



*11 years ...  
presence around the world*



**HUNG VUONG**  
CORPORATION

**2014**  
ANNUAL REPORT

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The company's name	: Hung Vuong Corporation
The company's name in English	: Hung Vuong Corporation
Abbreviated name	: HV CORP.
Charter Capital	: VND1,319,998,100,000
Address	: Block 44, My Tho IZ, Tien Giang Province, Vietnam
Telephone	: (+84) 73 3854 245 - (+84) 73 3854 247
Fax	: (+84) 73 3854 248
Email	: info@hungvuongpanga.com
Website	: www.hungvuongpanga.com
Stock code	: HVG

“HUNG VUONG CORPORATION IS PROUD TO BE ONE OF THE LEADING PROCESSORS AND EXPORTERS OF PANGASIUS IN VIETNAM, WITH A CLOSED SYSTEM OF PRODUCING FEED, AQUACULTURE, PROCESSING AND EXPORTING.”





2003

Hung Vuong Company Limited (the forerunner of Hung Vuong Corporation) was established and operated in My Tho Industrial Zone, Tien Giang Province. The charter capital was VND32 billion.

VND32 billion  
CHARTER CAPITAL

2003

2007

The company changed its form into a shareholding company on February 01, 2007 with the charter capital was VND120 billion. Then the charter capital was increased up to VND420 billion on December 24, 2007.

VND420 billion  
CHARTER CAPITAL

2007

2008

Issued bonus shares, increased the charter capital up to VND495 billion, the share premium reached over VND800 billion

VND495 billion  
CHARTER CAPITAL

2008



## HISTORY

*"Hung Vuong corporation was initially established under the name of Hung Vuong company limited in 2003, located in My Tho Industrial Zone, Tien Giang province.*

*After over 11 years in operation, Hung Vuong Corporation has become one of the leading processors and exporters of pangasius in Vietnam, with a closed system of producing feed, aquaculture, processing and exporting."*

2009

Used the share premium to issue bonus shares to current shareholders and issued shares to staff, increased the charter capital up to VND600 billion. The share premium reached over VND706 billion.

On November 16, 2009: The company obtained the License on listing No. 141/QD-SGDHCM issued by HoChiMinh Stock Exchange.

On November 25, 2009: 59,999,993 shares of Hung Vuong Corporation with the stock code of HVG were traded officially in the stock market in Ho Chi Minh City with the marked price was VND50,000 per share.

2010

Issued shares to pay dividends to current shareholders through the net profit of 2009. The charter capital was increased up to VND659,980,730,000.

The company paid VND28.6 billion to buy back 1,186,530 shares to convert into treasury shares in 2010.

around  
VND600 billion  
CHARTER CAPITAL

2010

2011

The company purchased 73,790 shares, increased the total treasury shares up to 1,260,320. The charter capital still unchanged.

1,260,320  
TREASURY SHARES

2011

2012

In July 2012, the company sold 1,260,320 treasury shares, increased the share premium to VND16,053,939,000. As of September 2012, the company issued more 13,199,596 bonus shares from its share premium, increased the shares in circulation up to 79,197,669.

79,197,669  
SHARES IN  
CIRCULATION

2012

2013

In August 2013, the company issued 39,598,827 bonus shares with the ratio 2:1 to current shareholders and 1,203,497 ESOP shares for labours, increased the shares in circulation up to 119,999,993.

119,999,993  
SHARES IN  
CIRCULATION

2013

2014

In September 2014, the company used its undistributed earnings to pay dividends in shares to current shareholders. The charter capital was VND1,319,998,100,000, equivalent to 131,999,810 voting shares in circulation.

131,999,810  
SHARES IN  
CIRCULATION

2014

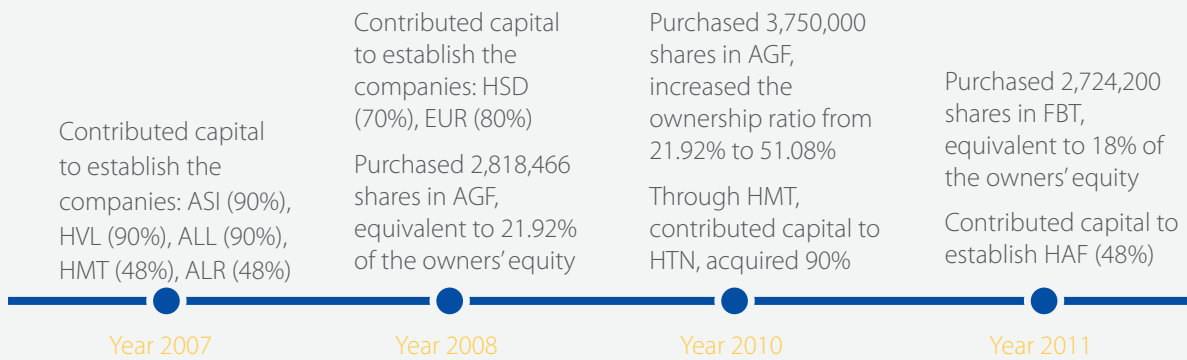


## BUSINESS SIZE OF HUNG VUONG CORPORATION

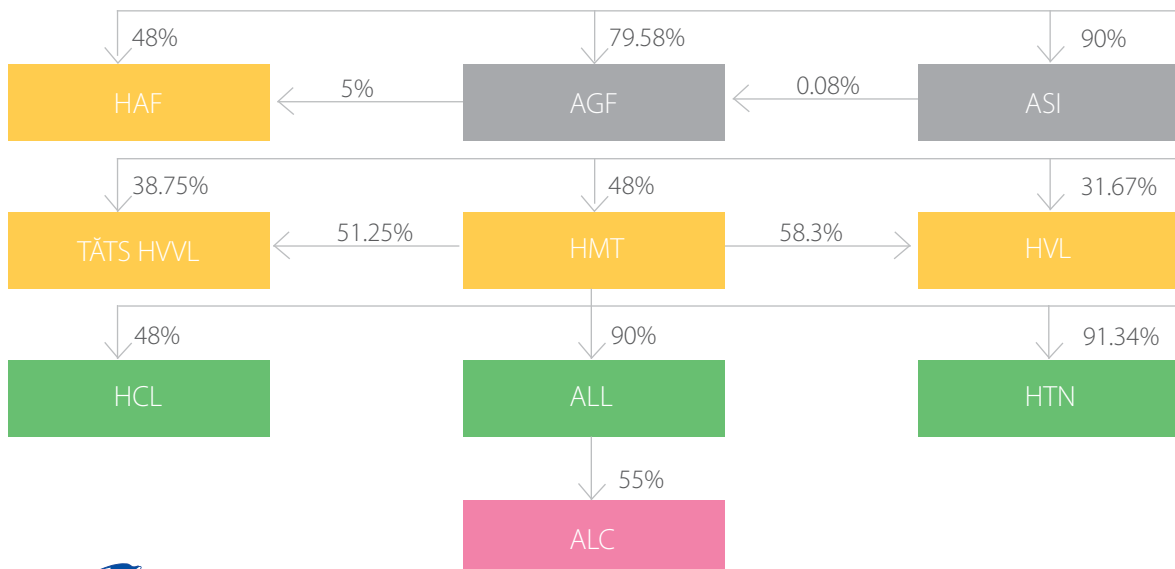
Since its establishment, Hung Vuong Corporation has invested continuously, contributed capital to the companies specializing in farming, processing and exporting of aquaculture and feed... In addition, the company has been successful in many

M&A transactions to complete the self-contained procedure from farming, processing to distributing of aquaculture, aimed to become a leading company in this industry. Horizontal and vertical M&A shall be applied to expand the business size and value.

### CAPITAL CONTRIBUTION AND INVESTMENT OF HUNG VUONG CORPORATION



### OWNERSHIP NETWORK:



<p>Contributed capital to establish HVM (60%)</p> <p>Purchased 6,000,000 shares in VTF, equivalent to 28.54% of the owners' equity</p>	<p>Purchased 6,568,466 shares issued by AGF, acquired 51.41% of the owners' equity</p> <p>Purchased 11,445,000 shares in VTF and received dividends paid in shares of 5,815,000, increased the ownership ratio from 28.54% to 55.63%</p> <p>Contributed capital to establish HVL2, of which, HVG directly acquired 38.75%, HMT directly acquired 51.25%</p> <p>Purchased shares in ALR, increased ownership from 48% to 76%</p> <p>Purchased 5,103,590 shares in FMC, equivalent to 41.76% of the owners' equity (except for 777,370 treasury shares)</p> <p>Purchased 25% of the share capital of TVS</p>	<p>Purchased 7,200,000 shares in AGF, increased the ownership ratio up to 79.58%</p> <p>Purchased 10,500,000 shares in VTF, increased the ownership ratio up to 80.74%</p>
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Year 2012

Year 2013

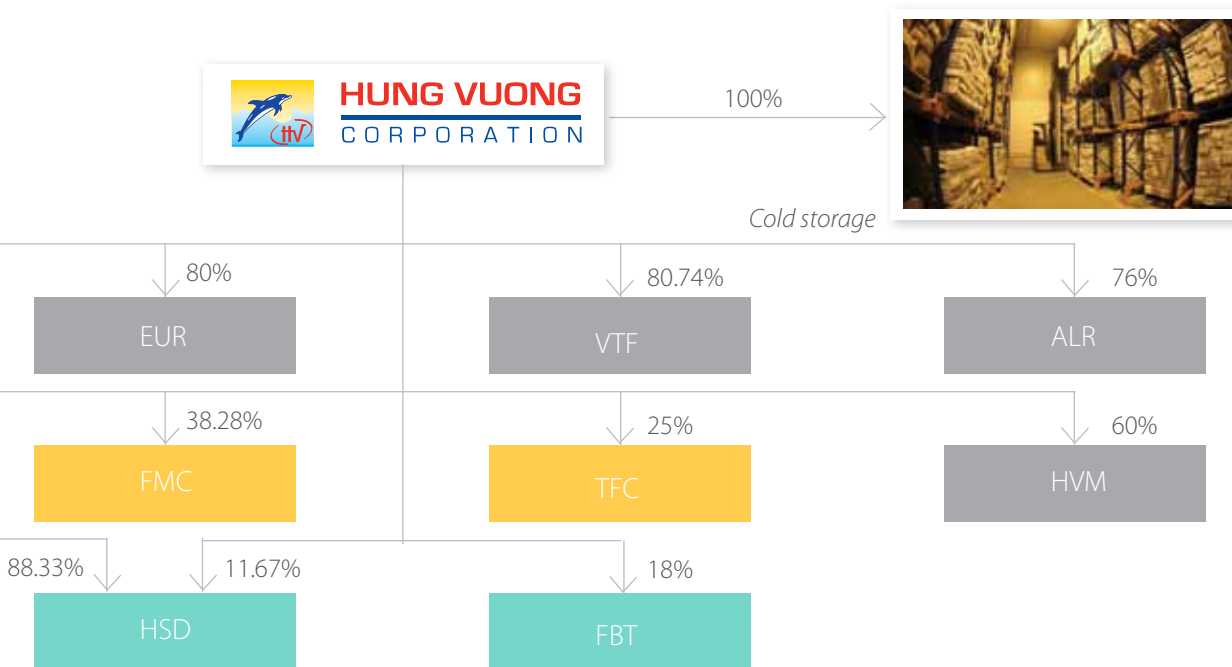
Year 2014

Through HMT, contributed capital to HCL, acquired 48%

Through HMT, contributed capital to HTN, increased the ownership ratio from 90% to 91.34%

Sold the shareholding of ALL, HVL, HSD to HMT, decreased the ownership ratio to: ALL (0%), HVL (31.67%), HSD (11.67%)

Purchased 2,551,795 shares in FMC, increased the ownership ratio up to 38.28%



## INFORMATION OF HUNG VUONG CORPORATION'S COMPANIES

### SUBSIDIARY

<p><b>Viet Thang Joint Stock Company (VTF)</b></p> <p>Head quarter: Block II-1, II-2, II-3 Quarter C, Sa Dec Industrial Zone, Tan Khanh Dong Ward, Sa Dec Ward, Dong Thap Province, Vietnam.</p> <p>Branch: Block A&amp;B, Song Hau Industrial Zone, Tan Thanh Ward, Lai Vung District, Dong Thap Province, Vietnam.</p> <p>Business activities: Manufacture and process aquafeed, cattle feed and poultry feed; trade raw materials to produce feed for aquaculture, cattle and poultry; aquaculture.</p>	<p><b>An Giang Fisheries Import Export Joint Stock Company (AGF)</b></p> <p>Head quarter: No.1234 Tran Hung Dao St., Binh Duc Ward, Long Xuyen City, An Giang Province, Vietnam.</p> <p>Business activities: Manufacture, process, export and import frozen aquaculture, agricultural products and agricultural materials.</p>	<p><b>Europe Joint Stock Company (EUR)</b></p> <p>Head quarter: Block 69, My Tho Industrial Zone, My Tho City, Tien Giang Province, Vietnam.</p> <p>Business activities: Process, preserve aquaculture and aquatic products; domestic aquaculture; manufacture aquafeed, cattle feed and poultry feed; lease office, plant.</p>
<p><b>Asia Pangasius Company Limited (ASI)</b></p> <p>Head quarter: Block 38-39 My Tho Industrial Zone, My Tho City, Tien Giang Province, Vietnam.</p> <p>Business activities: Farm, process and export aquaculture.</p>	<p><b>Hung Vuong – An Giang Football Joint Stock Company (HAF)</b></p> <p>Head quarter: An Giang Stadium, No.99 Le Van Nhung, My Binh Ward, Long Xuyen City, An Giang Province, Vietnam</p> <p>Business activities: Football club</p>	<p><b>An Lac Real Estate Corporation (ALR)</b></p> <p>Head quarter: 765 Hong Bang, Ward 6, District 6, Ho Chi Minh City, Vietnam</p> <p>Business activities: Invest in real estate</p>

### AFFILIATED COMPANY

<p><b>Hung Vuong – Mien Tay Aquaculture Corporation (HMT)</b></p> <p>Head quarter: Block 46, My Tho Industrial Zone, Tien Giang Province, Vietnam.</p> <p>Business activities: Farm, process, preserve aquaculture and aquatic products.</p>	<p><b>Tac Van Seafoods Company (TFC)</b></p> <p>Head quarter: No. 180A, Cay Tram A Hamlet, Dinh Binh Ward, Ca Mau City, Ca Mau Province, Vietnam</p> <p>Business activities: Farm, process, export and import aquaculture, and trade food.</p>	<p><b>Sao Ta Foods Joint Stock Company (FMC)</b></p> <p>Head quarter: Km 2132, Highway 1A, Ward 2, Soc Trang City, Soc Trang Province, Vietnam</p> <p>Business activities: Farm, process, preserve aquaculture and aquatic products, trade food, preliminary agricultural products.</p>
<p><b>Hung Vuong – Vinh Long Company Limited (HVL)</b></p> <p>Head quarter: No. 197, Street no.14/9, Ward 5, Vinh Long City, Vinh Long Province, Vietnam</p> <p>Business activities: Farm, process, export and import aquaculture.</p>	<p><b>Hung Vuong – Vinh Long Panga Feed Joint Stock Company (HVL2)</b></p> <p>Head quarter: Block 69, My Tho Industrial Zone, My Tho City, Tien Giang Province, Vietnam.</p> <p>Business activities: Feed production.</p>	





JOINT VENTURE COMPANY

Hung Vuong – Mascato Corporation (HVM)

Head quarter: Block 41-42, My Tho Industrial Zone, Tien Giang Province, Vietnam.

Business activities: Farm, process, preserve aquaculture and aquatic products.



RELATED COMPANY

Hung Vuong – Sa Dec Company Limited (HSD)

Head quarter: Block III-5, Quarter C, Sa Dec Industrial Zone, Sa Dec District, Dong Thap Province, Vietnam

Business activities: Farm, process, export and import aquaculture

Hung Vuong – Cao Lanh Panga Feed Joint Stock Company (HCL)

Head quarter: Block CN 3-4, CN 3-5, Tran Quoc Toan Industrial Zone, Cao Lanh City, Dong Thap Province, Vietnam

Business activities: Manufacture and trade aquafeed, cattle feed and poultry feed

Hung Vuong – Ba Tri Joint Stock Company (HBT)

Head quarter: Tan My Ward, Ba Tri District, Ben Tre Province, Vietnam

Business activities: Manufacture fish fingerling.

Ben Tre Forestry and Aquaproduct Import – Export Joint Stock Company (FBT)

Head quarter: No. 71, Quarter 3, Highway 60, Chau Thanh Town, Chau Thanh District, Ben Tre Province, Vietnam.

Business activities: Farm, process, export and import aquaculture, lease cold storage.

An Lac Company Limited (ALL)

Head quarter: Phong Thuan Hamlet, Tan My Chanh Ward, My Tho City, Tien Giang Province, Vietnam

Business activities: Farm, process, preserve aquaculture and aquatic products

Hung Vuong – Tay Nam Panga Feed Joint Stock Company (HTN)

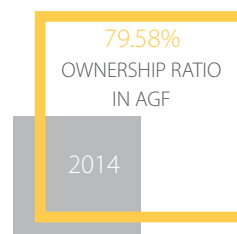
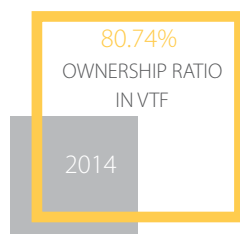
Head quarter: Block II-5, II-6, II-7, Quarter C, Sa Dec Industrial Zone, Dong Thap Province, Vietnam.

Business activities: Manufacture and trade aquafeed, cattle feed and poultry feed.

An Lac Seafood Processing Joint Stock Company (ALC)

Head quarter: Phong Thuan Hamlet, Tan My Chanh Ward, My Tho City, Tien Giang Province, Vietnam.

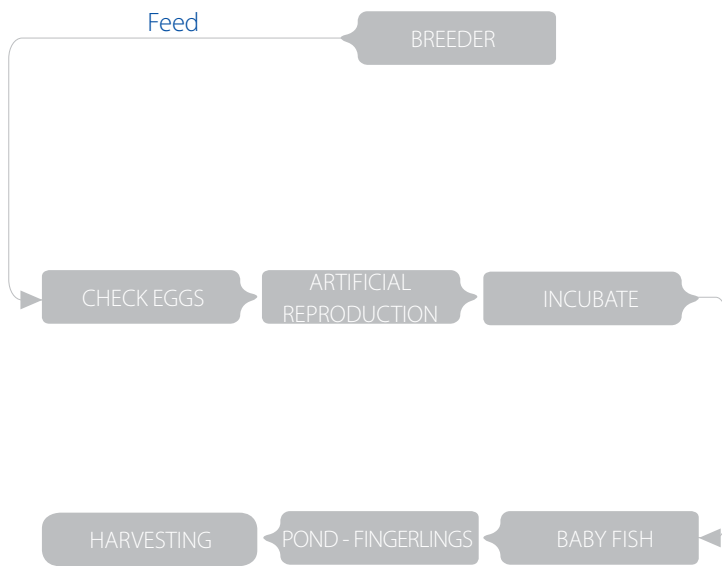
Business activities: Manufacture fish fat, fish powder; process, preserve, import and export aquaculture and aquatic products.



## BUSINESS ACTIVITIES

With the strategy of self-contained system from producing fish fingerlings, aquafeed, processing, cold storage and exporting, Hung Vuong Corporation is well known in fish industry in Vietnam





## FISH FINGERLING PRODUCTION

In 2011, Hung Vuong – Ba Tri Joint Stock Company (HBT) was established to provide baby fish with high quality for Hung Vuong’s farming, supported Hung Vuong to take the initiative in the resource of fingerling.

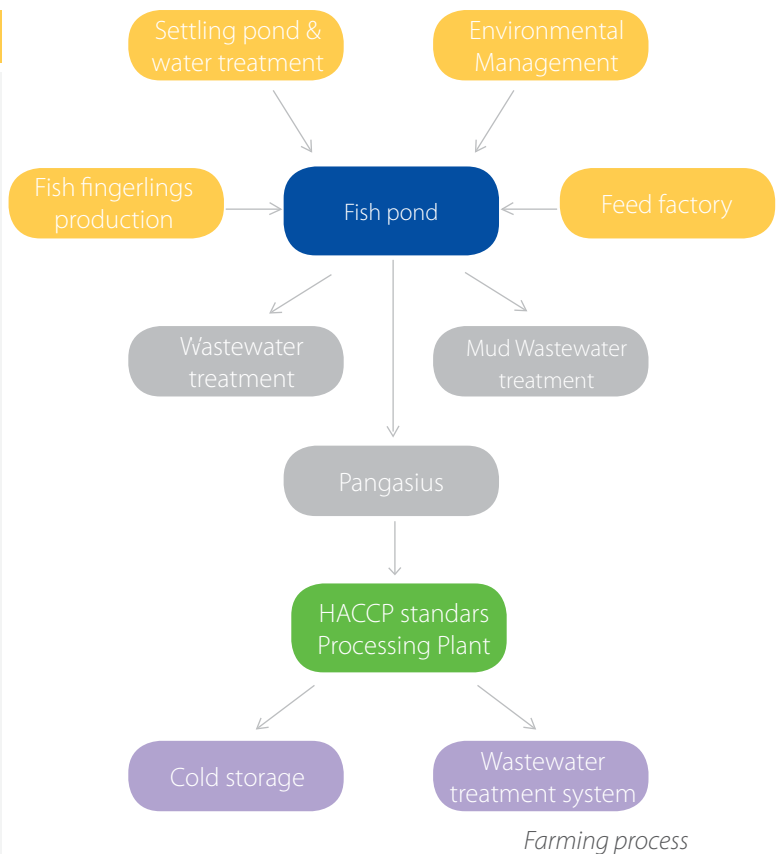


## AQUACULTURE

Farming areas are very close to fresh water resources to ensure the environment always reaches the standards of GLOBAL GAP, SQF 1000, ASC, BAP and VietGAP ...

In 2014, Hung Vuong Corporation invested to expand 100 hectare of pangasius farming area and 150 hectare of shrimp farming area in An Giang, Tien Giang, Ben Tre and Soc Trang Provinces.

Farming area	Area (ha)	
	Fish	Shrimp
An Giang	85	
Ben Tre	233	
Can Tho	18	
Dong Thap	48	
Tien Giang	20	
Vinh Long	30	
Soc Trang		150
Ba Tri		285
Binh Dai		119
Thanh Phu		294
<b>Total</b>	<b>434</b>	<b>848</b>



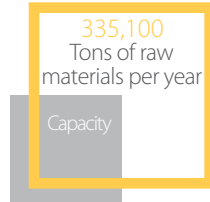
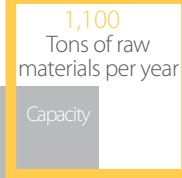
## AQUACULTURE PROCESSING

### FISH PROCESSING

The primary objective of Hung Vuong Corporation is providing customers with high quality products. Therefore, all plants of the company always strictly comply with the quality standards such as: GLOBAL GAP, HACCP, BRC, IFS, GMP, ISO 9001:2008, ISO 22000:2005, HALAL, ISO/IEC 17025:2005, ASC, BAP, VIETGAP ...



The processing plants of Hung Vuong are well-equipped with modern and advanced machineries; the capacity is 335,100 tons of raw materials per year, equivalent to 1,100 tons of raw materials per day



		HVG		AGF			EUR
Location:		Block 44, My Tho Industrial Zone, Tien Giang Province	AGF7 1234 Tran Hung Dao, Long Xuyen City, An Giang, Province	AGF8 QL91 An Chau Town, Chau Thanh District, An Giang Province	AGF9 2222 Tran Hung Dao, Long Xuyen City, An Giang Province	AGF360 2222 Tran Hung Dao, Long Xuyen City, An Giang Province	Block 69, My Tho Industrial Zone, My Tho City, Tien Giang Province
Capacity	Ton raw material/year	19,000	30,000	30,000	30,000		70,200
	Ton finished product/year					3,600	





A process of fillet pangasius production

19,000  
Tons of raw  
materials per year  
HVG

70,200  
Tons of raw  
materials per year  
EUR

36,000  
Tons of raw  
materials per year  
HSD

12  
processing plants  
Plants

ASI	HVL	HSD	HVM	FBT	Total	
Block 38-39, My Tho Industrial Zone, My Tho City, Tien Giang Province	No. 197, Street no. 14/9, Ward 5, Vinh Long City, Vinh Long Province	No. 197, Street no. 14/9, Ward 5, Vinh Long City, Vinh Long Province	Block III-5, Quarter C, Sa Dec Industrial Zone, Sa Dec District, Dong Thap Province	Block 41-42, My Tho Industrial Zone, Tien Giang Province	No. 71, Hamlet 3, Highway 60, Chau Thanh Town, Chau Thanh District, Ben Tre Province	12 processing plants
18,000	27,000	27,000	36,000	24,500	23,400	335,100
						3,600



## SHRIMP PROCESSING

FMC	TVS	FBT
<p><b>Location:</b> Km 2132, Highway 1A, Soc Trang City, Soc Trang Province.</p> <p><b>Capacity</b> (ton finished product per year): 15,000</p> <p><b>Location:</b> An Nghiep Industrial Zone, Soc Trang Province</p> <p><b>Capacity</b> (ton finished product per year): 2,000</p> <p>The processing plants are located in Soc Trang Commune, nearby the main road and the residential area; and it is from 20 kilometers to 30 kilometers far from the major area of shrimp raw material of the province. It is favourable for FMC to transport raw materials and products, to attract labour forces and expand its business in the future. During last 12 operation years, FMC has built a solid foundation in 2 huge markets which are Japan and the U.S, acquired 90%. FMC is one of the processing leaders in Vietnam and its products have been consumed in famous restaurants and wide distribution network.</p>	<p><b>Location:</b> 180A Highway 1A, Cây Tram A Hamlet, Dinh Binh Ward, Ca Mau</p> <p><b>Capacity</b> (ton finished product per year): 7,000</p> <p>The prestige of TVS continuously has increased in recent years. Japan is the hardest market but acquires 80% of the export turnover of TVS. The main product of TVS is frozen shrimp in blocks such as: banana shrimp, jinga shrimp, spear shrimp, giant shrimp refrigerated in blocks which are consumed in Japan and China. The other items such as fish, squid...are exported to Hongkong.</p> <div style="border: 2px solid orange; padding: 10px; text-align: center;"> <p><b>7,000</b> ton finished product per year</p> <p>Capacity</p> </div>	<p><b>Location:</b> No. 71, Ward 3, Highway 60, Chau Thanh Town, Chau Thanh District, Ben Tre Province</p> <p><b>Capacity</b> (ton finished product per year): 6,000</p> <p>Operating in aquaculture industry with self-contained procedure from producing fingerlings, farming to processing and exporting is a competitive advantage of FBT. Basing on such self-contained procedure, FBT closely controls the product quality through controlling raw materials and finished products; and it is easy to find out the origin of product which satisfies strict requests of importers</p> <div style="border: 2px solid orange; padding: 10px; text-align: center;"> <p><b>6,000</b> ton finished product per year</p> <p>Capacity</p> </div>

## BY-PRODUCT PROCESSING

Norm	ALC
Location:	Phong Thuan Hamlet, Tan My Chanh Ward, My Tho City, Tien Giang Province
Certificate	Certificate HACCP No.TW11/VH001 Certificate on free circulation of "fish powder-fish fat" No. 50/DLH issued by Department of Livestock Production on 25/8/2010
Capacity	ton raw material/year 100,000 ton finished product /year 39,000





## PROCESSING AQUAFEED, CATTLE AND POULTRY FEED

Hung Vuong Corporation has invested in processing aquafeed, cattle and poultry feed to take the initiative in feed resources met quality standards and satisfy 100% of the demands in its system.



*Process of feed production*

In addition to enlarge farming areas, Hung Vuong Corporation also has invested in processing aquafeed, cattle and poultry feed to take the initiative in feed resources met quality standards. In 2013, Hung Vuong increased its ownership in Viet Thang Joint Stock Company (from 28.54% to 55.63%); furthermore, the company also made new investments into Hung Vuong – Vinh Long Panga Feed Joint Stock Company and Hung Vuong – Cao Lanh Joint Stock Company. Therefore, Hung Vuong Corporation has 4 subsidiaries specializing in processing feed, that satisfies 100% of the demands in its system.





Norm	Unit	HCL	HTN	HVL2	VTF		Sum	
Location:		Block CN 3-4, CN 3-5, Tran Quoc Toan Industrial Zone, Cao Lanh City, Dong Thap Province	Block II-5, II-6, II-7, Lot C, Sa Dec Industrial Zone, Dong Thap Province	Group 14, Thuy Thuan Hamlet, An Phuoc Ward, Mang Thit District, Vinh Long Province	Block C, Sa Dec Industrial Zone, Sa Dec City, Dong Thap Province	Block C widen, Sa Dec Industrial Zone, Sa Dec City, Dong Thap Province	Song Hau Industrial Zone, Lai Vung, Dong Thap Province	<b>6 plants</b>
Capacity	ton finished product/year	50,000	225,000	150,000	60,000	240,000	180,000	<b>905,000</b>

## COLD STORAGE

The company possesses 2 modern cold storages with the largest capacities in Vietnam.

	Cold storage 1	Cold storage 2
Ownership ratio	100%	100%
Location	Tan Tao Industrial Zone, Ho Chi Minh City	
Year of operation	2007	Nov 2008
Capacity (ton)	12,000	30,000



## REAL ESTATE

An Lac Real Estate Corporation	
Land use right	94 Pham Dinh Ho, Ward 2, Dist. 6 : 1,488.5 m <sup>2</sup> 765 Hong Bang, Ward 6, Dist. 6 : 5,643 m <sup>2</sup>
Legal status	Clean land and available for projects . An Lac Real Estate Corporation has the ownership of the above land use rights.



## SHAREHOLDER STRUCTURE

### Share

	31/12/2014	01/01/2014
Share allowed to issue	131,999,810	119,999,993
Issued common share and complete capital contribution	131,999,810	119,999,993
Treasury share	-	-
Outstanding common share	131,999,810	119,999,993

### Shareholder structure (On January 15, 2015)

Shareholder structure	Number of share	Ratio
Domestic shareholder	117,996,796	89.4%
Organization	616,245	0.5%
Individual	117,380,542	88.9%
Foreign shareholder	14,003,014	10.6%
Organization	11,598,306	8.8%
Individual	2,404,708	1.8%
Total	131,999,810	100%

### In which

Shareholder structure	Number of share	Ratio
Domestic shareholder	117,996,796	89.4%
Shareholders own over 5% of voting shares	50,163,161	38.0%
Shareholders own from 1% to less than 5% of voting shares	34,566,969	26.2%
Shareholders own less than 1% of voting shares	33,266,666	25.2%
Foreign shareholder	14,003,014	10.6%
Shareholders own over 5% of voting shares	-	-
Shareholders own from 1% to less than 5% of voting shares	10,016,951	7.6%
Shareholders own less than 1% of voting shares	3,986,063	3.0%



## ORGANIZATION AND MANAGEMENT STRUCTURE



## SHAREHOLDERS GENERAL MEETING

Shareholders General Meeting is the highest decision-making body of the company in accordance with the Law on Enterprise and the Charter of the company. Shareholders General Meeting shall be entitled to approve the long term investment policy of the company, to decide the capital structure, and elect the board of management to run business.

## BOARD OF MANAGEMENT

The Board of Management shall be the body managing the company with full authority to make decisions in relation to purposes and benefits of the company, except for issues within authority of the Shareholders General Meeting. The Board of Management shall plan of directions, developed and viable policies to execute the decisions of the Shareholders General Meeting through planning policies, issuing resolutions from time to time in accordance with business situations of the company. The Board of Management consists of (05) five members. The term of members of the Board of Management is 5 years and members may be re-elected in the next meeting of the Shareholders General Meeting.

The Board of Management shall be responsible as follows:

- » Determine operation targets based on the strategies approved by the Shareholders' General Council and decide plans on business development and annual budget;
- » Decide the organization structure of the company, appoint and removal management staff of the company under the requests of the General Director;
- » Appoint and removal management staff of the company under the requests of the General Director and decide their salary;
- » Suggest annual dividend and determine temporary dividend, organize dividend payment.

## BOARD OF CONTROLLERS

The Board of Controllers shall consist of three (03) members, of whom one member is the Head of Controllers' Board and two (02) members. The term of members of the

Board of Controllers is 5 years. Members of the Board of Controllers may be re-elected for an unlimited number of terms. The main responsibilities of the Board of Controllers shall be inspection of reasonableness and legitimation of the business operation, review the results of internal investigation and responses of the management body and inspect annual, semi-annual and quarterly financial statements before submit to the Board of Management.

## BOARD OF GENERAL DIRECTORS

The Board of General Directors includes General Director and Deputy General Directors appointed by the Board of Management. The company have full time General Director and Deputy General Directors. The responsibilities of the General Director and Deputy General Directors shall be as follows:

- » Execute resolutions of the Board of Management and the Shareholders General Meeting;
- » Decide all kind of issues without resolutions of the Board of Management;
- » Decide number of staff, salary, allowance, benefit; appoint, removal and other clauses in relation to labour contracts;
- » Submit to the Board of Management for approval the annual business plan and execute when approved by the Board of Management and the Shareholders General Meeting.

Departments: shall directly manage the company's operations in accordance with their functions and assignments of the Board of General Directors. The company have Departments as follows:

### Planning Department

- » Follow up the schedule of international transportation agencies to transport goods;
- » Advise to the General Director on opportunities of trading and expanding markets;
- » Execute of production plans as set forth in contracts or plans;
- » Advise on planning business strategies, business plan in long term and plan to execute



### Accounting Department

- » Reflect and inspect all kind of assets, usage of capital, assets and results of the business operation;
- » Advise to the General Director on management, management of economic activities and funding;
- » + Advise on distribution of income and fund accumulation in accordance with the charter and relevant law;
- » Approve the inspection activity about the compliance of regulations, policies on finance and economy of the company.

### Sales Department

- » Manage the business operation of the company.
- » Build efficient business projects, marketing plan, cooperate with Planning Department in expanding markets.
- » Direct liaison and communication with foreign customers in export, import and trade of the company. Execution activities of offering, management orders and delivery, in addition to enquire, evaluate market information, customer information; liaison with customers to understand customer demands.
- » Complete the procedure (custom declaration, bill of lading, certificate of original, certificate of quality, invoice...) for customers to receive commodities as set forth in the contracts.

### Technical Department

- » Advise on technical factors of machine, equipment; arrange, follow up the installation of air conditioner system, boiler, cold storage...
- » Be in charge of operation, maintenance, repair machine and equipment.
- » Plan on regular maintenance; and plan to appraise machine of which the industrial safety is strictly requested.

### Quality Management Department

- » Manage and update all documents, files about HACCP, ISO, HALAL and other standards; inspect, speed up and maintain international standards on management;
- » Instruct and execute the quality management in accordance with standards of the company; research and improve the processing technology;
- » Cooperate with Marketing Department, Technical Department to find out causes impacting to product quality when having complaints of customers.
- » Take sample and result of analysis to ensure food safety and quality for the production department; control microbiology and antibiotic; inspect products before delivery.
- » Cooperate with relevant departments to train and retrain staff the food safety and quality procedurem.

### Organization Department

- » Be in charge of organization structure, human resources management of the company to meet business demands from time to time;
- » Advise to the General Director in implementation of the policy, regime, labour, salary, reward;
- » Be responsible for implementation of the company's regulations, measures to improve the productivity, technical initiative, rationalize production of the company.



## LABOUR POLICY

### WORKING REGIME

- » Working hour: The company works from Monday to Saturday and is off on Sunday. Because of the specification in seafood processing industry, labour working in finished product and in warehouse divisions shall be divided in 02-03 shifts per day based on the amount of input raw material. Business staff and others shall work 08 hours per day.
- » All staff have annual leave in accordance with relevant law and get promotion.
- » Working environment: The company fully provides working equipments to staff. For workers, the company shall provide labour safety equipments and strictly comply the labour safety principle.

### SALARY POLICY, REWARD, WELFARE

- » The company has an appropriate policy on salary, reward and welfare to ensure income for labour and other regimes in accordance with relevant law.
- » All staff have labour contracts, social insurance, health insurance, accident insurance in accordance with regulations;
- » Based on the business performance, the company shall reward to staff in special occasions and Tet holiday;
- » Besides, the company has an appropriate policy to ensure the stableness of humance resources such as: productivity reward, standard reward, ensure 100 percent of job in a year (because the plants shall not lack of raw materials), free accommodation for workers.

### RECRUITMENT AND TRAINING POLICY

- » Recruitment: The company focuses on development of high qualified and skillful humance resources. The company shall issue the recruitment regimes specifically applied for plants and each department basing on job requirements.
- » Training and improvement: The company focuses on training to staff both working in

plants and in office. For workers in processing plants, the company shall organize on-the-job training to improve their skill. For management and office staff, the company shall bear all training fees based on the job requirements. The company also holds training courses such as the course on HACCP standard and the BRC (British Retail Consortium) course of the British Retail Consortium.





## EXPORT

EXPORT TURNOVER REACHED **215** USD MILLION



*According to figures of Vietnamese Customs Department, the export turnover of pangasius in 2014 was \$US1,751 million (decreased 0.5% compared with 2013), of which the export turnover of Hung Vuong Corporation reached \$US215 million (increased 3.9% compare with 2013), acquired 12.3% of the total turnover.*

*The market structure of Hung Vuong Corporation has changed rapidly, especially in Europe. In 2013, the export turnover in European market was only US\$18.7 Million (acquired 9% of the export turnover in 2013). In 2014, the export turnover in such market tripled, acquired 26% of the export turnover - the largest export turnover of Hung Vuong Corporation.*

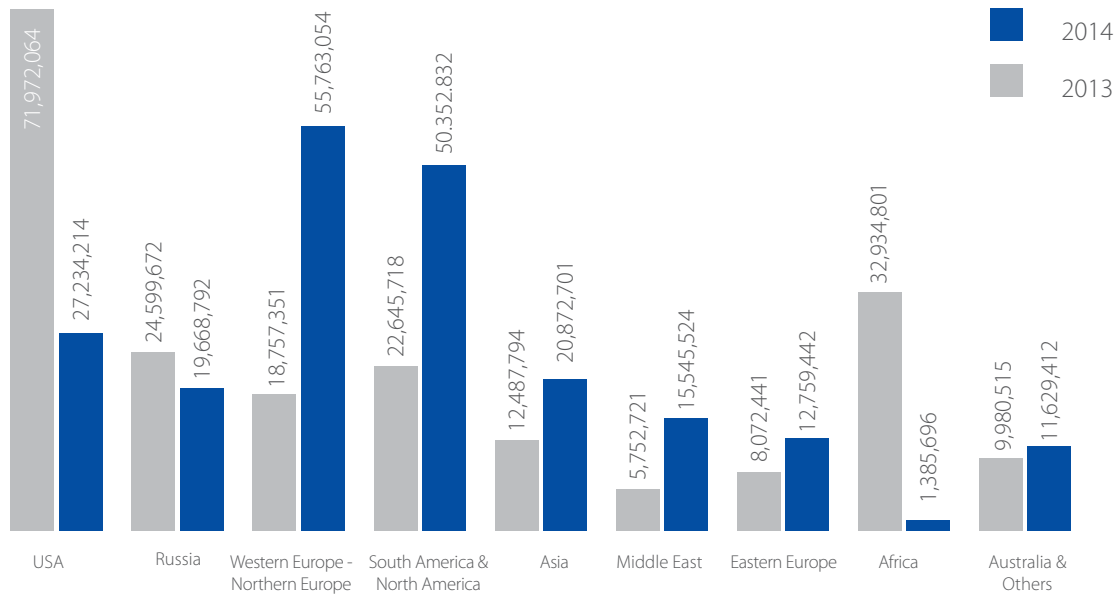






Market	Weight (kg)	Year 2013		Year 2014		
		Turnover (USD)	Ratio	Weight (kg)	Turnover (USD)	Ratio
USA	22,075,687	71,972,064	35%	9,124,857	27,234,214	13%
Russia	14,914,500	24,599,672	12%	11,336,710	19,668,792	9%
Western Europe & Northern Europe	6,326,500	18,757,351	9%	22,545,095	55,763,054	26%
South America & North America	11,084,885	22,645,718	11%	24,543,507	50,352,832	23%
Asia	6,659,294	12,487,794	6%	10,766,682	20,872,701	10%
Middle East	2,915,830	5,752,721	3%	8,184,470	15,545,524	7%
Eastern Europe	4,715,060	8,072,441	4%	7,365,800	12,759,442	6%
Africa	12,889,864	32,934,801	16%	557,500	1,385,696	1%
Australia & Others	3,346,752	9,980,515	5%	3,994,351	11,629,412	5%
<b>Total</b>	<b>84,928,372</b>	<b>207,203,076</b>	<b>100%</b>	<b>98,418,972</b>	<b>215,211,667</b>	<b>100%</b>

CHART OF EXPORT TURNOVER IN 2013 AND 2014





In 2014, the export turnover in such market tripled, acquired 26% of the export turnover - the largest export turnover of Hung Vuong Corporation.

Nation	Year 2014		
	Weight (kg)	USD	Ratio
USA	9,124,857	27,234,214	13%
SPAIN	10,699,329	26,665,149	12%
BRAZIL	9,967,250	19,721,224	9%
RUSSIA	11,336,710	19,668,792	9%
MEXICO	9,495,905	19,357,443	9%
GERMANY	5,720,617	13,087,574	6%
AUSTRALIA	3,994,351	11,629,412	5%
ARAB	5,397,170	10,621,038	5%
UKRAINE	4,222,500	7,862,592	4%
HONGKONG	4,251,620	7,742,262	4%
COLOMBIA	3,475,800	6,886,174	3%
DENMARK	2,070,400	3,868,718	2%
UK	1,037,321	3,862,769	2%
CANADA	1,191,842	3,507,065	2%
Others	16,433,300	33,497,240	16%
<b>Total</b>	<b>98,418,972</b>	<b>215,211,667</b>	<b>100%</b>



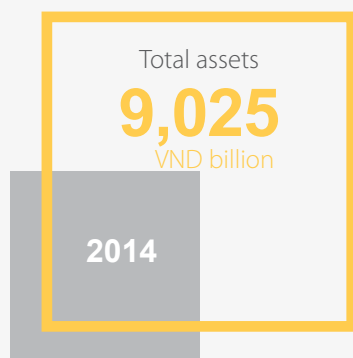
## FINANCIAL STATUS

Some financial norms: (Unit: VND)

Norm	Year 2014	Year 2013	Year 2012
Total assets	9,025,123,537,334	10,050,824,580,847	6,390,857,451,853
Net revenue	14,901,695,444,464	11,042,964,424,735	7,688,523,247,495
Net operating profit	376,975,946,726	160,148,816,411	262,596,303,985
Other profit	43,500,859,948	30,242,357,639	3,522,036,064
Profit of associates, a jointly-controlled entity	29,996,150,223	101,769,063,755	56,168,772,639
Profit before tax	450,472,956,897	292,160,237,805	322,287,112,688
Net profit after tax of equity holders of the parent	290,552,993,653	247,937,466,742	260,429,702,554
Basic earnings per share (EPS)	2,201	1,890	2,206
<b>Liquidity</b>			
Liquidity ratio	1.30	1.20	1.27
Quick ratio	0.75	0.61	0.63
<b>Capital</b>			
Liabilities/Total assets	0.68	0.68	0.6
Liabilities/Owners' equity	2.61	2.90	1.75
<b>Operation</b>			
Inventory turnover ratio:	3.96	3.14	3.38
Net revenue / Total assets	1.65	1.10	1.20
<b>Profit</b>			
Percentage of net profit after tax of equity holders of the parent / Net revenue	1.95%	2.25%	3.39%
Percentage of net profit after tax of equity holders of the parent / Owners' equity	12.30%	10.60%	11.97%
Percentage of net profit after tax of equity holders of the parent / Total assets	3.22%	2.47%	4.08%
Percentage of net operating profit / Net revenue	2.53%	1.45%	3.42%

(Figures in the Consolidated Financial Statement audited in 2014 and i2013)





## PROSPECT OF AQUACULTURE INDUSTRY

“ The bilateral or multilateral Free Trade Agreements (FTA) shall change remarkably the export market, Vietnamese commodities in general and aquatic products in particular shall have the advantage in taxation.

In 2014, Vietnam signed a Joint Statement on conclusion of the negotiations of the Free Trade Agreements (FTA) between Vietnam and the Customs Union of Russia, Belarus and Kazakhstan, and between Vietnam and Korea.

In 2015, Vietnam shall negotiate of the Free Trade Agreements (FTA) with European Union, the European Free Trade Association (EFTA) and the Trans-Pacific Partnership (TPP)...

In 2016, Regional Comprehensive Economic Partnership (RCEP) shall be signed between 10 ASEAN countries and 6 partners (China, India, Japan, Korea, Australia and New Zealand), known as ASEAN+6. Some economic authorities comment that RCEP shall become the largest economic union in the world with the participation of China.



The bilateral or multilateral Free Trade Agreements (FTA) shall change remarkably the export market, Vietnamese commodities in general and aquatic products in particular shall have the advantage in taxation.

Besides, some recent Government policies impact to farming industry. The Law No. 71/2014/QH13 passed on November 26, 2014 by the National Assemble, in which livestock feed (the value added tax is 5%) becomes a non-taxable object of value added tax (applied from January 01, 2015). The farming cost shall considerably decrease.

The import of aquatic products is increasing, especially products of China, India and ASEAN. It is predicted the growth of pangasius shall be recovered and increase around 10 - 15 percent per year. In 2020, the export turnover of Vietnam shall reach \$US2.5 - \$US3 Billion because of diminishing in demand and competition of Alaska Polack fish.



## PLAN IN YEAR 2015

### FUND

Based on the above evaluation, Hung Vuong Corporation shall decide to change funding structure from short term fund to medium and long term fund to expand its deep and wide investments, take chances and challenges.

In 2014, Hung Vuong Corporation successfully issued VND1,000 billion of nonconvertible debentures with term of 3 years for 2 organizations, BIDV (VND100 billion) and VIB (VND300 billion).

In 2015, Hung Vuong Corporation shall issue VND500 billion of debentures to ANZ (Vietnam), in addition to signing a \$US20 millions facility agreement with term of 5 years with DEG.

Hung Vuong Corporation shall issue 43,999,936 shares to current share holders at the price of VND1,000 per share with the ratio 3:1 and 13 million of bonus shares with the ratio 10:1. Collection from issuance shares (around VND440 billion) shall be supplemented to its working capital to improve the financial status and business production.

### INVESTMENT PROJECT

In 2015, Hung Vuong Corporation shall build and enlarge 3 fish processing plants (in Tien Giang, Sa Dec and Ben Tre provinces), 2 shrimp processing plants (in Soc Trang province) and 1 cold storage (in Bac Lieu province). The feeding processing plant (Viet Thang) shall be improved, the capacity shall increase from 500,000 tons per year to 800,000 tons per year in 2015.

All plants shall be equipped with modern machine, imported from Japan, US, Europe. It shall complete in September 2015.

In addition, the company continue to increase the ownership ratio in subsidiaries and affiliated companies. Specifically, the ownership ratio shall be increased over 90 percent in VTF, 85 percent in AGF and 51 percent in FMC.





“ In pangasius production, Hung Vuong Corporation is proud of a self-contained procedure from farming – processing to exporting.

PROFIT PLAN

Unit: VND billion

Year	Turnover	Profit	Ratio of dividend
2015	20,000	1,000	30%
2016	24,000	1,200	30%
2017	28,000	1,500	40%
2018	32,000	1,800	50%

In feed industry, the turnover of production and sales of Viet Thang (VTF) account over 40 percent of the total turnover of 50 feeding production companies. VTF has advantages in quality and market price because of applying modern technical production of Europe and US. Besides, VTF also has the large warehouse with the capacity of 120,000 tons of material. The company is importing equipments, expand its warehouse to increase its advantages. A company has capacity for store, it shall control markets.

The export turnover shall reach \$US600 - \$US700 million in 2015, in which the export turnover of pangasius shall be \$US300 - \$US350 million, shrimp shall be \$US300 - \$US350 million. Domestic turnover of feed shall reach VND9,000 – VND10,000 billion.

In pangasius production, Hung Vuong Corporation is proud of a self-contained procedure from farming - processing to exporting. The feed has stable quality, the price is lower from 10 percent to 15 percent compared with the market price. Therefore, the company has managed the cost of farming, controlled the quality, and the selling price is lower from 5 percent to 10 percent compared with other companies. The company shall be able to export to any market based on this advantage.

The target shall be within the ability of Hung Vuong Corporation because feed and pangasius are strong fields of Hung Vuong Corporation compared with other competitors



## Statements of Assets & Liabilities

Assets:  
 Investments in unaffiliated issuers, at value  
 (cost \$1,187,494,301, \$1,071,439,650,  
 \$40,301,939 and \$28,090,418, respectively)  
 Investments in affiliated issuers, at value  
 (cost \$85,237,638)  
 Lease agreements, at cost

\$2,069,331,009

Appreciation Fund

Focus Fund

## Statements of Operations

Investment income:

Dividends

Unaffiliated issuers

Affiliated issuers

Interest

Total investment income

Expenses:

Management fees

Distribution fees (Investor Class)

Shareholder service fees

Investor Class

Institutional Class

Transfer agent fees and expenses

Investor Class

Institutional Class

Postage expenses

Fund

\$32,277,116

1,985,094

2,829

34,265,039

10,948,043

3,997,925

1,640,518

229,336

626,381

17,220

\$32,910,850

3,809

32,914,669

10,775,114

3,691,766

1,485

Appreciation Fund

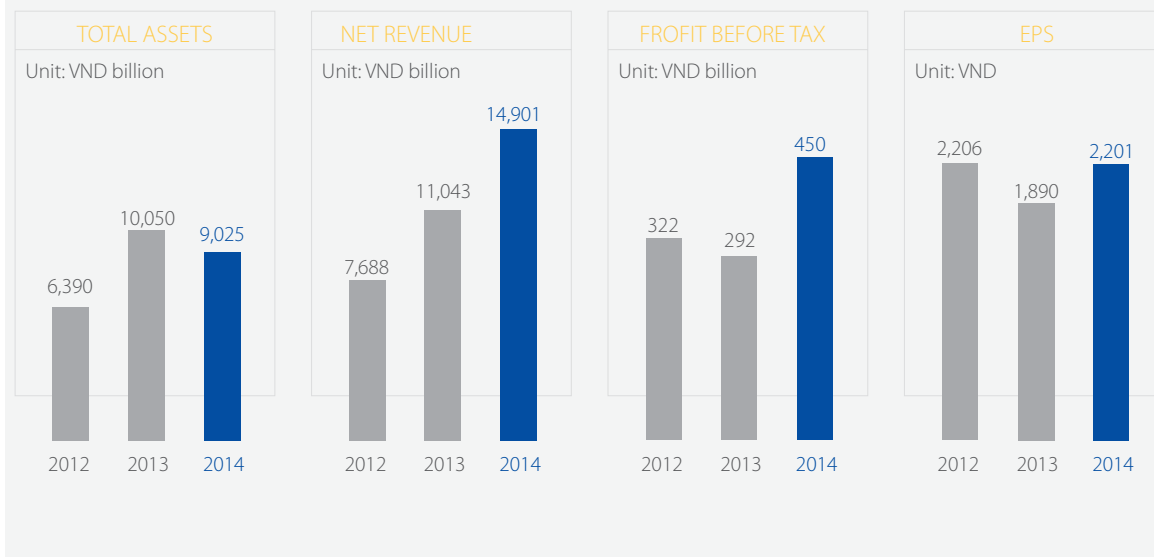
Focus Fund

\$1,16



## CONSOLIDATED FINANCIAL STATEMENTS

NET REVENUE **14,901** VND BILLION



## GENERAL INFORMATION

### THE COMPANY

Hung Vuong Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate ("BRC") No. 5303000053 issued by the Department of Planning and Investment of Tien Giang Province on 15 January 2007 and as amended.

The Company was listed on the Ho Chi Minh City Stock Exchange in accordance with License No. 141/QD-SDGHCM issued by the Ho Chi Minh City Stock Exchange ("HOSE") on 16 November 2009.

The Company's registered office is located at Lot 44, My Tho Industrial Park, Tien Giang Province, S.R of Vietnam.

The current principal activities of the Company are culturing and processing exported seafood; processing feeds for aquaculture, livestock and poultry; and providing frozen and cold storage services

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Duong Ngoc Minh	Chairman
Mr Le Nam Hai	Member
Mr Nguyen Van Ky	Member
Mr Ha Viet Thang	Member
Mr Lo Bang Giang	Member

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mr Vo Minh Phuong	Head	
Mr. Nguyen Van Lam	Member	Appointed on 16 May 2014
Mr Huynh Tan Truong	Member	Resigned on 16 May 2014
Mr Nguyen Quoc Binh	Member	Resigned on 16 May 2014

### MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Duong Ngoc Minh	General Director
Mrs Le Kim Phung	Deputy General Director

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Duong Ngoc Minh.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited



## REPORT OF MANAGEMENT

Management of Hung Vuong Corporation (“the Company”) present its report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2014.

### MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- » select suitable accounting policies and then apply them consistently;
- » make judgements 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 consolidated financial statements; and
- » prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2014, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

**For and on behalf of management:**



The stamp is circular and red, containing the text: "CÔNG TY CỔ PHẦN HÙNG VƯƠNG" in the center, "H.Đ.Đ.Đ.Đ. 5303000053-C.T.Đ.Đ." around the top inner edge, and "T. CHAU THANH - T. TIEN GIANG" around the bottom inner edge. A blue ink signature is written over the stamp.

**Duong Ngoc Minh**

**General Director**

30 March 2015



Reference: 60859962/16364418

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of Hung Vuong Corporation**

We have audited the accompanying consolidated financial statements of Hung Vuong Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group") as prepared on 30 March 2015 as set out on pages 40 to 91, which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### Management's responsibility

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

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

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

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



## Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2014, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

### Ernst & Young Vietnam Limited



**LE QUANG MINH**  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 0426-2013-004-1

A handwritten signature in black ink, appearing to be 'Pham Thi Cam Tu'.

**PHAM THI CAM TU**  
Auditor  
Audit Practicing Registration Certificate  
No. 2266-2013-004-1

Ho Chi Minh City, Vietnam  
30 March 2015



## CONSOLIDATED BALANCE SHEET

as at 31 December 2014

B01-DN/HN

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		7,057,800,795,075	8,118,255,139,374
110	I. Cash and cash equivalents	5	492,170,967,436	717,432,313,885
111	1. Cash		420,170,967,436	492,314,985,531
112	2. Cash equivalents		72,000,000,000	225,117,328,354
120	II. Short-term investments	15.1	40,100,000,000	321,500,000,000
121	1. Short-term investment		40,100,000,000	321,500,000,000
130	III. Current accounts receivable		3,197,906,461,749	2,740,840,688,183
131	1. Trade receivables	6	2,920,559,352,024	2,164,466,160,390
132	2. Advances to suppliers	7	166,393,094,213	512,451,322,672
135	3. Other receivables	8	397,987,564,324	287,731,552,058
139	4. Provision for doubtful debts	6, 8	(287,033,548,812)	(223,808,346,937)
140	IV. Inventories	9	2,951,989,263,039	4,009,819,606,534
141	1. Inventories		2,955,800,375,239	4,013,455,175,534
149	2. Provision for obsolete inventories		(3,811,112,200)	(3,635,569,000)
150	V. Other current assets		375,634,102,851	328,662,530,772
151	1. Short-term prepaid expenses		8,941,614,375	8,856,596,901
152	2. Value-added tax deductible		213,353,300,658	196,049,567,730
154	3. Tax and other receivables from the State	10	27,793,656,415	19,655,009,587
158	4. Other current assets	11	125,545,531,403	104,101,356,554
200	B. NON-CURRENT ASSETS		1,967,322,742,259	1,932,569,441,473
220	I. Fixed assets		1,214,019,187,472	1,316,411,802,740
221	1. Tangible fixed assets	12	859,229,713,314	934,760,092,606
222	Cost		1,623,029,010,371	1,600,059,466,639
223	Accumulated depreciation		(763,799,297,057)	(665,299,374,033)
227	2. Intangible fixed assets	13	90,388,957,589	93,246,399,116
228	Cost		97,702,398,783	97,702,398,783
229	Accumulated depreciation		(7,313,441,194)	(4,455,999,667)
230	3. Construction in progress	14	264,400,516,569	288,405,311,018
250	II. Long-term investments	15.2	535,884,880,981	456,046,952,599
252	1. Investments in associates, jointly-controlled entity		526,644,880,981	446,806,952,599
258	2. Other long-term investments		41,930,400,000	41,930,400,000
259	3. Provision for diminution in value of long-term investments		(32,690,400,000)	(32,690,400,000)
260	III. Other long-term assets		217,418,673,806	160,110,686,134
261	1. Long-term prepaid expenses	16	130,028,801,160	92,296,171,414
262	2. Deferred tax assets	31.4	86,518,933,974	61,677,826,048
268	3. Other long-term assets		870,938,672	6,136,688,672
270	TOTAL ASSETS		9,025,123,537,334	10,050,824,580,847





VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		6,171,810,999,251	6,787,608,556,015
310	I. Current liabilities		5,442,591,814,348	6,771,150,773,988
311	1. Short-term loans	17	4,034,673,920,333	4,398,832,833,347
312	2. Trade payables	18	895,202,832,917	1,617,698,879,341
313	3. Advances from customers	19	187,537,324,148	537,533,754,403
314	4. Statutory obligations	20	21,166,435,686	10,379,125,187
315	5. Payables to employees		34,245,238,417	47,585,306,536
316	6. Accrued expenses	21	151,082,389,007	76,221,813,062
319	7. Other payables	22	120,352,441,287	77,733,497,267
323	8. Bonus and welfare fund		(1,668,767,447)	5,165,564,845
330	II. Non-current liabilities		729,219,184,903	16,457,782,027
333	1. Other long-term liability	23	15,885,851,565	16,457,782,027
334	2. Long-term loans	24	713,333,333,338	-
400	B. OWNERS' EQUITY		2,361,343,955,610	2,338,681,779,593
410	I. Capital	25	2,361,343,955,610	2,338,681,779,593
411	1. Share capital		1,319,998,100,000	1,199,999,930,000
412	2. Share premium		194,793,779,000	194,793,779,000
413	3. Other owners' capital		(73,430,059)	(73,430,059)
417	4. Investment and development fund		118,171,890,581	91,557,332,851
418	5. Financial reserve fund		111,504,688,956	89,678,646,304
420	6. Undistributed earnings		616,948,927,132	762,725,521,497
439	C. MINORITY INTERESTS		491,968,582,473	924,534,245,239
440	TOTAL LIABILITIES AND OWNERS' EQUITY		9,025,123,537,334	10,050,824,580,847

## OFF BALANCE SHEET ITEM

ITEM	Ending balance	Beginning balance
Foreign currencies:		
- United States dollar (USD)	4,153,353	9,705,943
- Euro (EUR)	10,009	10,066



VU NHAN VUONG

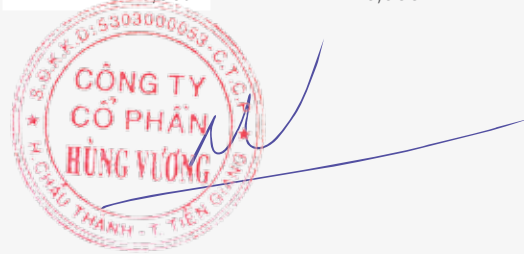
Preparer

30 March 2015



TRAN HIEU HOA

Chief Accountant



DUONG NGOC MINH

General Director



## CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2014

B02-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	26.1	15,042,319,930,571	11,179,218,773,873
02	2. Deductions	26.1	(140,624,486,107)	(136,254,349,138)
10	3. Net revenue from sale of goods and rendering of services	26.1	14,901,695,444,464	11,042,964,424,735
11	4. Cost of goods sold and services rendered	27	(13,782,266,321,035)	(10,058,267,330,176)
20	5. Gross profit from sale of goods and rendering of services		1,119,429,123,429	984,697,094,559
21	6. Finance income	26.2	247,863,816,034	188,345,707,366
22	7. Finance expenses	28	(298,361,083,793)	(325,003,317,646)
23	<i>In which: Interest expense</i>		<i>(269,039,437,340)</i>	<i>(247,697,393,531)</i>
24	8. Selling expenses		(517,903,862,482)	(501,941,899,270)
25	9. General and administrative expenses		(174,052,046,462)	(185,948,768,598)
30	10. Operating profit		376,975,946,726	160,148,816,411
31	11. Other income	29	55,680,882,078	121,733,859,327
32	12. Other expenses	29	(12,180,022,130)	(91,491,501,688)
40	13. Other profit	29	43,500,859,948	30,242,357,639
45	14. Share of profit of associates and a jointly-controlled entity		29,996,150,223	101,769,063,755
50	15. Profit before tax		450,472,956,897	292,160,237,805
51	16. Current corporate income tax expense	31.2	(50,389,747,002)	(41,531,314,310)
52	17. Deferred income tax income	31.4	24,841,107,926	45,379,714,429
60	18. Net profit after tax		424,924,317,821	296,008,637,924
	<i>Attributable to:</i>			
61	- <i>Minority interests</i>		134,371,324,168	48,071,171,182
62	- <i>Equity holders of the parent</i>		290,552,993,653	247,937,466,742
70	19. Basic and diluted earnings per share	25.4	2,201	1,890



**VU NHAN VUONG**  
Preparer



**TRAN HIEU HOA**  
Chief Accountant



**DUONG NGOC MINH**  
General Director

30 March 2015



## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2014

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Profit before tax		450,472,956,897	292,160,237,805
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	12, 13	126,681,362,900	127,271,743,209
03	Provisions		65,022,467,674	90,269,690,712
04	Unrealised foreign exchange gains	26.2	(8,556,984,523)	(11,704,804,501)
05	Profits from investing activities		(215,231,410,126)	(153,729,056,383)
06	Interest expense	28	269,039,437,340	247,697,393,531
08	<b>Operating profit before changes in working capital</b>		<b>717,428,310,920</b>	<b>591,965,204,373</b>
09	Increase in receivables		(907,949,881,998)	(774,575,584,557)
10	Decrease (increase) in inventories		710,478,280,261	(1,427,329,274,453)
11	(Decrease) increase in payables		(232,444,551,225)	1,670,989,550,345
12	(Increase) decrease in prepaid expenses		(25,703,585,657)	4,724,818,960
13	Interest paid		(223,451,162,723)	(248,383,659,058)
14	Corporate income tax paid	31.2	(39,528,184,784)	(47,315,458,333)
15	Other cash inflows from operating activities		60,260,871,544	-
16	Other cash outflows from operating activities		(105,835,571,245)	(30,001,947,044)
20	<b>Net cash flows used in operating activities</b>		<b>(76,745,955,665)</b>	<b>(259,926,349,767)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(45,766,335,613)	(164,697,408,075)
22	Proceeds from disposals of fixed assets	29	13,033,873,112	80,506,156,204
23	Loans to other entities and payments for purchase of debt instruments of other entities		(42,000,000,000)	-
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		323,400,000,000	-
25	Payments for investments in other entities, net of its cash balance		(475,201,319,400)	(507,788,933,459)
26	Proceeds from sale of investments in other entities, net of cash disposed		(19,324,841,286)	69,417,111,848
27	Interest and dividends received		29,554,192,240	16,633,661,149
30	<b>Net cash flows used in investing activities</b>		<b>(216,304,430,947)</b>	<b>(505,929,412,333)</b>



CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2014

B03-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Receipt from issuance of new shares		-	12,034,970,000
	Capital contribution from minority interests		-	72,994,752,000
32	Re-issuance of treasury shares		-	1,990,214,484
33	Drawdown of borrowings		12,944,335,986,826	12,560,880,549,853
34	Repayment of borrowings		(12,599,914,091,410)	(11,310,817,457,548)
36	Dividends paid to equity holders of the parent	25.2	(239,999,986,000)	(79,197,669,000)
	Dividends paid to minority interests		(36,540,630,800)	(39,674,730,010)
40	Net cash flows from financing activities		67,881,278,616	1,218,210,629,779
50	Net (decrease) increase in cash and cash equivalents		(225,169,107,996)	452,354,867,679
60	Cash and cash equivalents at beginning of year		717,432,313,885	265,011,983,924
61	Impact of exchange rate fluctuation		(92,238,453)	65,462,282
70	Cash and cash equivalents at end of year	5	492,170,967,436	717,432,313,885



VU NHAN VUONG  
Preparer

30 March 2015



TRAN HIEU HOA  
Chief Accountant



DUONG NGOC MINH  
General Director



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B09-DN/HN

as at and for the year ended 31 December 2014

### 1. CORPORATE INFORMATION

Hung Vuong Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate (“BRC”) No. 5303000053 issued by the Department of Planning and Investment of Tien Giang Province on 15 January 2007 and as amended.

The Company was listed on the Ho Chi Minh City Stock Exchange in accordance with License No. 141/QD-SDGHCM issued by the Ho Chi Minh City Stock Exchange on 16 November 2009.

The Company’s registered office is located at Lot 44, My Tho Industrial Park, Tien Giang Province, Vietnam.

The current principal activities of Company and its subsidiaries (“the Group”) are culturing and processing exported seafood; processing feeds for aquaculture, livestock, and poultry; providing frozen and cold storage services. The number of the Company’s employees as at 31 December 2014 was 818 (31 December 2013: 870).

#### Corporate structure

As at 31 December 2014, the Company’s corporate structure includes 8 direct subsidiaries, as follows:

Name of subsidiaries	Location	Business activities	Status of operation	% holding
(1) Viet Thang Feed Joint Stock Company (“VTF”)	Dong Thap Province	producing and processing of feeds for aquaculture, livestock and poultry	Operating	80.74
(2) An Giang Fisheries Import Export Joint Stock Company (“AGF”)	An Giang Province	processing and exporting the aquacultural products	Operating	79.58
(3) Europe Joint Stock Company	Tien Giang Province	culturing, processing, exporting aquacultural products, and processing livestock and poultry feed	Operating	80.00
(4) Asia Pangasius Company Limited (“ASI”)	Tien Giang Province	culturing, processing and exporting aquacultural products	Operating	90.00
(5) Hung Vuong – An Giang Football Joint Stock Company	An Giang Province	operation of sport clubs and sport hubs	Operating	50.55
(6) Hung Vuong - Ba Tri Joint Stock Company	Ben Tre Province	providing seafood seed and cultivating domestic seafood	Pre-operating	-
(7) An Lac Real Estate Corporation (“ALR”)	Ho Chi Minh City	development of real estate properties	Operating	76.00
(8) Hung Vuong Ben Tre Seafood Processing Co., Ltd.	Ben Tre Province	Production and processing Seafood	Operating	90.00



## 2. BASIS OF PREPARATION

### 2.1 Accounting standards and system

The consolidated financial statements of the Group expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard ("VAS") issued by the Ministry of Finance as per:

- » Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- » Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- » Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- » Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- » Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated balance sheet, consolidated income statement, consolidated cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 Applied accounting documentation system

The Group's applied accounting documentation system is the General Journal System.

### 2.3 Fiscal year

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

### 2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

### 2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended 31 December 2014.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.



All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at 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.

#### 3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, merchandises	-	cost of purchase on a weighted average basis.
Finished goods and work-in-process	-	cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

#### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

#### 3.3 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Fixed assets

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and amortisation.

The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred. When fixed assets are sold or retired, their costs and accumulated depreciation or amortisation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

*Land use right*

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and the land use rights certificate being issued, are recorded as intangible asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets. The land use right is amortized over the useful life, except for land use right having indefinite useful life is not amortised.

3.3.5 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Land use rights	41 years
Buildings and structures	5 - 10 years
Machineries and equipment	5 - 7 years
Office equipment	6 years
Computer software	4 years
Means of transportation	3 years
Others	3 years

3.6 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred.

3.7 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

3.8 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable





assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill (if any) is amortised over a maximum period of 10 years on a straight-line basis.

Acquisition of minority interests is accounted for using the parent entity extension method, whereby, the difference between the consideration and the carrying value of the share of the net assets acquired is recognised in goodwill.

### 3.9 Investments

#### *Investment in associates*

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over a maximum period of 10 years. The consolidated income statement reflects the share of the post-acquisition results of operation of the associates.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends/profit sharing received or receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

#### *Interests in a joint venture*

The Group's investment in jointly controlled entity is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity. The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

The share of profit (loss) of the jointly controlled entity is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from jointly controlled entities reduces the carrying amount of the investment.

The financial statements of the jointly controlled entity are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

#### *Investments in securities and other investments*

Investments in securities and other investments are stated at their acquisition costs.



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Investments (continued)

##### *Provision for investments*

Provision is made for any diminution in value of the investments at the balance sheet date in accordance with the guidance under the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the consolidated income statement.

#### 3.10 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

#### 3.11 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting year for all employees who have been being in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Any increase to the accrued amount will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

#### 3.12 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at buying exchange rate announced by the commercial bank where the Group maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the consolidated income statement.

#### 3.13 Appropriation of net profits

Net profit after tax (excluding unrealised exchange gains as at the balance sheet date) is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

##### *Financial reserve fund*

This fund is set aside to protect the Group's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.



*Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or in-depth investments.

*Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common social benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

**3.14 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**3.15 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

*Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

*Rendering of services*

Revenues are recognised upon the completion of the services provided.

*Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

*Dividends*

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

*Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior years 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 as at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

##### *Deferred income tax*

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.



### 3.17 Financial instruments

#### *Financial instruments – initial recognition and presentation*

##### Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loan receivables, quoted and unquoted financial instruments.

##### Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the consolidated financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

#### *Financial instruments – subsequent re-measurement*

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

### 3.18 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. Group's business segment is derived mainly from sales of aquacultural products. Management defines the Group's geographical segments to be based on the location of the Group's assets.



4. ADDITIONAL ACQUISITION TRANSACTIONS DURING THE YEAR

During the year, the Company purchased additional 10,500,000 shares of VTF, at total cost of VND 229,244,394,400. Accordingly, as at 31 December 2014, the Company's ownership in VTF increased from 55.63% to 80.74%.

During the year, the Company purchased additional 7,200,000 shares of AGF, at total cost of VND 157,680,000,000. Accordingly, as at 31 December 2014, the Company's ownership in AGF increased from 51.41% to 79.58%.

Total negative goodwill arising from these transactions amounting to VND 124,182,273,405 was recognized as finance income in the consolidated financial statements (Note 26.2).

5. CASH AND CASH EQUIVALENTS

VND

	Ending balance	Beginning balance
Cash on hand	10,602,468,312	10,868,449,729
Cash at banks	409,568,499,124	481,446,535,802
Cash equivalents	72,000,000,000	225,117,328,354
<b>TOTAL</b>	<b>492,170,967,436</b>	<b>717,432,313,885</b>

Cash equivalents represent short-term deposits at commercial banks with the original maturities of less than three (3) months and earn interest at the applicable rates.

As disclosed in Note 17, the Group has pledged certain term deposits to secure its bank loan facilities.

6. TRADE RECEIVABLES

VND

	Ending balance	Beginning balance
Other parties	2,794,117,287,189	2,138,754,528,104
Related parties (Note 32)	126,442,064,835	25,711,632,286
<b>TOTAL</b>	<b>2,920,559,352,024</b>	<b>2,164,466,160,390</b>
Provision for short-term doubtful debts	(266,833,548,812)	(203,608,346,937)
<b>NET</b>	<b>2,653,725,803,212</b>	<b>1,960,857,813,453</b>

Breakdown of trade receivables is as follows:

VND

	Ending balance	Beginning balance
Overseas customers	1,874,631,184,194	1,960,921,088,002
Local customers	1,045,928,167,830	203,545,072,388
<b>TOTAL</b>	<b>2,920,559,352,024</b>	<b>2,164,466,160,390</b>
In which, foreign currencies:		
<i>United States Dollar (USD)</i>	87,949,379	94,104,146
<i>Euro (EUR)</i>	7,037	7,037

As disclosed in Notes 17 and 24, the Group has pledged certain trade receivables to secure its bank loan facilities.



Detail of movements of provision for doubtful debts:

	VND	
	Current year	Previous year
Beginning balance	203,608,346,937	130,802,105,449
<i>Add: Provision created during the year</i>	63,225,201,875	77,339,593,711
<i>Less: Decrease due to disposal of investments in subsidiaries</i>	-	(4,533,352,223)
Ending balance	266,833,548,812	203,608,346,937

## 7. ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Other parties	117,075,234,131	320,419,354,247
Related parties (Note 32)	49,317,860,082	192,031,968,425
<b>TOTAL</b>	<b>166,393,094,213</b>	<b>512,451,322,672</b>

Breakdown of advances to suppliers is as follows:

	VND	
	Ending balance	Beginning balance
Local suppliers	151,039,947,420	512,364,265,186
Oversea suppliers	15,353,146,793	87,057,486
<b>TOTAL</b>	<b>166,393,094,213</b>	<b>512,451,322,672</b>
<i>In which, foreign currency:</i>		
<i>United States Dollar (USD)</i>	583,687	4,139
<i>Euro (EUR)</i>	108,000	-



8. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Non-interest bearing lendings	290,411,629,897	133,657,370,778
Receivable from business co-operation contract	30,000,480,758	-
Dividends receivable	29,738,112,447	4,586,055,954
Advance for other investment	24,032,013,442	20,200,000,000
Payments on behalf	15,862,360,652	43,854,675,106
Receivable from individuals	2,416,511,291	13,500,000,000
Accrued bank interests	321,259,167	6,426,902,664
Lending raw materials	316,031,520	19,335,024,193
Others	4,889,165,150	46,171,523,363
<b>TOTAL</b>	<b>397,987,564,324</b>	<b>287,731,552,058</b>
Provision for doubtful debts	(20,200,000,000)	(20,200,000,000)
<b>NET</b>	<b>377,787,564,324</b>	<b>267,531,552,058</b>
<i>In which:</i>		
<i>Related parties (Note 32)</i>	<i>366,328,615,275</i>	<i>159,488,126,031</i>
<i>Other parties</i>	<i>11,458,949,049</i>	<i>108,043,426,027</i>

9. INVENTORIES

	VND	
	Ending balance	Beginning balance
Work-in-process	1,272,777,794,554	1,006,162,902,872
Finished goods	1,123,991,823,190	1,893,080,060,259
Raw materials	306,990,603,614	223,013,453,632
Goods in transit	178,349,534,640	248,536,529,550
Merchandise goods	49,994,503,767	638,796,757,752
Goods on consignment	19,690,288,764	-
Tools and supplies	4,005,826,710	3,865,471,469
<b>TOTAL</b>	<b>2,955,800,375,239</b>	<b>4,013,455,175,534</b>
Provision for obsolete inventories	(3,811,112,200)	(3,635,569,000)
<b>NET</b>	<b>2,951,989,263,039</b>	<b>4,009,819,606,534</b>

As disclosed in Note 17, the Group has pledged certain inventories to secure the bank loan facilities.





Detail of movements of provision for obsolete inventories:

	VND	
	Current year	Previous year
Beginning balance	(3,635,569,000)	(438,554,000)
<i>Add: Provision created during year</i>	(175,543,200)	(3,197,015,000)
Ending balance	(3,811,112,200)	(3,635,569,000)

10. TAX AND OTHER RECEIVABLES FROM STATE

	VND	
	Ending balance	Beginning balance
Corporate income tax (Note 31.2)	25,200,403,618	15,176,983,995
Personal income tax	2,268,429,028	4,406,570,048
Value-added tax	241,200,983	71,455,544
Others	83,622,786	-
<b>TOTAL</b>	<b>27,793,656,415</b>	<b>19,655,009,587</b>

11. OTHER CURRENT ASSETS

	VND	
	Ending balance	Beginning balance
Deposits for bank loan guarantees (Note 17)	72,025,000,000	72,025,000,000
Deposits for letters of credit open	20,321,387,439	27,667,873,968
Deposits for purchasing foreign currencies	18,200,000,000	63,600,000
Advances to employees	12,167,918,423	4,306,782,586
Others	2,831,225,541	38,100,000
<b>TOTAL</b>	<b>125,545,531,403</b>	<b>104,101,356,554</b>



12. TANGIBLE FIXED ASSETS

	Buildings and structures	Machineries and equipment
<i>Cost:</i>		
Beginning balance	558,298,095,638	952,315,126,331
Reclassification	31,934,870,534	(31,954,018,238)
Transfer from construction in progress	16,394,703,949	8,328,550,687
New purchase	7,206,627,947	6,650,602,913
Other increase	-	259,797,741
Disposal	(1,237,748,645)	(20,246,437,216)
Other decreases (*)	(244,516,592)	(3,691,161,292)
Ending balance	612,352,032,831	911,662,460,926
<i>In which:</i>		
<i>Fully depreciated</i>	<i>24,551,621,344</i>	<i>73,822,251,695</i>
<i>Accumulated depreciation:</i>		
Beginning balance	175,493,173,336	439,798,345,000
Reclassification	(35,218,637)	35,218,633
Depreciation for the year	34,992,352,672	79,525,961,320
Disposal	(888,300,952)	(17,731,334,726)
Other decreases (*)	(244,516,592)	(3,644,819,542)
Ending balance	209,317,489,827	497,983,370,685
<i>Net carrying amount:</i>		
Beginning balance	382,804,922,302	512,516,781,331
Ending balance	403,034,543,004	413,679,090,241

As disclosed in Notes 17 and 24, the Group has pledged part of its building and structures, certain machineries and equipment to secure the bank loan facilities.

(\*) During the year, the Company has used those assets to contribute capital to Hung Vuong Mascato Company Limited in accordance with the capital contribution minutes dated 30 September 2014.



VND

Means of transportation	Office equipment	Other assets	Total
75,823,856,015	8,240,756,340	5,381,632,315	1,600,059,466,639
50,762,075	(736,749,538)	705,135,167	-
-	-	-	24,723,254,636
12,222,738,181	246,700,000	30,240,000	26,356,909,041
-	-	-	259,797,741
(1,983,405,442)	(39,520,000)	-	(23,507,111,303)
(927,628,499)	-	-	(4,863,306,383)
85,186,322,330	7,711,186,802	6,117,007,482	1,623,029,010,371
6,704,316,229	3,497,973,287	151,700,000	108,727,862,555
40,571,327,501	5,905,329,395	3,531,198,801	665,299,374,033
(721,875,171)	44,542,076	677,333,099	-
8,429,730,984	487,413,255	388,463,142	123,823,921,373
(1,858,226,619)	(39,520,000)	-	(20,517,382,297)
(917,279,918)	-	-	(4,806,616,052)
45,503,676,777	6,397,764,726	4,596,995,042	763,799,297,057
35,252,528,514	2,335,426,945	1,850,433,514	934,760,092,606
39,682,645,553	1,313,422,076	1,520,012,440	859,229,713,314



13. INTANGIBLE FIXED ASSETS

VND

	Indefinite land use rights	Land use rights	Computer software	Others	Total
<b>Cost:</b>					
Beginning and ending balances	68,245,575,044	2,744,002,226	942,957,305	25,769,864,208	97,702,398,783
<i>In which:</i>					
<i>Fully amortised</i>	-	-	296,408,030	-	296,408,030
<b>Accumulated amortisation:</b>					
Beginning balance	-	837,396,082	644,513,628	2,974,089,957	4,455,999,667
Amortisation for the year	-	66,371,952	116,707,152	2,674,362,423	2,857,441,527
Ending balance	-	903,768,034	761,220,780	5,648,452,380	7,313,441,194
<b>Net carrying amount:</b>					
Beginning balance	68,245,575,044	1,906,606,144	298,443,677	22,795,774,251	93,246,399,116
Ending balance	68,245,575,044	1,840,234,192	181,736,525	20,121,411,828	90,388,957,589

As noted further in Note 17, the Group has pledged its land use rights to secure its bank loan facilities.



## 14. CONSTRUCTION IN PROGRESS

	VND	
	Ending balance	Beginning balance
Land use rights (i)	210,279,184,366	227,038,184,366
Land lease (ii)	25,394,631,457	25,394,631,457
Tien Giang factory construction	13,812,934,797	8,149,829,654
Warehouse renovation	10,807,963,658	10,598,340,063
Water treatment system	2,491,446,364	-
Purchase of fixed assets	1,587,083,200	3,968,229,850
Construction of raw material warehouse	-	10,256,251,038
Others	27,272,727	2,999,844,590
<b>TOTAL</b>	<b>264,400,516,569</b>	<b>288,405,311,018</b>

(i) As disclosed in Note 17, the Group has pledged part of its land use rights to secure its bank loan facilities.

(ii) This represents the Company's down-payment by 30% of total land lease fee for land lots C10-C12 located in Hiep Phuoc Industrial Park, Nha Be District, Ho Chi Minh City, Vietnam in accordance with the Land Lease Contract No. 9/HDT

## 15. INVESTMENTS

## 15.1 Short-term investments

These represent the term deposits at banks with original maturity of 12 months and earn interest at average rates of 6% per annum.

## 15.2 Long-term investments

	VND	
	Ending balance	Beginning balance
Investments in associates, a jointly-controlled entity	526,644,880,981	446,806,952,599
Other long-term investments	41,930,400,000	41,930,400,000
<b>TOTAL</b>	<b>568,575,280,981</b>	<b>488,737,352,599</b>
Provision for diminution in value of long-term investments	(32,690,400,000)	(32,690,400,000)
<b>NET</b>	<b>535,884,880,981</b>	<b>456,046,952,599</b>



- 15. INVESTMENTS (continued)
- 15.2 Long-term investments (continued)
- 15.2.1 Investments in associates, a jointly-controlled entity

Details of the Company's investments in associates and a jointly-controlled entity are as follows:

Name of companies	Business activities	Status	Ending balance		Beginning balance	
			% interest	Cost of investment VND	% interest	Cost of investment VND
<b>Associates</b>						
Hung Vuong Mien Tay Aquaculture Joint Stock Company ("HMT")	culturing aquaculture for export; and processing exported seafood	Operating	48.00	192,000,000,000	48.00	144,000,000,000
Sao Ta Foods Joint Stock Company ("FMC") (*)	culturing aquaculture for export; and processing exported seafood	Operating	38.00	92,239,425,000	39.26	53,962,500,000
Hung Vuong Vinh Long Panga Feed Joint Stock Company	producing and processing of feeds for aquaculture, livestock and poultry	Operating	38.75	31,000,000,000	38.75	31,000,000,000
Hung Vuong - Vinh Long Company Limited ("HVL")	producing, processing, trading, and storing aquacultural products, vegetable, oil and fat	Operating	31.67	19,000,000,000	31.67	19,000,000,000
Tac Van Frozen Seafood Processing Export Joint Stock Company	producing, processing shrimp and export	Operating	25.00	8,859,700,000	25.00	8,859,700,000
<b>A jointly-controlled entity</b>						
Hung Vuong Mascato Company Limited	culturing, processing and storing aquacultural products, and other products from aquaculture	Operating	60.00	29,799,600,000	60.00	26,691,802,588
<b>TOTAL</b>				<b>372,898,725,000</b>		<b>283,514,002,588</b>

(\*) A part of this investment of 4,200,000 shares was used as collateral for the Company's long-term loans (Note 24).



The investments amount in associates and a jointly-controlled entity as at 31 December 2014 are as follows:

	VND Amount
<b>Cost of investment:</b>	
Beginning balance	283,514,002,588
Increase during the year	89,384,722,412
Ending balance	372,898,725,000
<b>Accumulated share in post-acquisition profit of the associates, a jointly-controlled entity</b>	
Beginning balance	163,292,950,011
Share in post-acquisition profit	40,051,039,692
Negative goodwill (*)	10,576,399,891
Unrealised profits	(27,267,984,003)
Dividends declared	(32,906,249,610)
Ending balance	153,746,155,981
<b>Carrying amount:</b>	
Beginning balance	446,806,952,599
Ending balance	526,644,880,981

(\*) This amount represented the negative goodwill arising from the additional acquisition of 2,551,795 shares of FMC on 10 December 2014, at cost of VND 38,276,925,000.

### 15.2.2 Other long-term investments

	Ending balance			Beginning balance		
	Amount VND	Number of shares	% of ownership	Amount VND	Number of shares	% of ownership
<i>Cost of investment</i>						
Ben Tre Forestry and Aquaproduct Import Export Joint Stock Company	32,690,400,000	2,724,200	18.16	32,690,400,000	2,724,200	18.16
Hung Vuong - Sa Dec Company Limited	7,000,000,000	-	11.67	7,000,000,000	-	11.67
Hung Vuong Insurance Company	2,240,000,000	224,000	0.75	2,240,000,000	224,000	0.75
<b>TOTAL</b>	<b>41,930,400,000</b>			<b>41,930,400,000</b>		
Provision for diminution in value of other investments	(32,690,400,000)			(32,690,400,000)		
<b>NET</b>	<b>9,240,000,000</b>			<b>9,240,000,000</b>		



16. LONG-TERM PREPAID EXPENSES

VND

	Ending balance	Beginning balance
Prepaid land rental	104,071,562,242	75,759,052,398
Bond issuance cost	16,194,212,963	-
Tools and supplies	9,608,091,293	10,369,722,570
Repair and maintenance cost	-	713,761,009
Others	154,934,662	5,453,635,437
<b>TOTAL</b>	<b>130,028,801,160</b>	<b>92,296,171,414</b>

17. SHORT-TERM LOANS

VND

	Ending balance	Beginning balance
Short-term loans from banks	3,758,623,920,337	4,375,756,995,489
Current portion of long-term loans (Note 24)	269,999,999,996	15,605,837,858
Short-term loans from individuals (*)	6,050,000,000	7,470,000,000
<b>TOTAL</b>	<b>4,034,673,920,333</b>	<b>4,398,832,833,347</b>

(\*) This amount represents one-year loans from individuals bearing interest at the rate of 18%p.a.





Details of short-term loans from banks are as follows:

Name of banks	Ending balance (VND)	Term and maturity date	Interest rate % p.a	Description of collateral
<b>Joint Stock Commercial Bank for Foreign Trade of Vietnam</b>				
Loan in VND	1,261,916,236,404	From 27 February 2015 to 29 October 2015	5.50 – 7.60	Land-use right at 94 Pham Dinh Ho Street, District 6, Ho Chi Minh city and land-use right and assets attached at 96 Pham Dinh Ho Street, District 6, Ho Chi Minh City ("HCMC"), Vietnam owned by ALR; machinery and equipment of frozen warehouse at Tan Tao Industrial park, Binh Tan District, HCMC, Vietnam; The aquafeed processing factory and land use rights at Lots II-1, II-2, II-3, Sa Dec Industrial Park, Dong Thap Province, Vietnam
Loan in USD	179,521,803,316	From 17 May 2015 to 30 June 2015	2.80 – 7.00	
<b>Bank for Investment and Development of Vietnam JSC</b>				
Loan in VND	567,395,579,684	From 16 March 2015 to 5 July 2015	7.00 - 8.00	Rights to collect receivables related to export upon TTR method; The aquafeed processing factory at Lot 69, My Tho Industrial Park, Tien Giang Province, machinery and equipment of the factory; all bank deposit accounts in VND and foreign currencies at this bank; trade receivables
Loan in USD	680,501,837,657	From 3 March 2015 to 26 November 2015	3.20 - 4.00	
<b>The Vietnam Development Bank</b>				
Loan in VND	155,734,833,500	From 2 June 2014 to 13 September 2014	8.70	Land use right 11,662m <sup>2</sup> at 14/9 Ward 5, Vinh Long City; Land use right at Long Ho District owned by HVL; Land use right 100m <sup>2</sup> owned by HMT; machinery and equipment of ASI; machinery and equipment of HVL; forklift truck of the Company; Short-term deposit at this bank amounting to 72 billion VND



17. SHORT-TERM LOANS (continued)

Details of short-term loans from banks are as follows: (continued)

Name of banks	Ending balance VND	Term and maturity date	Interest rate % p.a	Description of collateral
<b>Vietnam Export Import Commercial Joint Stock Bank</b>				
Loan in USD	36,317,100,000	From 10 August 2015 to 31 August 2015	3.20	Unsecured
<b>Sai Gon Bank for Industry and Trade</b>				
Loan in USD	33,285,720,000	On 22 March 2015	3.50	Land-use right at 44 My Tho IP, Trung An, My Tho City, Tien Giang province amounting billion VND 44,592
<b>ANZ Bank (Vietnam) Limited</b>				
Loan in USD	289,488,320,000	From 6 January 2015 to 30 June 2015	3.10 – 3.30	All trade receivables and inventories financed by the bank and insurance compensation on such inventories
Loan in VND	14,818,562,174	On 9 January 2015	5.50	The first priority for collection of receivables and inventories with the minimum carrying value equal to US\$ 10,000,000
<b>Asia Commercial Joint Stock Bank</b>				
Loan in VND	21,090,377,057	From 28 April 2015 to 10 May 2015	6.00	All receivables with the maximum carrying value equal to 100 billion dong
<b>Standard Chartered Bank Vietnam Limited</b>				
Loan in USD	191,051,498,000	From 15 March 2015 to 19 June 2015	3.30	Goods bought from loan and receivables from selling these goods
<b>Petrolimex Group Commercial Joint Stock Bank</b>				
Loan in USD	149,412,608,370	From 27 April 2015 to 3 September 2015	4.00	Unsecured
<b>Vietnam International Commercial Joint Stock Bank</b>				
Loan in USD	91,516,784,425	From 26 January 2015 to 14 May 2015	3.20	Guaranteed by VTF Joint Stock Company according to agreement dated 30 October 2014 and inventories
<b>Indovina Bank Limited</b>				
Loan in USD	64,089,000,000	From 10 March 2015 to 25 March 2015	3.20	Unsecured
<b>CTBC Bank Limited</b>				
Loan in VND	2,017,905,750	On 18 March 2015	5.00	Unsecured
<b>Orient Commercial Joint Stock Bank</b>				
Loan in VND	20,465,754,000	From 24 September 2015 to 30 June 2015	3.55 – 3.80	Inventories
<b>TOTAL</b>	<b>3,758,623,920,337</b>			

The Group obtained these loans to finance for its working capital requirements.



## 18. TRADE PAYABLES

VND

	Ending balance	Beginning balance
Other parties	626,829,310,696	1,009,831,886,851
Related parties (Note 32)	268,373,522,221	607,866,992,490
<b>TOTAL</b>	<b>895,202,832,917</b>	<b>1,617,698,879,341</b>

Breakdown of trade payables is as follows:

VND

	Ending balance	Beginning balance
Local suppliers	889,566,997,293	1,137,700,960,427
Oversea suppliers	5,635,835,624	479,997,918,914
<b>TOTAL</b>	<b>895,202,832,917</b>	<b>1,617,698,879,341</b>
<i>In which, foreign currency:</i>		
<i>United States Dollar (USD)</i>	264,680	22,774,848

## 19. ADVANCES FROM CUSTOMERS

VND

	Ending balance	Beginning balance
Related parties (Note 32)	121,710,124,065	268,812,541,192
Other parties	65,827,200,083	268,721,213,211
<b>TOTAL</b>	<b>187,537,324,148</b>	<b>537,533,754,403</b>

Breakdown of advances from customers is as follows:

VND

	Ending balance	Beginning balance
Local customers	177,106,902,178	526,417,738,397
Oversea customers	10,430,421,970	11,116,016,006
<b>TOTAL</b>	<b>187,537,324,148</b>	<b>537,533,754,403</b>
<i>In which, foreign currency:</i>		
<i>United States Dollar (USD)</i>	495,083	530,104



20. STATUTORY OBLIGATIONS

VND

	Ending balance	Beginning balance
Corporate income tax (Note 31.2)	13,486,243,968	1,179,649,874
Personal income tax	7,539,627,035	4,060,419,039
Value-added tax ("VAT")	135,344,683	5,136,824,274
Others	5,220,000	2,232,000
<b>TOTAL</b>	<b>21,166,435,686</b>	<b>10,379,125,187</b>

21. ACCRUED EXPENSES

VND

	Ending balance	Beginning balance
Trade discount	58,818,845,973	45,976,942,329
Loan interests	49,871,523,373	4,283,248,756
Raw materials for production	13,429,960,488	8,605,457,368
Transportation fees and freight charges	14,339,668,905	2,718,271,920
Sales commission	5,977,178,861	3,023,289,134
13th month salary and performance bonus	4,640,000,000	4,255,011,667
Others	4,005,211,407	7,359,591,888
<b>TOTAL</b>	<b>151,082,389,007</b>	<b>76,221,813,062</b>

22. OTHER PAYABLES

VND

	Ending balance	Beginning balance
Non-interest bearing borrowings	75,575,438,185	30,060,000,000
Dividends payable to minority interests	38,815,349,512	19,525,661,183
Deposits received	2,000,000,000	2,000,000,000
Social, health insurance and trade union fee	1,869,494,029	3,992,364,568
Borrowings	-	18,400,000,000
Others	2,092,159,561	3,755,471,516
<b>TOTAL</b>	<b>120,352,441,287</b>	<b>77,733,497,267</b>
<i>In which :</i>		
<i>Related parties (Note 32)</i>	<i>106,876,823,697</i>	<i>24,558,000,000</i>
<i>Other parties</i>	<i>13,475,617,590</i>	<i>53,175,497,267</i>



## 23. OTHER LONG-TERM LIABILITIES

Other long term liabilities represent the accrual for severance pay.

## 24. LONG-TERM LOANS

VND

	Ending balance	Beginning balance
Long-term loans from banks	983,333,333,334	15,605,837,858
<i>In which</i>		
<i>Current portion (Note 17)</i>	269,999,999,996	15,605,837,858
<i>Non-current portion</i>	713,333,333,338	-

Details of the long-term loans from banks are as follows:

Name of banks	Ending balance VND	Term and maturity date	Interest rate % p.a	Description of collateral
Vietnam International Commercial Joint Stock Bank	283,333,333,334	3-year bond with monthly payment of principal and quarterly payment of interest; with the last maturity date due on 30 October 2017	10.5% for the first 12 months , then interest rate is based on average saving interest rate VND 12-month declared by Head office of Bank for Investment and Development of Vietnam Joint Stock ("BIDV"), Vietnam Joint Stock Commercial Bank for Industry and Trade, Bank for Foreign Trade of Vietnam and Vietnam International Commercial Joint Stock Bank, plus 3.5%/year	Guaranteed by VTF according to agreement dated 30 October 2014
<i>In which:</i>				
<i>Current portion</i>	99,999,999,996			
Bank for Investment and Development of Vietnam JSC	700,000,000,000	3-year bond, with semi- annual payment of principal and interest; with the last maturity dated due on 14 November 2017	8.5% for the first 6 months, then interest rate is based on saving interest rate VND 12-month declared by Head office of BIDV- Ho Chi Minh Branch, plus 2%/year	Land use rights at 765 Hong Bang Street, Ward 6, District 6 owned by ALR; 19,000,000 shares of AGF; 5,100,000 shares of FMC and 4,200,000 shares of VTF
<i>In which:</i>				
<i>Current portion</i>	170,000,000,000			
<b>TOTAL</b>	<b>983,333,333,334</b>			
<i>In which :current- portion of long- term liabilities</i>	269,999,999,996			

These loans were obtained for the purpose of financing the Group's working capital requirements and the construction of an aquacultural processing factory.



25. OWNERS' EQUITY

25.1 Movement in owners' equity

	Issued share capital	Share premium	Foreign exchange difference reserve
<b>Previous year</b>			
Beginning balance	791,976,690,000	590,782,049,000	211,581,808
Increase in capital	12,034,970,000	-	-
Bonus shares	395,988,270,000	(395,988,270,000)	-
Sale of treasury shares	-	-	-
Net profit for the year	-	-	-
Foreign exchange difference reserve	-	-	(211,581,808)
Profit appropriation	-	-	-
Dividends declared	-	-	-
Profit appropriation	-	-	-
Transfer to bonus and welfare fund	-	-	-
Others	-	-	-
Ending balance	1,199,999,930,000	194,793,779,000	-
<b>Current year</b>			
Beginning balance	1,199,999,930,000	194,793,779,000	-
Increase in capital (*)	119,998,170,000	-	-
Net profit for the year	-	-	-
Profit appropriation	-	-	-
Dividends declared	-	-	-
Transfer to bonus and welfare fund	-	-	-
Ending balance	1,319,998,100,000	194,793,779,000	-

(\*)During the year, the Company issued additional 11,999,817 shares appropriated from the undistributed earnings as at 31 December 2013 at the ratio of 10:1 to its existing shareholders, which were approved by the shareholders in accordance with Annual General Meeting 2014's Resolution dated 8 July 2014.

The share issuance has been completed with 11,999,817 new shares. Accordingly, the Company's share capital increased from VND 1,199,999,930,000 to VND 1,319,998,100,000 in accordance with the 13th amended BRC dated 21 November 2014.



VND

Investment and development fund	Financial reserve fund	Other fund belonging to owners' equity	Undistributed earnings	Total
77,216,220,834	75,337,534,287	(1,017,985,453)	641,272,760,270	2,175,778,850,746
-	-	-	-	12,034,970,000
-	-	-	-	-
-	-	1,017,985,453	-	1,017,985,453
-	-	-	247,937,466,742	247,937,466,742
-	-	-	-	(211,581,808)
779,447,313	779,447,313	-	(1,558,894,626)	-
-	-	-	(79,197,669,000)	(79,197,669,000)
13,561,664,704	13,561,664,704	-	(27,123,329,408)	-
-	-	-	(17,718,088,888)	(17,718,088,888)
-	-	(73,430,059)	(886,723,593)	(960,153,652)
91,557,332,851	89,678,646,304	(73,430,059)	762,725,521,497	2,338,681,779,593
91,557,332,851	89,678,646,304	(73,430,059)	762,725,521,497	2,338,681,779,593
-	-	-	(119,998,170,000)	-
-	-	-	290,552,993,653	290,552,993,653
26,614,557,730	21,826,042,652	-	(48,440,600,382)	-
-	-	-	(239,999,986,000)	(239,999,986,000)
-	-	-	(27,890,831,636)	(27,890,831,636)
118,171,890,581	111,504,688,956	(73,430,059)	616,948,927,132	2,361,343,955,610



25. OWNERS' EQUITY (continued)

25.2 Capital transactions with owners and distribution of dividends

VND

	Current year	Previous year
<b>Issued contributed capital</b>		
Beginning balance	1,199,999,930,000	791,976,690,000
Increase during the year	119,998,170,000	408,023,240,000
<b>Ending balance</b>	<b>1,319,998,100,000</b>	<b>1,199,999,930,000</b>
<b>Dividend</b>		
Stock dividend	119,998,170,000	-
Dividends paid by cash	239,999,986,000	79,197,669,000

25.3 Shares

	Number of shares	
	Ending balance	Beginning balance
Authorised shares	131,999,810	119,999,993
Issued and fully paid shares		
<i>Ordinary shares</i>	<i>131,999,810</i>	<i>119,999,993</i>
Shares in circulation		
<i>Ordinary shares</i>	<i>131,999,810</i>	<i>119,999,993</i>

25.4 Earnings per share

	Current year	Previous year
Net profit attributable to ordinary equity holders of the parent (VND)	290,552,993,653	247,937,466,742
Weighted average number of ordinary shares in circulation (shares) (*)	131,999,810	131,216,566
Basic and diluted earnings per share (VND)	2,201	1,890

(\*) The weighted average number of shares in circulation for the year ended 31 December 2013 was adjusted to reflect the issuance of new shares from undistributed earnings at the ratio of 10:1 to its existing shareholders as approved on 8 July 2014.

There were no potential dilutive ordinary shares as at the balance sheet date





## 26. REVENUES

## 26.1 Revenues from sale of goods and rendering of services

VND

	Current year	Previous year
Gross revenue	15,042,319,930,571	11,179,218,773,873
Of which:		
Domestic sale of merchandises	4,378,740,219,249	2,121,236,643,435
Export sale from culturing - processing seafood	4,352,846,311,380	3,959,605,269,376
Domestic sale of aquatic feed	3,969,779,000,827	3,466,804,101,886
Domestic sale from culturing - processing seafood	1,628,734,543,744	883,671,537,827
Domestic sale of by-products	597,779,428,944	725,591,134,609
Revenue from processing activities	101,655,451,991	-
Revenue from rendering of services	12,784,974,436	22,310,086,740
Less	(140,624,486,107)	(136,254,349,138)
Trade discounts	(85,465,193,405)	(72,926,425,183)
Sales returns	(40,302,027,375)	(58,262,588,852)
Sales allowances	(14,857,265,327)	(5,065,335,103)
Net revenue	14,901,695,444,464	11,042,964,424,735
Of which:		
Domestic sale of merchandises	4,378,740,219,249	2,121,236,643,435
Export sale from culturing - processing seafood	4,297,687,018,678	3,823,350,920,238
Domestic sale of aquatic feed	3,884,313,807,422	3,466,804,101,886
Domestic sale from culturing - processing seafood	1,628,734,543,744	883,671,537,827
Domestic sale of by-products	597,779,428,944	725,591,134,609
Revenue from processing activities	101,655,451,991	-
Revenue from rendering of services	12,784,974,436	22,310,086,740

## 26.2 Finance income

VND

	Current year	Previous year
Negative goodwill (Note 4)	124,182,273,405	130,091,802,284
Gain from disposal of an investment (i)	37,102,757,144	-
Income from business co-operation activity	30,000,480,758	-
Realised foreign exchange gains	23,703,470,459	21,803,645,233
Bank interest income	23,448,548,743	22,254,769,566
Unrealised foreign exchange gains	8,556,984,523	11,704,804,501
Interest on late payment	-	991,502,173
Others	869,301,002	1,499,183,609
TOTAL	247,863,816,034	188,345,707,366



26. REVENUES (continued)

26.2 Finance income (continued)

(i) This amount represented the gain from disposal of the indirect subsidiary - M&T Seafoods Corp. ("M&T"), an entity located in United States of America and previously being AGF's 100%-owned subsidiary. In accordance with the Stock Transfer Agreement dated 28 April 2014, AGF transferred its full interest in M&T to an individual, who will take responsibility for the entire inheritance of rights and obligations which may incur in M&T since the date of completion of the stock transfer.

27. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year
Domestic sale of merchandises	4,277,615,516,042	2,029,203,644,565
Export sale from culturing - processing seafood	3,965,630,282,853	3,376,088,632,586
Cost of aquatic feed	3,510,874,704,666	3,189,110,641,674
Domestic sale from culturing - processing seafood	1,321,028,949,263	701,108,097,124
Domestic sale of by-products	592,722,937,108	724,751,232,115
Cost of processing activities	75,698,144,512	-
Cost of other services rendered	38,695,786,591	38,005,082,112
<b>TOTAL</b>	<b>13,782,266,321,035</b>	<b>10,058,267,330,176</b>

28. FINANCE EXPENSES

VND

	Current year	Previous year
Loan interest expense	269,039,437,340	247,697,393,531
Realised foreign exchange losses	25,660,124,947	25,479,572,749
Bond issuance cost	805,787,037	-
Loss on disposal of subsidiaries	-	42,004,361,468
Others	2,855,734,469	9,821,989,898
<b>TOTAL</b>	<b>298,361,083,793</b>	<b>325,003,317,646</b>

29. OTHER INCOME AND EXPENSES

VND

	Current year	Previous year
Other income	55,680,882,078	121,733,859,327
Sponsor received	32,759,633,617	31,820,000,000
Proceeds from disposal of assets	13,033,873,112	80,506,156,204
Scrap sales	3,657,803,213	3,759,326,754
Compensation from insurance	3,403,647,844	2,458,870,033
Others	2,825,924,292	3,189,506,336
<b>Other expenses</b>	<b>(12,180,022,130)</b>	<b>(91,491,501,688)</b>
Net book value of disposed assets	(2,989,729,006)	(81,037,734,165)
Penalty from late payment	(2,316,267,874)	(6,558,497,570)
Net book value of disposed tools	(1,330,850,000)	-
Tax and insurance penalty	-	(1,146,344,654)
Others	(5,543,175,250)	(2,748,925,299)
<b>NET PROFIT</b>	<b>43,500,859,948</b>	<b>30,242,357,639</b>



## 30. PRODUCTION AND OPERATING COSTS

VND

	Current year	Previous year
Cost of raw materials and merchandises	12,504,007,450,171	9,086,860,985,945
Expenses for external services	894,674,548,430	528,958,451,061
Labour cost	521,650,997,038	462,136,185,358
Depreciation and amortisation (Notes 12 and 13)	126,681,362,900	127,271,743,209
Other expenses	427,207,871,440	398,091,592,292
<b>TOTAL</b>	<b>14,474,222,229,979</b>	<b>10,603,318,957,865</b>

## 31. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 15% of taxable profits for the first ten years and at the applicable normal tax rate for the years thereafter.

The Company is entitled to an exemption from CIT for three (3) years commencing from the first year of earning profits (which was 2004), and a 50% reduction of the applicable CIT tax rate for the following seven (7) years (from 2007 to 2013). The tax rate applied for the year 2014 is 22%.

The Company's subsidiaries have the obligations to pay CIT at the rates ranging from 15% to the normal applicable rate of their respective taxable profits their respective taxable profits. They are also entitled to CIT exemption and reduction in accordance with their respective business registration certificates and applicable tax regulations.

The tax returns filed by Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

## 31.1 CIT expense

VND

	Current year	Previous year
Current tax CIT expense	50,389,747,002	41,531,314,310
Deferred income tax benefit	(24,841,107,926)	(45,379,714,429)
<b>TOTAL</b>	<b>25,548,639,076</b>	<b>(3,848,400,119)</b>

## 31.2 Current tax

The current tax payable is based on taxable profit for the current year. The taxable profit of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.



31. CORPORATE INCOME TAX (continued)

31.2 Current tax (continued)

The reconciliation between the profit before tax in the consolidated income statement and taxable profit for the year is presented below:

VND

	Current year	Previous year
Profit before tax	450,472,956,897	292,160,237,805
Adjustments:		
Tax loss of subsidiaries	54,657,759,193	181,513,421,234
Unrealized profits in consolidation	33,127,000,952	50,055,617,950
(Gain) loss on disposal of investments	(37,102,757,144)	42,004,361,468
Depreciation and amortisation	12,165,898,689	11,245,054,690
Non-deductible expenses	15,101,465,371	10,418,119,322
Change in provision for doubtful debts	2,918,860,054	7,053,250,547
Deferred revenue	3,769,236,991	554,591,947
Change in accrued expenses	12,669,642,156	(3,375,553,469)
Change in accrual for severance pay	(435,791,758)	(4,512,576,026)
Reversal of provision for diminution in value of investments	(34,980,000)	(3,755,038,898)
Change in unrealised foreign exchange differences	(1,422,935,291)	(11,905,591,647)
Profit share from investments in associates, a jointly-controlled entity	(40,051,039,692)	(101,769,063,755)
Negative goodwill	(134,758,673,296)	(130,091,802,284)
Others	(269,801,592)	(1,958,615,095)
<b>Estimated taxable profit</b>	<b>370,806,841,530</b>	<b>337,636,413,789</b>
<b>Estimated current CIT</b>	<b>60,416,558,168</b>	<b>82,122,626,308</b>
CIT incentive	(9,690,214,378)	(44,007,699,823)
Under accrual of CIT from prior years	(336,596,788)	3,416,387,825
<b>Estimated current CIT after reduction</b>	<b>50,389,747,002</b>	<b>41,531,314,310</b>
CIT payable at beginning of year	1,179,649,874	27,774,785,651
CIT overpaid of a subsidiary at beginning of the year	(15,176,983,995)	-
CIT payable from acquisition of a subsidiary	-	740,474,198
CIT decrease from disposal of investments in subsidiaries	-	(7,219,460,222)
CIT paid during the year	(48,106,572,531)	(76,824,448,058)
<i>In which</i>		
<i>CIT paid by cash</i>	<i>(39,528,184,784)</i>	<i>(47,315,458,333)</i>
<i>CIT paid by net-off with VAT refunded</i>	<i>(8,578,387,747)</i>	<i>(29,508,989,725)</i>
<b>CIT overpaid at end of year</b>	<b>(11,714,159,650)</b>	<b>(13,997,334,121)</b>
<i>In which:</i>		
<i>CIT overpaid (Note 10)</i>	<i>(25,200,403,618)</i>	<i>(15,176,983,995)</i>
<i>CIT payables (Note 20)</i>	<i>13,486,243,968</i>	<i>1,179,649,874</i>



### 31.3 Tax losses carried forward

The Group is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Group has aggregated accumulated tax losses of the Company amounted to VND 182,836,197,915 (31 December 2013: VND 161,744,745,611) available for offset against future taxable profits. Details are as follows:

VND

Originating year	Can be utilized up to	Tax loss amount	Utilized up to 31 December 2014	Forfeited	Unutilized at 31 December 2014
2013	2018	161,744,745,611	-	-	161,744,745,611
2014	2019	21,091,452,304	-	-	21,091,452,304
		<b>182,836,197,915</b>	<b>-</b>	<b>-</b>	<b>182,836,197,915</b>

Estimated tax loss as per the Company's corporate income tax declaration for the year ended 31 December 2013 and 31 December 2014 have not been audited by the local tax authorities as of the date of these separate financial statements.

No deferred income tax assets were recognised in respect of the remaining accumulated loss of VND 11,555,993,173 because future taxable profit of subsidiaries cannot be ascertained at this stage.

### 31.4 Deferred tax

The following are the deferred tax assets recognised by the Group, and the movements thereon, during the current and previous year:

VND

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
<b>Deferred tax assets</b>				
Tax loss carried forward	40,223,963,541	35,583,844,034	4,640,119,507	35,583,844,034
Unrealised profit in consolidation	30,717,945,702	22,653,093,929	8,064,851,773	15,177,170,826
Operating accruals	13,923,729,835	4,432,943,861	9,490,785,974	(739,129,862)
Accrual for severance pay	3,215,063,230	3,059,480,320	155,582,910	(574,074,153)
Provision for doubtful debts	1,470,512,162	282,396,460	1,188,115,702	110,317,942
Unrealised foreign exchange differences	(2,956,947,937)	(2,595,563,701)	(361,384,236)	(3,623,102,918)
Provision for investments	(1,026,574,925)	(1,860,379,083)	833,804,158	(677,321,668)
Deferred revenue	951,242,366	122,010,228	829,232,138	122,010,228
<b>Net deferred tax assets</b>	<b>86,518,933,974</b>	<b>61,677,826,048</b>		
<b>Net deferred tax credit to consolidated income statement</b>			<b>24,841,107,926</b>	<b>45,379,714,429</b>



32. TRANSACTIONS WITH RELATED PARTIES

Details of remuneration of the Board of Directors, management and Board of Supervision during the year are as set out below:

	VND	
	Current year	Previous year
Salaries and related expenses	12,151,320,877	1,277,500,000

Significant transactions with related parties during the year were as follows:

			VND
Related parties	Relationship	Transactions	Amount
Hung Vuong Tay Nam Panga Feed Joint Stock Company	Related party	Purchase of aquatic feed	803,780,539,000
		Sale of merchandises	699,344,749,257
		Non-interest bearing lending	80,000,000,000
		Stock borrowing	51,655,435,093
		Processing services	4,964,794,394
Hung Vuong Vinh Long Panga Feed Joint Stock Company	Associate	Sale of merchandises	452,116,862,518
		Purchase of aquatic feed	420,191,047,000
		Non-interest bearing lending	60,000,000,000
Hung Vuong Mien Tay Aquaculture Joint Stock Company	Associate	Purchase of raw fish	564,948,781,168
		Sale of merchandises	373,228,920,000
		Non-interest bearing lending	39,697,870,122
		Non-interest bearing borrowing	28,000,000,000
		Dividends	10,373,627,383
		Purchase of aquatic feed	4,838,747,004
Tac Van Seafoods Joint Stock Company	Associate	Rental ponds	3,314,000,000
		Non-interest bearing lending	44,500,000,000
Sao Ta Foods Joint Stock Company	Associate	Dividends	7,655,385,000
Hung Vuong - Vinh Long Company Limited	Associate	Purchase of finished goods	604,883,956,452
		Sale of finished goods	295,667,582,700
		Sale of raw fish	209,465,643,950
		Non-interest bearing borrowing	24,000,000,000
Hung Vuong Mascato Company Limited	Joint Venture	Purchase of finished goods	274,024,472,390
		Sale of raw fish	264,914,590,450
		Purchase of by-products	30,461,014,185
		Payments on behalf	27,262,539,703
		Sale of merchandises	6,402,951,000



VND

Related parties	Relationship	Transactions	Amount
Hung Vuong Cao Lanh Feed Joint Stock Company	Related company	Purchase of aquatic feed	200,233,474,380
		Sale of merchandises	144,204,441,980
		Non-interest bearing lending	30,000,000,000
Hung Vuong - Sa Dec Company Limited	Related company	Purchase of finished goods	83,747,500,000
		Sale of raw fish	63,734,189,500
		Non-interest bearing lending	26,110,273,000
		Sale of merchandises	5,124,920,000
Ben Tre Forestry and Aquaproduct Import Export Joint Stock Company	Related party	Non-interest bearing lending	52,505,898,674
		Non-interest bearing borrowing	49,050,000,000
		Sale of aquatic feed	42,172,881,031
		Income from business co-operation activity	30,000,480,758
		Clearance of advances	19,400,000,000
		Sale of merchandises	8,647,771,604
		Processing services	8,265,438,714
Rental expenses	5,776,065,456		
Hung Vuong Ben Tre Aquaculture Joint Stock Company	Related party	Non-interest bearing lending	7,752,777,778
Viet Tien Pte.	Related party	Purchase of raw materials	167,477,902,658
Cao Tri Co., Ltd.	Related party	Purchase of raw materials	110,247,061,950
		Sale of aquatic feed	65,005,900,416
An Lac Corporation	Related party	Purchase of raw materials	5,305,185,231
Phuc Lam Chemical Joint Stock Company	Related party	Purchase of raw materials	6,054,555,900
An Lac Company Limited	Related party	Sales of by- product	248,684,898,707
Hung Vuong Insurance Joint Stock Company	Other investment	Purchase of insurance for goods	15,056,855,432



32. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet date were as follows:

VNĐ

Related parties	Relationship	Transactions	Receivable (payable)
<b>Trade receivables</b>			
Hung Vuong Tay Nam Panga Feed Joint Stock Company	Associate	Sale of merchandises	44,937,952,775
Hung Vuong Mascato Company Limited	Joint Venture	Sale of raw fish	31,126,408,450
Ben Tre Forestry and Aquaproduct Import Export Joint Stock Company	Related party	Sale of aquatic feed	24,549,931,048
		Service rendered	489,864,905
Hung Vuong Mien Tay Aquaculture Joint Stock Company	Associate	Sale of merchandises	12,528,584,144
Hung Vuong - Sa Dec Company Limited	Related party	Sale of raw fish	7,743,847,051
Cao Tri Co., Ltd.	Related party	Sale of aquatic feed	4,711,816,742
An Lac Company Limited	Related party	Sales of by- products	335,445,720
Hung Vuong Vinh Long Panga Feed Joint Stock Company	Associate	Sales of raw fish	18,214,000
			<b>126,442,064,835</b>
<b>Advances to suppliers</b>			
Hung Vuong Mien Tay Aquaculture Joint Stock Company	Associate	Advance for purchase of goods	41,191,057,462
Ben Tre Forestry and Aquaproduct Import Export Joint Stock Company	Related party	Advance for purchase of goods	4,045,205,316
Hung Vuong Ben Tre Aquaculture Joint Stock Company	Related party	Advance for purchase of goods	1,750,000,000
Hung Vuong - Vinh Long Company Limited	Associate	Advance for purchase of goods	1,325,375,548
Hung Vuong Vinh Long Panga Feed Joint Stock Company	Associate	Advance for purchase of goods	1,006,221,756
			<b>49,317,860,082</b>





VND

Related parties	Relationship	Transactions	Receivable (payable)
<b>Other receivables</b>			
Ben Tre Forestry and Aquaproduct Import Export Joint Stock Company	Related party	Non-interest bearing lending	60,593,116,675
		Income receivable from business co-operation activity	30,000,480,758
Hung Vuong Vinh Long Panga Feed Joint Stock Company	Associate	Non-interest bearing lending	50,000,000,000
		Dividends	4,030,000,000
Tac Van Seafoods Joint Stock Company	Associate	Non-interest bearing lending	44,500,000,000
		Dividends	294,142,522
Hung Vuong Cao Lanh Feed Joint Stock Company	Related party	Non-interest bearing lending	30,000,000,000
Hung Vuong Mien Tay Aquaculture Joint Stock Company	Associate	Non-interest bearing lending	25,063,582,667
		Dividends	25,000,000,000
Hung Vuong Ben Tre Aquaculture Joint Stock Company	Related party	Non-interest bearing lending	20,254,930,556
King Palace Restaurant Company Limited	Related party	Non-interest bearing lending	20,000,000,000
Hung Vuong Mascato Company Limited	Joint Venture	Payments on behalf	15,862,360,652
Hung Vuong Tay Nam Panga Feed Joint Stock Company	Related party	Non-interest bearing lending	10,000,000,000
		Non-interest bearing lending	316,031,520
Hung Vuong - Vinh Long Company Limited	Associate	Dividends	413,969,925
Mr Le Nam Thanh	Shareholder	Non-interest bearing lending	30,000,000,000
			<b>366,328,615,275</b>
<b>Trade payables</b>			
Hung Vuong Tay Nam Panga Feed Joint Stock Company	Associate	Purchase of aquatic feed	(130,924,574,641)
		Processing services	(2,794,856,400)
Hung Vuong Mascato Company Limited	Joint Venture	Purchase of finished goods	(77,554,330,079)
Hung Vuong Cao Lanh Feed Joint Stock Company	Related party	Purchase of aquatic feed	(27,225,379,110)
Hung Vuong Vinh Long Panga Feed Joint Stock Company	Associate	Purchase of aquatic feed	(11,387,749,500)
Hung Vuong Ba Tri Joint Stock Company	Related party	Purchase of fish breed	(5,866,907,350)
Viet Tien Pte.	Related party	Purchase of raw materials	(4,084,071,222)
Hung Vuong - Sa Dec Company Limited	Related party	Purchase of finished goods	(3,400,451,003)
Ben Tre Forestry and Aquaproduct Import Export Joint Stock Company	Related party	Processing services	(2,553,718,494)
		Purchase of raw fish	(1,623,259,422)
Hung Vuong Mien Tay Aquaculture Joint Stock Company	Associate	Pond rental	(733,000,000)
		Purchase of raw materials	(225,225,000)
An Lac Corporation	Related party	Purchase of raw materials	(225,225,000)
			<b>(268,373,522,221)</b>



32. NGHIỆP VỤ VỚI CÁC BÊN LIÊN QUAN (TIẾP THEO)

Vào ngày kết thúc kỳ kế toán năm, các khoản phải thu và phải trả với các bên liên quan như sau: (tiếp theo)

VND

Related parties	Relationship	Transactions	Receivable (payable)
<b>Advances from customers</b>			
Hung Vuong - Vinh Long Company Limited	Associate	Advance for purchase of goods	(110,929,494,260)
Hung Vuong Cao Lanh Feed Joint Stock Company	Related party	Advance for purchase of goods	(10,780,629,805)
			<b>(121,710,124,065)</b>
<b>Other payables</b>			
Ben Tre Forestry and Aquaproduct Import Export Joint Stock Company	Related party	Non-interest bearing lending	(35,299,040,000)
An Lac Company Limited	Related party	Non-interest bearing lending	(24,240,000,000)
Hung Vuong Mien Tay Aquaculture Joint Stock Company	Associate	Non-interest bearing lending	(8,000,000,000)
Hung Vuong - Vinh Long Company Limited	Associate	Non-interest bearing lending	(522,434,185)
Ms Nguyen Minh Thuy Tien	Shareholder	Dividends	(19,707,674,756)
Ms Le Kim Phung	Deputy General Director	Dividends	(19,107,674,756)
			<b>(106,876,823,697)</b>

33. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group's principal activities are engaged in culturing, processing and trading seafood products and manufacturing aquatic feeds.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.



### 33.1 Business segment

The following table present revenue and profit and certain assets and liability information regarding the Group's business segment:

VND

	Aquatic feed	Fish and others	Elimination	Total
As at and for the year ended 31 December 2014				
Revenue				
<i>Sales to external customers</i>	4,507,903,990,784	10,393,791,453,680	-	14,901,695,444,464
<i>Inter-segment sales</i>	538,124,989,957	2,287,512,239,156	(2,825,637,229,113)	-
Total revenues				14,901,695,444,464
Results				
<i>Segment net profit before tax</i>	171,659,412,604	278,194,056,189	619,488,104	450,472,956,897
<i>Corporate Income tax expense</i>				(50,389,747,002)
<i>Deferred income tax benefit</i>				54,094,307,622
Net profit for the year				454,177,517,517
Assets and liabilities				
<i>Total assets</i>	1,620,913,949,545	7,631,350,404,992	(227,140,817,203)	9,025,123,537,334
<i>Total liabilities</i>	621,690,654,857	5,777,261,161,597	(227,140,817,203)	6,171,810,999,251
Other segment information				
Capital expenditures				
<i>Tangible fixed assets</i>	290,102,200,360	569,127,512,954	-	859,229,713,314
<i>Intangible assets</i>	21,116,398,515	69,272,559,074	-	90,388,957,589



33. SEGMENT INFORMATION (continued)

33.1 Business segment (continued)

The following table present revenue and profit and certain assets and liability information regarding the Group's business segment: (continued)

VND

	Aquatic feed	Fish and others	Elimination	Total
As at and for the year ended 31 December 2013				
Revenue				
<i>Sales to external customers</i>	3,466,804,101,886	7,576,160,322,849	-	11,042,964,424,735
<i>Inter-segment sales</i>	613,683,621,718	4,451,569,448,323	(5,065,253,070,041)	-
Total revenues				11,042,964,424,735
Results				
<i>Segment net profit before tax</i>	137,200,305,400	178,505,179,042	(23,545,246,637)	292,160,237,805
<i>Current corporate income tax expense</i>				(41,531,314,310)
<i>Deferred income tax income</i>				45,379,714,429
Net profit for the year				296,008,637,924
Assets and liabilities				
<i>Total assets</i>	1,598,031,689,415	9,433,348,375,839	(980,555,484,407)	10,050,824,580,847
<i>Total liabilities</i>	686,477,187,376	7,081,686,853,046	(980,555,484,407)	6,787,608,556,015
Other segment information				
Capital expenditures				
<i>Tangible fixed assets</i>	309,578,218,360	625,181,874,246	-	934,760,092,606
<i>Intangible assets</i>	1,471,998,647	91,774,400,469	-	93,246,399,116



### 33.2 Geographical segment

The following tables present revenue, expenditure and certain assets information regarding the Group's geographical segments:

VND

	Overseas	Domestic sales	Elimination	Total
<b>As at and for the year ended 31 December 2014</b>				
Revenue				
<i>Sales to external customers</i>	4,212,221,825,273	10,689,473,619,191	-	14,901,695,444,464
<i>Inter-segment sales</i>	488,167,325,221	2,337,469,903,892	(2,825,637,229,113)	-
Total revenues				14,901,695,444,464
Other segment information				
<i>Segment assets</i>	1,874,631,184,194	1,553,597,179,603	(507,669,011,773)	2,920,559,352,024
<i>Unallocated assets</i>	-	-	-	6,104,564,185,310
Total assets				9,025,123,537,334
Capital expenditures				
<i>Tangible fixed assets</i>				859,229,713,314
<i>Intangible assets</i>				90,388,957,589
<b>As at and for the year ended 31 December 2013</b>				
Revenue				
<i>Sales to external customers</i>	3,823,350,920,238	7,219,613,504,497	-	11,042,964,424,735
<i>Inter-segment sales</i>	-	5,065,253,070,041	(5,065,253,070,041)	-
Total revenues				11,042,964,424,735
Other segment information				
<i>Segment assets</i>	2,301,251,616,721	1,377,493,273,367	(1,173,948,200,979)	2,504,796,689,109
<i>Unallocated assets</i>	-	-	-	7,546,027,891,738
Total assets				10,050,824,580,847
Capital expenditures				
<i>Tangible fixed assets</i>				934,760,092,606
<i>Intangible assets</i>				93,246,399,116



34. COMMITMENTS

*Operating lease commitment*

The Group leases its warehouse and land under operating lease arrangements. The minimum lease commitment as at the balance sheet date under the operating lease agreements is as follows:

VND

	Ending balance	Beginning balance
Less than 1 year	11,604,101,292	5,176,847,865
From 1 - 5 years	15,545,262,509	14,952,983,272
More than 5 years	106,943,674,432	84,824,677,877
<b>TOTAL</b>	<b>134,093,038,233</b>	<b>104,954,509,014</b>

*Capital contribution obligation*

As at 31 December 2014, the Group had the outstanding capital obligation for its investments in subsidiaries as follows:

	Per BRC		As at 31 December 2014	
	Charter capital Amount (VND)	% of ownership	Contributed charter capital (VND)	Un-contributed charter capital (VND)
Hung Vuong Ben Tre Seafood processing Co., Ltd	180,000,000,000	90.00	2,000,000,000	178,000,000,000
Hung Vuong - Ba Tri Joint Stock Company	16,000,000,000	80.00	-	16,000,000,000
<b>TOTAL</b>	<b>196,000,000,000</b>		<b>2,000,000,000</b>	<b>194,000,000,000</b>

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has loan, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group does not hold or issue derivative financial instruments.

The Group is exposed to market risk, credit risk and liquidity risk.

Management reviews and agrees policies for managing each of these risks which are summarised below.

*Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2014 and 2013.



The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that the statement of the balance sheet relates to available-for-sale debt instrument; and the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2014 and 2013.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by keeping close watch on relevant market situation, including domestic and international money market and economic, in order to contemplate and adapt its leverage level as well as financing strategies to the prevailing situation.

#### *Interest rate sensitivity*

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings.

With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

	Increase/decrease in basis points	Effect on profit before tax (VND)
<i>Current year</i>		
USD	+2	(235,510,497)
VND	+83	(23,355,610,883)
USD	-2	235,510,497
VND	-83	23,355,610,883
<i>Previous year</i>		
USD	+50	(7,990,362,317)
VND	+300	(52,854,841,679)
USD	-50	7,990,362,317
VND	-300	52,854,841,679



35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*Market risk (continued)*

*Foreign currency risk*

The Group is exposed to foreign currency risk in relation to purchases and sales of goods which are denominated in currencies other than its accounting currency as disclosed in Note 2.4. The Group manages its foreign currency exposure by considering the prevailing and expected market situation when it plans for future purchases and sales of goods denominated in foreign currencies. The Group does not employ any derivative financial instruments to hedge its foreign currency exposure.

*Foreign currency sensitivity*

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in US\$ rate (%)	Effect on profit before tax(VND)
Current year		
	2	9,160,935,328
	-2	(9,160,935,328)
Previous year		
	+1	(1,172,276,682)
	-1	1,172,276,682

*Commodity price risk*

The Group is exposed to commodity price risk in relation to purchase of certain commodities. The Group manages its commodity price risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, production plans and inventories level. The Group does not employ any derivative financial instruments to hedge its commodity price risk..

*Credit risk*

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions.

*Bank deposits*

The Group's bank balances are mainly maintained with well-known banks in Vietnam. The Group's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Notes 5. The Group evaluates the concentration of credit risk in respect to bank deposit as low

*Trade receivables*

Customer credit risk is managed by the Group based on its established policy, procedures and control relating to customer credit risk management.





Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk.

### Liquidity risk

The liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligation due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Group monitors its liquidity risk by maintain a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual discounted payments:

VND

	Less than 1 year	From 1 to 5 years	Total
<b>Ending balance</b>			
Loans	4,034,673,920,333	713,333,333,338	4,748,007,253,671
Trade payables	895,202,832,917	-	895,202,832,917
Other payables and accrued expenses	225,626,165,726	-	225,626,165,726
	<b>5,155,502,918,976</b>	<b>713,333,333,338</b>	<b>5,868,836,252,314</b>
<b>Beginning balance</b>			
Loans	4,398,832,833,347	-	4,398,832,833,347
Trade payables	1,617,698,879,341	-	1,617,698,879,341
Other payables and accrued expenses	125,997,393,231	-	125,997,393,231
	<b>6,142,529,105,919</b>	<b>-</b>	<b>6,142,529,105,919</b>

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

### Collateral

The Group has pledged part of its investments in shares of An Giang Fisheries Import Export Joint Stock Company, Viet Thang Feed Joint Stock Company and Sao Ta Foods Joint Stock Company in order to fulfil the collateral requirements for the long-term bonds from Bank for Investment and Development of Vietnam JSC – Ho Chi Minh Branch. At 31 December 2014, the carrying values of the shares pledged were VND 545,863,081,213.

As also disclosed in Notes 17, the Group has pledged its certain bank deposits, trade receivable, inventories, land use rights, buildings and structures, machineries and equipment in order to fulfil the collateral requirements for the long-term and short-term loans obtained from banks.

The Group did not hold collateral at 31 December 2014 and 31 December 2013.



36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements.

VND

	Carrying amount		Fair value	
	Ending balance	Provision	Ending balance	Beginning balance
	Cost	Cost	Cost	Provision
Financial assets				
Held for trading investment	-	-	-	-
Long-term investments	41,930,400,000	(32,690,400,000)	41,930,400,000	(32,690,400,000)
Short-term investment	40,100,000,000	-	321,500,000,000	-
Trade receivables	2,794,117,287,189	(266,833,548,812)	2,138,754,528,104	(203,608,346,937)
Receivable from related parties	492,770,680,110	-	185,199,758,317	-
Other receivables	31,658,949,049	(20,200,000,000)	128,243,426,027	(20,200,000,000)
Other current assets	92,346,387,439	-	99,692,873,968	-
Cash and cash equivalents	492,170,967,436	-	717,432,313,885	-
<b>TOTAL</b>	<b>3,985,094,671,223</b>	<b>(319,723,948,812)</b>	<b>3,632,753,300,301</b>	<b>(256,498,746,937)</b>
			<b>3,665,370,722,411</b>	<b>3,376,254,553,364</b>



VND

	Carrying amount		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
<b>Financial liabilities</b>				
Loans	4,748,007,253,671	4,398,832,833,347	4,748,007,253,671	4,398,832,833,347
Trade payables	626,829,310,696	1,009,831,886,851	626,829,310,696	1,009,831,886,851
Payable to related parties	375,250,345,918	632,424,992,490	375,250,345,918	632,424,992,490
Other current liabilities	118,749,342,029	101,439,393,231	118,749,342,029	101,439,393,231
<b>TOTAL</b>	<b>5,868,836,252,314</b>	<b>6,142,529,105,919</b>	<b>5,868,836,252,314</b>	<b>6,142,529,105,919</b>

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the financial assets and liabilities had not yet been formally assessed and determined as at 31 December 2014 and 31 December 2013. However, the management assessed that the fair values of these financial assets and liabilities were not materially different from their carrying values as at balance sheet date.

### 37. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the consolidated balance sheet as at 31 December 2013 have been reclassified to reflect the presentation of the current year's consolidated financial statements.

### 38. EVENTS AFTER THE 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 consolidated financial statements.



**VU NHAN VUONG**

Preparer

30 March 2015



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