depreciating
- Software	03 - 08 years

In year 2014, the Company had changed the depreciation method of food manufacturing and seafood processing machinery and equipment from straight-line depreciation method to units-of-output depreciation method.

2.9 . Investment property

Investment property is recognised at historical cost. During the period of waiting for capital appreciation or of operating lease, investment property is recorded at cost, accumulated depreciation and net book value.

The depreciation method of investment property is straight-line method, the depreciation time is estimated as follows:

- Buildings 17 years

2.10 . Financial investment

Investment in a joint venture entity is accounted by cost method and kept unadjusted thereafter for the post acquisition change in the venture's share of net assets of the joint venture entity. The Statement of comprehensive income reflects the venture's share of the net accumulated profits of the joint venture entity arising as from the contribution date.

Financial investment at the balance sheet date, if:

- Having maturity not over than 3 months from the date of acquisition are recognized as “cash equivalents”;
- Having maturity less than 1 year/1 operating cycle are recognized as short-term assets;
- Having maturity over than 1 year/1 operating cycle are recognized as long-term assets.

2.11 . Borrowing costs

Borrowing costs are recognized into operating costs during the period, except for which directly attributable to the acquisition, construction or production of a qualifying asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in VAS No. 16 “Borrowing costs”.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes more than 12 months to put into use under certified purposes or for sale should be included (capitalized) in the cost of that asset, including interest on borrowings, amortization of discounts or premiums relating to issuing bonds and ancillary costs incurred in connection with the arrangement of borrowings.

2.12 . Prepaid expenses

Prepaid expenses only related to present fiscal year are recognised as short-term prepaid expenses and are recorded into operating costs.

Prepaid expenses incurred during the year but related to business operations of several years are recorded as long-term prepaid expenses and are amortised to the income statement in several years.

The calculation and allocation of long-term prepaid expenses to operating expenses in the period should be based on nature of those expenses to select a reasonable method and allocated factors. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

2.13 . Accrued expenses

Expenses not yet occurred may be charged in advance into production and operating costs in order to ensure when these expenses arise, they do not make material influence on production and operating costs on the basis of suitability between revenue and cost. When these expenses arise, if there is any difference with the amount charged, accountants additionally record or make decrease to cost equivalent to the difference.

2.14 . Owner’s equity

Owner’s equity is stated at actually contributed capital of owners.

Profit after tax retained is the profit of business operations after deducting (-) regulated items due to applying a change in accounting retrospectively or to make a retrospective restatement to correct materiality in previous years. The profit is available for appropriation to investors after approval by The General assembly of shareholders and after making appropriation to reserve funds in accordance with the Company’s Charter and Vietnamese regulatory requirements.

Dividends to be paid to shareholders are recognised as a payable in Statement of financial position after declaration from by resolution of the General assembly of shareholders and announcement closing date receipt dividends of Company .



2.15 . Foreign currency transactions

Transaction in currencies other than booking currency of the Company (VND) will be recorded based on the exchange rate at the date of transaction. At the end of accounting period, items denominated in foreign currency (Cash on hand, Cash at bank, Cash-in-transit, accounts receivables, accounts payables excluding advances from customers, advances to suppliers, revenue received in advance) will be revaluated according to the average exchange rate of commercial banks that the Company opened accounts at the time of preparation of financial statements. All the realized and unrealized foreign exchange will be recorded into income statement.

2.16 . Revenue

Sale of goods

Revenue from sale of goods should be recognized when all the following conditions have been satisfied:

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

Rendering of services

Revenue of rendering of services shall be recognised when the outcome of a transaction involving the rendering services can be estimated reliable. In case that the rendering of services relate to many periods, revenue shall be recognised according to the stage of completion of the transaction at the end of reporting period. The outcome of a transaction can be estimated reliable when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliable.

The stage of completion of a transaction may be determined by surveys of work completed method

Financial income

Income from interest, royalties and dividends and other financial income earned by the Company should be recognized when these two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The amount of the income can be measured reliably.

Dividends should be recognized when the Company's right to receive payment is established

2.17 . Financial expenses

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Expenses of capital lending and borrowing;
- Loss due to foreign exchange differences arising from transactions relating to foreign currencies;
- Provision for devaluation of securities investment.

The above items are recorded by the total amount arising within the period without offsetting against financial revenue.

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2.18 . Taxation

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

2.19 . Related Parties

Entities, individuals, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and affiliated companies, are related parties. Associates and individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals or affiliated parties or companies associated with these individuals are also considered related party.

In considering the relationship of related parties, one should also consider the nature, not only the legal form of the relationship.

3 . CASH AND CASH EQUIVALENTS

	31/12/2014	01/01/2014
	VND	VND
Cash on hand	4,255,582,057	3,792,237,329
Cash at bank	14,095,739,996	5,389,553,146
Cash equivalents(*)	146,490,000,000	37,300,000,000
	<u>164,841,322,053</u>	<u>46,481,790,475</u>

(*) As at 31 December 2014, cash equivalents are term deposit accounts (3 months or shorter) at Vietnam Joint Stock Commercial Bank For Industry and Trade- Angiang branch and at Saigon commercial bank- Angiang branch, with interest rate of 5% - 5,5% per year.

4 . SHORT- TERM FINANCIAL INVESTMENTS

	31/12/2014	01/01/2014
	VND	VND
Deposits(*)	37,300,000,000	-
	<u>37,300,000,000</u>	<u>-</u>

(*) Term deposit accounts (longer than 3 months) at Saigon commercial bank- Angiang branch, with interest rate of 7,1% - 7,7% per year.



5 . OTHER SHORT- TERM RECEIVABLES

	31/12/2014	01/01/2014
	VND	VND
Receivables from The People’s Committee of An Giang about reimbursement asset value on the land	1,834,643,545	1,834,643,545
Receivables of interest assistance of temporarily stored rice	2,766,801,040	-
Receivables about personal income tax	6,223,104	24,952,922
Insurance receivables from employees	86,395,418	88,778,735
Receivables from insurance companies	-	296,702,987
Receivables from farmers about land-use rights proceedings and paid-in-advance material	622,376,304	622,376,304
Receivables from accrued interest	1,346,328,331	558,071,945
Dividend receivables from Saigon- Angiang Trading Co., Ltd (SAGICO)	1,250,000,000	-
Receivables from Vietnam Northern Food Corporation about export assistance	1,280,564,677	-
Receivables from profit of fish-fats export cooperating	-	815,714,286
Receivables from Thuan An Manufacturing-Commercial-Services about cooperation of fish-fats exporting	-	78,000,000,000
Receivables of execution fee at Chomoi	116,409,500	-
Others	259,529,925	91,350,735
	<u>9,569,271,844</u>	<u>82,332,591,459</u>

(*) At 31/12/2014, the Company had estimated and recognized the dividend which could be received at capital contribution ratio into Financial income based on the profit of 9 first months of Saigon - Angiang Trading Co., Ltd and dividend ratio estimated in year 2012-2013, with the amount of VND 1,250,000,000 (According to audited financial data, profit after tax of year 2014 was VND 16.786 million increase than profit after tax of 9 first months of year 2014 was VND 15.152 million).

6 . INVENTORY

	31/12/2014	01/01/2014
	VND	VND
Goods in transit	-	35,655,196,069
Raw material	223,091,282,983	148,521,135,780
Tools, supplies	4,567,632,214	5,533,270,699
Work in process	14,782,499,060	15,897,149,470
Finished goods	47,253,751,044	80,657,578,828
Merchandise	48,831,632,923	41,836,823,253
Goods on consignment	101,345,111	4,747,268,601
Real estate	30,639,983,824	35,730,499,824
Provision for inventories obsolescence	(2,896,514,876)	(19,177,611,833)
	<u>366,371,612,283</u>	<u>349,401,310,691</u>

7 . SHORT-TERM PREPAID EXPENSES

	31/12/2014	01/01/2014
	VND	VND
Instrument and tools awaiting allocation	87,792,926	298,082,392
Packaging, materials awaiting allocation	124,988,015	252,267,933
Expenses for improving and repairing assets	192,360,263	60,381,492
Expenses for loading and transporting	2,027,563,859	1,261,198,777
Insurance expenses	484,715,106	482,357,498
Expenses for imported goods	3,165,597,911	910,691,233
Others	37,800,000	359,196,569
	6,120,818,080	3,624,175,894

8 . TAXES AND OTHER RECEIVABLES FROM THE STATE BUDGET

	31/12/2014	01/01/2014
	VND	VND
Corporate income tax	2,500,000	2,500,000
	2,500,000	2,500,000

9 . OTHER SHORT-TERM ASSETS

	31/12/2014	01/01/2014
	VND	VND
Advance	742,118,238	599,116,832
Mortgage, collateral, deposits	624,000,000	-
	1,366,118,238	599,116,832

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10 . TANGIBLE FIXED ASSETS

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Original cost						
Opening balance	144,282,838,283	174,743,212,402	25,649,287,489	4,164,508,440	3,768,276,485	352,608,123,099
Increase	2,741,560,291	3,893,915,000	660,882,727	121,060,000	-	7,417,418,018
- <i>Purchase in the year</i>	-	706,434,000	660,882,727	121,060,000	-	1,488,376,727
- <i>Finished construction investment</i>	2,741,560,291	3,187,481,000	-	-	-	5,929,041,291
Decrease	-	-	(60,000,000)	-	-	(60,000,000)
- <i>Liquidating, disposing</i>	-	-	(60,000,000)	-	-	(60,000,000)
Closing balance	147,024,398,574	178,637,127,402	26,250,170,216	4,285,568,440	3,768,276,485	359,965,541,117
Accumulated depreciation						
Opening balance	89,660,021,158	110,062,216,477	19,679,017,388	2,368,299,102	1,756,526,930	223,526,081,055
Increase	6,521,316,906	7,680,129,433	1,512,955,460	343,335,304	218,635,229	16,276,372,332
- <i>Depreciation in the year</i>	6,521,316,906	7,680,129,433	1,512,955,460	343,335,304	218,635,229	16,276,372,332
Decrease	-	-	(51,104,311)	-	-	(51,104,311)
- <i>Transferring into investment</i>	-	-	(51,104,311)	-	-	(51,104,311)
Closing balance	96,181,338,064	117,742,345,910	21,140,868,537	2,711,634,406	1,975,162,159	239,751,349,076
Net book Value						
Opening	54,622,817,125	64,680,995,925	5,970,270,101	1,796,209,338	2,011,749,555	129,082,042,044
Closing	50,843,060,510	60,894,781,492	5,109,301,679	1,573,934,034	1,793,114,326	120,214,192,041

- Cost of tangible fixed assets fully depreciated but still in use: VND 71,701,951,544.

- In the fiscal year, the Company had changed the depreciation method of food manufacturing and seafood processing machinery and equipment from straight-line depreciation method to units-of-output depreciation method. The depreciation of the year was decreased by VND 3,187,250,160 accordingly.

11 . INTANGIBLE FIXED ASSETS

	Land use rights	Other intangible fixed assets	Total
	VND	VND	VND
Original cost			
Opening balance	26,499,473,963	318,877,870	26,818,351,833
Increase	-	-	-
Decrease	-	-	-
Closing balance	26,499,473,963	318,877,870	26,818,351,833
Accumulated depreciation			
Opening balance	-	170,679,123	170,679,123
Increase	-	33,558,363	33,558,363
- <i>Depreciation in the year</i>	-	33,558,363	33,558,363
Decrease	-	-	-
Closing balance	-	204,237,486	204,237,486
Net book Value			
Opening	26,499,473,963	148,198,747	26,647,672,710
Closing	26,499,473,963	114,640,384	26,614,114,347

12 . CONSTRUCTION IN PROGRESS

	31/12/2014	01/01/2014
	VND	VND
Construction in progress	16,247,559,411	16,141,908,631
- Project of improving re-freezing conveyor with capacity of 600m ³ /day - Afifex Frozen Seafood factory	460,234,229	377,493,568
- Project of expanding Chau Doc Southern Trade Centre	15,685,612,371	15,685,612,371
- Others	101,712,811	78,802,692
Purchasing fixed assets	3,056,115,547	2,859,892,000
- Land use right transference fee- Phutan fish pond	2,913,438,364	2,859,892,000
- Machinery	106,558,183	-
- Sewage treatment tanks	36,119,000	-
	19,303,674,958	19,001,800,631

13 . INVESTMENT PROPERTIES

Investment properties are buildings of Project of expanding Chau Doc Southern Trade Centre with historical cost of VND 16,137,653,892, accumulated depreciation at 31/12/2014 was VND 10,228,884,910, depreciation of year 2014 was VND 968,259,237.

14 . LONG- TERM FINANCIAL INVESTMENTS

	31/12/2014	01/01/2014
	VND	VND
Investments in associates, joint ventures (*)	4,500,000,000	4,500,000,000
	4,500,000,000	4,500,000,000

(*) According to minutes of meeting dated 17/6/2003 between Sai Gon Trading Group, Sai Gon Union of Trading Co-operatives (Saigon Coop), An Giang Import Export Company (currently known as An Giang Import and Export Joint Stock Company) and An Giang Agriculture and Foods Import - Export Company (currently known as An Giang Agriculture and Foods Import - Export Joint Stock Company) on establishment of Saigon - An Giang Trading Co., Ltd (SAGICO) with the charter capital of VND 15,000,000,000, in which An Giang Agriculture and Foods Import - Export Joint Stock Company contributed 15% of charter capital equivalent to VND 2,250,000,000. About the structure of management staffs, the parties will nominate staff involved in the management of Saigon - An Giang Trading Co., Ltd.

According to Boards of Members Meeting's Minutes dated 26/04/2012, the charter capital of Sagico was unanimously increased from Investment and development funds of Company. Rate of the contributed capital of Afix is 15% equivalent to VND 4,500,000,000.

15 . LONG-TERM PREPAID EXPENSES

	Year 2014	Year 2013
	VND	VND
Opening balance	60,068,291,377	60,436,017,292
Increase	2,195,061,869	4,778,438,134
Transferred into expenses in the year	(2,886,288,379)	(5,146,164,049)
Closing balance	59,377,064,867	60,068,291,377
Details of closing balance are as follows:	31/12/2014	01/01/2014
	VND	VND
Instrument and tools awaiting for allocating	602,163,048	1,397,337,031
Pigs	2,789,113,389	2,793,955,780
Goodwill(*)	55,159,235,944	55,159,235,944
Substantial expenditure on fixed asset overhaul	826,552,486	717,762,622
	59,377,064,867	60,068,291,377

(*) At Clause 2, Article 2 of Circular No.138/2012/TT-BTC dated 20/08/2012 which was full force and effect as of 5 October 2012: "Allocating time does not excess 10 years from the first day of allocation". At 26 December 2013, the Company sent Dispatch No.434/DN.AFIEX to the People's Committee of Angiang Province and the Department of Finance about proposing adjustment and handling finance to decrease goodwill value at the time of equitization in 2011. Then, the Dispatch had been submitted to the Ministry of Finance by People's Committee of Angiang province according to Dispatch No.11/UBND-TH dated 03 January 2014. To temporarily solve this difficulty, The People's Committee of An Giang province had issued the Dispatch No.1958/VPUBND-TH dated 17 June 2014 about providing a non-interest fund to overcome the difficulty.

The Department of Finance was also having troubles in interest assistance for the Company, therefore at 29/09/2014 the Company continued to send Dispatch No.267/DN.AFIEX to Angiang Province Department of Finance to extent the allocating time of goodwill and to allocate not equally. The Department of Finance had submitted Report No.985/Tr-STC dated 23/10/2014 to the People's Committee of Angiang Province. Then, the People's Committee had submitted a dispatch dated 08/12/2014 "Request to Ministry of Finance for extending the allocating time of goodwill to 18 months from 2012 and allocating unequally between years and depending on the operating result" in order to help the Company and to stabilize the operation gradually.

While pending further information from the authorities, the Company has not allocated goodwill value into business results.

16 . SHORT-TERM LOANS AND DEBTS

	31/12/2014	01/01/2014
	VND	VND
Short-term loans	495,901,910,729	424,785,639,006
- From banks	489,971,745,729	419,359,951,006
- From individuals	5,930,165,000	5,425,688,000
Current portion of long-term loan	5,237,334,212	4,490,000,000
- Vietinbank - An Giang branch	2,410,000,000	-
- Vietcombank - An Giang branch	2,827,334,212	4,490,000,000
(details in Note No.20)		
	<u>501,139,244,941</u>	<u>429,275,639,006</u>

Details of Short-term loans

	31/12/2014	01/01/2014
	VND	VND
From banks	489,971,745,729	419,359,951,006
- Vietinbank - An Giang branch (1)	171,363,477,570	155,657,147,996
- Vietcombank - An Giang branch (2)	36,896,508,831	75,596,819,614
- BIDV - An Giang Branch (3)	137,270,185,301	53,755,192,377
- HSBC Viet Nam - Can Tho Branch (4)	144,441,574,027	94,486,757,319
- ANZ Viet Nam - HCM City Branch (5)	-	31,266,800,000
- Natixis Bank - HCM Branch	-	2,000,000,000
- Agribank - An Giang Branch	-	6,597,233,700
From individuals (5)	5,930,165,000	5,425,688,000
	<u>495,901,910,729</u>	<u>424,785,639,006</u>

Detailed information on short-term loans is as follows

- (1) Loan Agreement No.45/2014-HĐTDHM/NHCT740-AFIEX dated 05/08/2014 with detailed information is as follows :
- Line of credit: VND 220,000,000,000 ;
 - Loan purpose : Adding working capital for trading in food, animal and aquatic feed;
 - Maturity: Limited in 4 months, according to loan receipts;
 - Interest rate : According to loan receipts;
 - Types of guarantee: Secured by store, machinery of Afiex Frozen Seafood Factory;
 - Period-end balance at 31/12/2014 was VND 34,636,822,154 and USD 6,391,813.16 equivalent to VND 136,586,655,416.
- (2) Loan Agreement No. 374/2010/NHNT.AG dated 26/11/2010 and Note No. 19/CV date 25/01/2014 with detailed information is as follows :
- Line of credit: VND 250,000,000,000 or USD 11,840,000;
 - Loan purpose : Doing business in food;
 - Maturity: Limited in 6 months, according to loans receipts. Disbursement maturity is 12 months;
 - Interest rate : According to loan receipts;
 - Types of guarantee: Unsecured;
 - Period-end balance at 31/12/2014 was USD 1.726.637,13 equivalent to VND 36,896,508,831.

Detailed information on short-term loans is as follows (continued)

(3) Loan Agreement No. 01/2014/548403/HĐTD dated 12/06/2014 with detailed information is as follows :

- Line of credit: VND 200,000,000,000;
- Loan purpose : Adding working capital; Opening L/C
- Maturity: 12 months;
- Interest rate : According to loan receipts;
- Types of guarantee: Secured by store, machinery of Aquatic Feed Manufactory;
- Period-end balance at 31/12/2014 was VND 1,002,512,000 and USD 6,376,885.83 equivalent to VND 136,267,673,301.

(4) Credit line request letter No.VNM 140135 dated 14/03/2014, with detailed information is as follows :

- Line of credit: USD 9,700,000 or an equivalent amount in VND, EURO, HKD from February to September, USD 6,000,000 or an equivalent amount in VND, EURO, HKD from October to January each year;
- Loan purpose : Import and export merchandise;
- Maturity: Limited in 120 days and 90% value of Export Agreement ;
- Interest rate : Prime lending rate in VND, EURO, HKD plus 2% per year ;
- Types of guarantee: Secured by inventories, receivables, and construction on land at Tran Hung Dao Street, Long Xuyen City, An Giang Province.
- Period-end balance at 31/12/2014 was VND 16,795,015,000 and USD 5,973,445.6 equivalent to VND 127,646,559,027.

(5) Including individual loans with interest rate changes over time depending on market interest rate; Maturity is 12 months; Unsecured.

17 . TAX AND STATUTORY OBLIGATIONS

	31/12/2014	01/01/2014
	VND	VND
Export, import duties	633,343,260	-
Personal income tax	36,191,388	126,628,114
Natural resource tax	228,900	-
	<u>669,763,548</u>	<u>126,628,114</u>

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

18 . ACCRUED EXPENSES

	31/12/2014	01/01/2014
	VND	VND
Accrued freight expenses	-	263,431,540
Accrued export expenses	309,539,316	-
Accrued interest expenses	551,652,757	534,663,001
Others	176,457,466	125,841,570
	<u>1,037,649,539</u>	<u>923,936,111</u>

19 . OTHER SHORT-TERM PAYABLES

	31/12/2014	01/01/2014 (adjusted)
	VND	VND
Trade union fund	44,168,740	47,273,970
Social insurance, health insurance	673,917,944	710,552,120
Unemployment insurance	44,168,740	47,273,970
Payables on equalization	8,691,859,099	8,691,859,099
Dividend for shareholders payables in 2011	12,508,699,000	12,509,364,000
Dividend for shareholders payables in 2012	7,195,514,000	7,268,094,000
Trade discount payable to customers	2,297,028,082	1,450,071,804
Payables to outsourced workers	1,089,212,650	288,771,160
Payables to compensate assets at Tanchau warehouse	724,500,000	-
Others	114,548,800	709,365,565
	33,383,617,055	31,722,625,688

20 . LONG-TERM LOANS AND DEBTS

	31/12/2014	01/01/2014
	VND	VND
Long-term loans	60,837,695	4,237,334,212
- Vietcombank- An Giang branch (1)	60,837,695	1,827,334,212
- Vietinbank - An Giang branch (2)	-	2,410,000,000
	60,837,695	4,237,334,212

Additional information on long-term loans

(1) Balance at 31/12/2014 includes following loan agreements:

(1.1) Loan agreement No.99/2010/NHNT.AG dated 13/10/2010 with detailed information is as follows:

- Amount of lending money: VND 8,143,000,000 ;
- Loan purpose: Building milling, drying rice factories, Tan Lap rice storage;
- Term of loan: 55 months;
- Types of guarantee: Building factories milling and drying rice, Tan Lap rice storage;
- Period-end balance is VND 491,401,238, current portion of the long-term loan in the next period is VND 491,401,238.

(1.2) Loan Agreement No. 14/2012/NHNT.AG dated 07/03/2012, with detailed information is as follows:

- Amount of lending money: VND 12,000,000,000 ;
- Loan purpose : Building, upgrading stores, purchasing food processing machines;
- Term of loan: 65 months;
- Interest rate : According to loan receipts;
- Types of guarantee: Foods store, processing facilities;
- Period-end balance is VND 1,335,932,974, current portion of the long-term loan in the next period is VND 1,335,932,974.

Additional information on long-term loans (continued)

(1.3) Loan Agreement 01/2014/NHNT.AG dated 25/12/2013, with detailed information is as follows:

- Amount of lending money: VND 6,000,000,000 ;
- Loan purpose : Investing in plant construction, purchasing rice drying facilities;;
- Term of loan: 66 months;
- Interest rate : According loan receipts;
- Mortgage of properties formed from loan capital
- Period-end balance is VND 1,060,837,695, current portion of the long-term loan in the next period is VND 1,000,000,000.

(2) Loan Agreement No. 32/2011/HDTD-CNAG-KHDN dated 04/04/2011, with detailed information is as follows:

- Line of credit: VND 11,500,000,000 ;
- Loan purpose : Purchasing equipment and increasing the capacity of processing of Afifex Frozen Seafood Factory to 12.000 tons per year.;
- Term of loan: 5 years;
- Interest rate : interest rate of 12-month ordinary annuity deposit plus 8% per year;
- Types of guarantee: Mortgage of properties formed from loan;
- Period-end balance is VND 2,410,000,000, current portion of the long-term loan in the next period is VND 2,410,000,000.



AN GIANG AGRICULTURE AND FOODS IMPORT – EXPORT JOINT STOCK COMPANY

No 25/40 Tran Hung Dao Street, Thanh An Quarter, My Thoi Ward, Long Xuyen City, An Giang Province

Financial Statements

For the fiscal year ended as at 31/12/2014

21 . OWNER'S EQUITY

a) Increase and decrease in owner's equity

	Contributed legal capital	Investment and development funds	Financial reserve fund	Other funds belonging to owner's equity	Profit after tax retained	Total
	VND	VND	VND	VND	VND	VND
Beginning balance of previous year	350,000,000,000	2,002,602,581	2,002,602,581	2,002,602,581	18,469,944,742	374,477,752,485
Profit of previous year	-	-	-	-	1,136,765,480	1,136,765,480
Distributed profit	-	-	-	-	(869,873,530)	-
Bonus and Welfare funds	-	434,936,765	434,936,765	-	(434,936,765)	(434,936,765)
Decrease of goodwill invested in SAGICO	-	-	-	-	(1,303,298,760)	(1,303,298,760)
Paid dividends of year 2012	-	-	-	-	(14,000,000,000)	(14,000,000,000)
Ending balance of previous year	350,000,000,000	2,437,539,346	2,437,539,346	2,002,602,581	2,998,601,167	359,876,282,440
Loss of the year	-	-	-	-	(2,796,830,518)	(2,796,830,518)
Distributed profit(*)	-	56,838,274	56,838,274	-	(113,676,548)	-
Bonus and Welfare funds(*)	-	-	-	-	(56,838,274)	(56,838,274)
Ending balance of current year	350,000,000,000	2,494,377,620	2,494,377,620	2,002,602,581	31,255,827	357,022,613,648

(*)According to Resolution No. 168/NQ/DHDCD dated 06/06/2014 issued by General Meeting of shareholders, the Company announced its profit distribution plan as follows:

	Ratio	Amount
	%	VND
Profit after tax	100%	1,136,765,480
Investment and development fund	5.00%	56,838,274
Financial reserve fund	5.00%	56,838,274
Investment and development fund	5.00%	56,838,274
Undistributed earnings	85.00%	966,250,658



b) Details of owner's invested capital

	Ratio (%)	Closing VND	Ratio (%)	Beginning VND
People's Committee of An Giang Province	51.00	178,500,000,000	51.00	178,500,000,000
Vietnam Southern Food Corporation	20.52	71,816,500,000	20.52	71,816,500,000
An Giang Lottery One Member State Company Limited	8.63	30,187,500,000	8.63	30,187,500,000
Invested capital of others	19.85	69,496,000,000	19.85	69,496,000,000
	100.00	350,000,000,000	100.00	350,000,000,000

c) Capital transactions with owners and distribution of dividends and profits

	Current year VND	Previous year VND
Owner's invested capital	350,000,000,000	350,000,000,000
- At the beginning of year	350,000,000,000	350,000,000,000
- At the closing of year	350,000,000,000	350,000,000,000
Distributed dividends and profit	-	14,000,000,000
- Distributed dividends on last year profit	-	14,000,000,000

d) Stock

	Closing	Beginning
Quantity of Authorized issuing stocks	35,000,000	35,000,000
Quantity of issued stocks	35,000,000	35,000,000
- Common stocks	35,000,000	35,000,000
Quantity of stocks in circulation	35,000,000	35,000,000
- Common stocks	35,000,000	35,000,000
Par value per stock (10,000 VND/stock)		

e) Company's funds

	31/12/2014 VND	01/01/2014 VND
Investment and development fund	2,494,377,620	2,437,539,346
Financial reserve fund	2,494,377,620	2,437,539,346
Other funds belonging to owners' equity	2,002,602,581	2,002,602,581
	6,991,357,821	6,877,681,273

Purposes of establishing and using funds :

- Investment and development funds is used for: developing investment business, including joint ventures, equity capital contribution, purchase of shares; innovating machinery and technology; researching and applying scientific and technical progress; additional assistance to improve employees' skills and working
- Financial reserve fund is used for: offsetting losses, property damage which the Company has responsibility for in business process.
- Other funds: are the reserve funds for raising charter capital (to be created in accordance with the Resolution of the General Meeting of Shareholders dated 11/05/2012).

22 . TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES	Year 2014	Year 2013
	VND	VND
Revenue from sale of merchandise, finished goods	1,572,393,330,558	1,682,872,597,818
Revenue from rendering of services	59,710,049,634	56,272,884,669
Revenue from trading real estate	7,841,195,308	7,437,672,014
	<u>1,639,944,575,500</u>	<u>1,746,583,154,501</u>

23 . DEDUCTIBLE ITEMS	Year 2014	Year 2013
	VND	VND
Trade discount	12,301,818,522	12,894,157,060
Sales return	1,165,743,091	1,089,286,336
	<u>13,467,561,613</u>	<u>13,983,443,396</u>

24 . NET REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES	Year 2014	Year 2013
	VND	VND
Net revenue from sale of merchandise, finished goods	1,558,925,768,945	1,668,889,154,422
Net revenue from rendering of services	59,710,049,634	56,272,884,669
Net revenue from trading real estate	7,841,195,308	7,437,672,014
	<u>1,626,477,013,887</u>	<u>1,732,599,711,105</u>

25 . COSTS OF SALES	Year 2014	Year 2013
	VND	VND
Costs of merchandise, finished goods	1,492,905,055,828	1,601,862,959,657
Costs of services rendered	58,571,631,255	52,165,833,484
Cost of real estate	5,090,516,000	4,810,056,922
Reversal provision for devaluation of inventories	(16,281,096,957)	(21,720,137,972)
	<u>1,540,286,106,126</u>	<u>1,637,118,712,091</u>

26 . FINANCIAL INCOME	Year 2014	Year 2013
	VND	VND
Interest income	4,059,299,049	7,647,254,445
Interest from credit sales	338,968,562	2,099,322,029
Received payment discount	-	58,622,637
Dividends, profits earned	9,951,445,622	16,562,835,283
Interest from advances to suppliers	1,957,231,845	2,195,716,463
Realized gain from foreign exchange difference	4,893,648,432	3,228,527,662
Others	15,873,650	4,196,956
	<u>21,216,467,160</u>	<u>31,796,475,475</u>

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27 . FINANCIAL EXPENSES

	Year 2014	Year 2013
	VND	VND
Interest expenses	20,737,044,767	36,787,814,600
Payment discount	10,314,456,268	7,543,818,875
Unrealized loss from foreign exchange difference	352,070,784	358,713,470
Realized loss from foreign exchange difference	9,191,118,769	6,621,259,629
Others	622,000	1,863,640
	40,595,312,588	51,313,470,214

28 . SELLING EXPENSES

	Year 2014	Year 2013
	VND	VND
Raw materials, tools	7,293,456,058	9,286,734,810
Labor	9,208,468,741	11,194,357,416
Depreciation expenses	2,329,119,479	2,405,369,163
Expenses from external services	39,453,298,153	41,839,406,712
Other expenses by cash	6,928,045,642	6,395,881,021
	65,212,388,073	71,121,749,122

29 . GENERAL AND ADMINISTRATIVE EXPENSES

	Year 2014	Year 2013
	VND	(Adjusted) VND
Raw materials	198,663,527	168,775,936
Labor	4,073,510,722	4,227,387,262
Depreciation and amortisation	620,200,536	1,081,141,658
Taxes, fees and charges	37,558,308	36,768,308
Expenses from external services	689,076,026	790,338,401
Provision for bad debts	2,765,655,025	2,692,233,677
Other expenses by cash	2,822,000,746	3,147,984,773
	11,206,664,890	12,144,630,015

30 . OTHER INCOME

	Year 2014	Year 2013
	VND	VND
Income from sale of pigs, tools	994,368,455	1,738,705,600
Income from disposal of assets	-	106,277,057
Income from compensation, fine for breaking contracts	1,437,334,459	1,340,350,702
Bonus for quickly releasing of vessels	247,899,019	213,750,464
Income from rice storage interest assistance	2,766,801,040	4,947,390,000
Income on inventory excess	346,611,562	1,149,383,534
Commission	431,863,777	497,307,000
Goods discount	33,559,953	434,215,152
Tax returns	298,148,674	-
Income from rice-exporting assistance of Vietnam Northern Food Corporation	1,280,564,677	-
Others	164,350,692	292,323,457
	8,001,502,308	10,719,702,966

31 . OTHER EXPENSES

	Year 2014	Year 2013
	VND	VND
Residual value of rejected pigs	341,939,020	1,737,326,018
Residual value of disposal assets	8,895,689	78,477,536
Compensation for loss of goods	697,894,481	210,405,155
Compensation, fine for breaking contracts	-	198,260,787
Others	142,613,006	56,093,128
	1,191,342,196	2,280,562,624

32 . INCOME TAX

	Year 2014	Year 2013
	VND	VND
Total profit before tax	(902,776,427)	8,684,717
Adjustments	(2,777,264,517)	(1,319,088,759)
- <i>Adjustments to increase</i>	274,613,006	357,875,706
- <i>Adjustments to decrease</i>	(3,051,877,523)	(1,676,964,465)
Taxable income	(3,680,040,944)	(1,310,404,042)
Current Corporate income tax rate	22%	25%
Current business income tax expenses	-	-
Tax payable at the beginning of period	(2,500,000)	(4,273,501,191)
Tax refund	-	4,273,501,191
Tax paid in the period	-	(2,500,000)
Corporate income tax payable from main business field at the end of the year	(2,500,000)	(2,500,000)
Corporate income tax from properties business field		
Total profit from properties business activity	(1,894,054,091)	(8,684,717)
Taxable income	(1,894,054,091)	(8,684,717)
Current Corporate income tax rate	22%	25%
Corporate income tax payable at the end of the year	(2,500,000)	(2,500,000)

33 . EARNINGS PER SHARE

Earning per share distributed to common shareholders of the company is calculated as follows :

	Year 2014	Year 2013
	VND	VND
Profit after tax	(2,796,830,518)	1,136,765,480
Profit or loss allocating for shareholders owned common stocks	(2,796,830,518)	1,136,765,480
Average circulation of common stocks in the year	35,000,000	35,000,000
Basic earnings per share	(80)	32

34 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2014	Year 2013
	VND	VND
Raw materials	1,580,240,389,218	1,334,977,426,473
Labor	64,055,768,985	67,785,171,632
Depreciation and amortisation	17,278,189,932	23,094,617,769
Expenses from external services	93,733,441,012	93,080,602,078
Other expenses by cash	12,300,677,249	12,323,536,496
	<u>1,767,608,466,396</u>	<u>1,531,261,354,448</u>

35 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company

	Book value			
	31/12/2014		01/01/2014	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	164,841,322,053	-	46,481,790,475	-
Trade and other receivables	120,491,250,912	(7,185,535,155)	203,868,646,165	(4,419,880,130)
Lending	37,300,000,000	-	-	-
Long-term investments	4,500,000,000	-	4,500,000,000	-
	<u>327,132,572,965</u>	<u>(7,185,535,155)</u>	<u>254,850,436,640</u>	<u>(4,419,880,130)</u>

	Book value	
	31/12/2014	01/01/2014
	VND	VND
Financial Liabilities		
Loans and debts	501,200,082,636	433,512,973,218
Trade and other payables	72,283,130,712	99,483,740,497
Accrued expenses	1,037,649,539	923,936,111
	<u>574,520,862,887</u>	<u>533,920,649,826</u>

Financial assets and financial liabilities are not revalued according to fair value at the year ended because Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and additional note for financial instruments but do not provide any relevant instructions for assessment and recognition of fair value of financial assets and liabilities, excluding provisions for bad debts and provision for devaluation of securities investments which are presented in relevant notes.

Financial risk management

The Company's financial risks include market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of General Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company's business operations will bear the risks of changes on prices, exchange rates and interest rates.

Exchange rate risk

The Company bears the risk of exchange rate due to fluctuation in fair value of future cash flows of a financial instrument according to changes in exchange rates if loans, revenues and expenses of the Company are done in foreign currencies other than VND.

Interest rate risk

The Company bears the risk of interest rates due to fluctuation in fair value of future cash flows of a financial instrument according to changes in market interest rates if the Company has time or demand deposits, loans and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain any interest profitable for its operation purpose.

Credit Risk

Credit risk is the risk in which the potential loss may be incurred if a counterpart fails to perform its obligations under contractual terms or financial instruments. The Company has credit risk from operating activities (mainly for trade receivables) and financial activities (including bank deposits, loans and other financial instruments).

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2014				
Cash and cash equivalents	164,841,322,053	-	-	164,841,322,053
Trade and other receivables	113,305,715,757	-	-	113,305,715,757
Lending	37,300,000,000	-	-	37,300,000,000
Long-term investments	-	4,500,000,000	-	4,500,000,000
	<u>315,447,037,810</u>	<u>4,500,000,000</u>	<u>-</u>	<u>319,947,037,810</u>
As at 01/01/2014				
Cash and cash equivalents	46,481,790,475	-	-	46,481,790,475
Trade and other receivables	199,448,766,035	-	-	199,448,766,035
Long-term investments	-	4,500,000,000	-	4,500,000,000
	<u>245,930,556,510</u>	<u>4,500,000,000</u>	<u>-</u>	<u>250,430,556,510</u>

Liquidity Risk

Liquidity risk is the risk in which the Company has trouble in settlement of its financial obligations due to lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flows of the original debts) as follows:

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2014				
Loans and borrowings	501,139,244,941	60,837,695	-	501,200,082,636
Trade and other payables	71,780,130,712	503,000,000	-	72,283,130,712
Accrued expenses	1,037,649,539	-	-	1,037,649,539
Total	<u>573,957,025,192</u>	<u>563,837,695</u>	<u>-</u>	<u>574,520,862,887</u>
As at 01/01/2014				
Loans and borrowings	429,275,639,006	4,237,334,212	-	433,512,973,218
Trade and other payables	98,980,740,497	503,000,000	-	99,483,740,497
Accrued expenses	923,936,111	-	-	923,936,111
Total	<u>529,180,315,614</u>	<u>4,740,334,212</u>	<u>-</u>	<u>533,920,649,826</u>

The Company believes that risk level of loan repayment is low. The Company has the ability to pay matured debts from cash flows from its operating activities and cash received from matured financial assets.

36 .EVENTS AFTER BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date, which would require adjustments or disclosures to be made in the financial statements.

37 .SEGMENT REPORTING

Under business fields:

	Farm, forest products and seafood trading	Real Estate and services	Grand total
	VND	VND	VND
Net revenue from sales to external customers	1,558,925,768,945	67,551,244,942	1,626,477,013,887
Gross profit from sale of goods and rendering of services	82,301,810,074	3,889,097,687	86,190,907,761
The total cost to acquire fixed assets	7,719,292,345	-	7,719,292,345
Segment assets	766,745,028,418	-	766,745,028,418
Unallocated assets			174,410,593,897
Total assets	766,745,028,418		941,155,622,315
Segment liabilities	539,596,596,293	-	539,596,596,293
Total liabilities	584,133,008,667	-	584,133,008,667

Under geographical areas:

	Domestic	Export	Grand total
	VND	VND	VND
Net revenue from sales to external customers	1,162,105,088,634	464,371,925,253	1,626,477,013,887
Segment assets	766,745,028,418	-	766,745,028,418
The total cost to acquire segment assets	7,719,292,345	-	7,719,292,345

38 .TRANSACTION WITH RELATED PARTIES

During operation, there are a number of transactions between the companies with related parties as follows:

	Relation	Year 2014	Year 2013
		VND	VND
Revenue			
- Vietnam Southern Food Corporation	Shareholder	154,505,094,785	146,642,065,408
- Sai Gon-An Giang Trade Company Limited	Joint-venture	997,570,066	2,301,372,930
Freight, commission fee			
- Vietnam Southern Food Corporation	Shareholder	1,104,653,164	1,264,505,018
Received dividend			
- Sai Gon-An Giang Trade Company Limited	Joint-venture	3,051,877,523	1,676,964,465
- Thuan An company limited	Co-operating	6,899,568,099	14,885,870,818

Outstanding balances with related parties up to the reporting date are as follows:

	Relation	Year 2014 VND	Year 2013 VND
Receivables			
- Vietnam Southern Food Corporation	Shareholder	35,025,117,801	53,350,312,754
- Sai Gon-An Giang Trade Company Limited	Joint-venture	93,208,400	365,217,664
Payables			
- Vietnam Southern Food Corporation	Shareholder	-	124,198,352
Dividend receivables			
- Sai Gon-An Giang Trade Company Limited	Joint-venture	1,250,000,000	-
Receivables from co-operating activities			
- Thuan An company limited	Co-operating	-	78,000,000,000

Transactions with other related parties:

	Year 2014 VND	Year 2013 VND
Remuneration to members of Board of Management and Board of General Directors	1,479,000,000	1,645,000,000

39 . CORRESPONDING FIGURES

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2013, which were audited by AASC Auditing Firm Company Limited.

The General Directors had decided to make retrospective restatement of some items in Statement of financial position for the fiscal year ended at 31/12/2013 according to Dispatch No.2557/STC-TCDN of Angiang province Department of Finance and audited Financial statements No.01/2015/BCKT-CT.106 dated 27/01/2015 of AFC Vietnam Auditing Company Limited Branch in Cantho for the period from 01/01/2010 to 31/03/2011. The mentioned above dispatch dated 11/12/2014 was about auditing the value of State capital in the Company in order to transfer State equity representing right to State capital and investment corporation. The items which were made retrospective restatement are as follows:

	Code	Reclassified and represented VND	Presented in the report year ago VND
Statement of finance position			
Long-term prepaid expenses	261	60,068,291,377	61,213,614,529
Other payables	319	31,722,625,688	33,246,295,546
Bonus and welfare fund	323	4,075,897,730	2,552,227,872
Equity	410	359,876,282,440	361,021,605,592
Profit after tax retained	420	2,998,601,167	4,143,924,319
Statement of comprehensive income			
General and administrative expenses	25	12,144,630,015	12,302,605,623
Total profit before tax	50	1,136,765,480	978,789,872

	Code	Reclassified and represented	Presented in the report year ago
Statement of cash flows			
Profit before tax	01	1,136,765,480	978,789,872
Increase/Decrease in payables (excluding interest payables, enterprise income tax payables)	11	(602,010,212)	921,659,646
Increase/Decrease in prepaid expenses	12	1,744,385,357	599,062,205

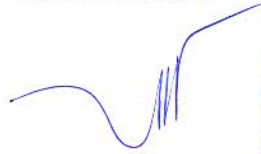
An Giang, 26 March 2015

Prepared by



Truong Thi Thu Huong

Chief Accountant



Tran Kim Uyen

General Director



Pham Van Bay

