



VINH HOAN CORP.

VINH HOAN CORPORATION

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BASA VINH HOAN FISH
CORPORATION PROGEL
FILLET FISH PRODUCT GELATIN
AMIGEN FISH ANNUAL
REPORT
PROFIT COLLAGEN FISH
DIRECTION FOCUS ON VINH HOAN
CORPORATION DEVELOPMENT COMPANY
FINANCIAL ACCOUNTANTS COLLAGEN THE CORE
PRODUCT REPORT 2014 DIRECTION BUSINESS
DEVELOPMENT FISH GELATIN
THE COMMUNITY RESPONSIBILITY
FOCUS ON THE CORE





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CÔNG TY CỔ PHẦN VINH HOAN
MÃNHỆP CHẾ BIẾN THỦY SẢN SỐ 5



PHẦN VINH HOÀN CORPORATION

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GENERAL INFORMATION

Trading Name:	VINH HOAN CORPORATION
Abbreviation:	VINH HOAN CORP
Business Registration No.:	1400112623
Charter Capital:	VND 924,039,430,000
Address:	National Road 30, W11, Cao Lanh City, Dong Thap Pr.
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Website:	www.vinhhoan.com.vn
Ticker:	VHC



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FINANCIAL HIGHLIGHTS

Financial ratios, Business results of the past 5 years

INCOME STATEMENT

(Unit: VND millions)	2014	2013	2012	2011	2010
Sales	6,300.115	5,104.982	4,236.484	4,114.060	3,021.655
Net Sales	6,292.449	5,095.012	4,227.932	4,103.978	3,009.175
Cost of Sales	5,469.173	4,491.391	3,680.318	3,379.844	2,421.857
Gross Profit	823.275	603.621	547.614	724.134	587.318
G&A	406.786	383.810	304.617	232.475	297.841
Financial income	238.198	93.376	86.205	100.707	67.838
Financial expenses	64.704	90.567	66.971	112.363	88.143
Net operating Profit	589.984	222.620	262.231	480.003	269.171
Other Profit/Loss	(2.921)	4.926	7.406	92	3.710
Earnings before interest and tax (EBIT)	625.501	305.103	329.667	550.527	317.653
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	746.332	415.927	419.899	633.931	391.338
Profit before tax	587.062	227.547	269.636	480.094	272.881
Net profit after tax	462.913	176.038	232,743	412.974	228.576
Profit attributable to equity holders of the Company	439.152	158.386	210,450	394.343	214.035
Average outstanding shares	91.371.686	61.404.913	46,312,523	47.008.246	46.802.593
Earnings per share (EPS)	4.806	2.579	4,544	8.389	4.573

(Calculated based on audited consolidated financial statements)

BALANCE SHEET

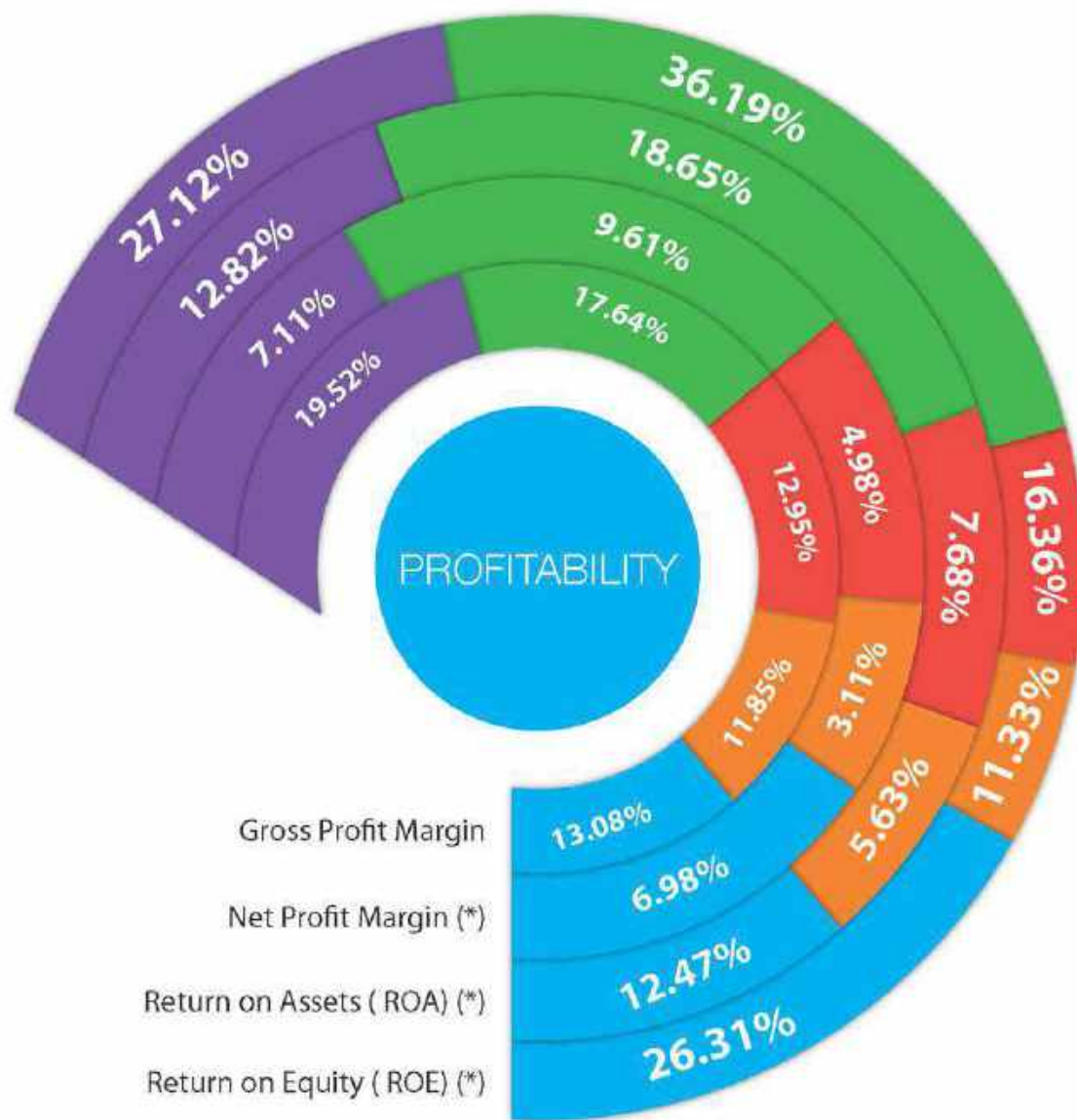
(Unit: VND millions)	2014	2013	2012	2011	2010
Current Assets	3,118,826	1,660,675	2,281,973	1,758,324	1,180,827
Non-current Assets	1,373,139	888,941	791,585	649,295	641,259
Total Assets	4,491,964	2,549,617	3,073,558	2,407,619	1,822,086
Current Liabilities	2,533,902	901,955	1,668,512	1,039,047	746,457
Non-current Liabilities	71,304	91,380	0	61,758	90,515
Total Liabilities	2,605,206	993,335	1,668,512	1,100,805	836,972
Owners' Equity	1,869,914	1,467,894	1,328,997	1,243,041	936,001
Minority Interest	16,844	88,389	76,049	63,773	49,113
Total Resources	4,491,964	2,549,617	3,073,558	2,407,619	1,822,086
Debt/Equity	1,39	0,68	1,26	0,89	0,89

(Calculated based on audited consolidated financial statements)

CASH FLOW STATEMENT

(Unit: VND millions)	2014	2013	2012	2011	2010
Profit before tax	587,062	227,547	269,636	480,094	272,881
Operating profit before changes in working capital	535,937	335,274	388,117	648,928	387,997
Changes in working capital	(472,350)	(273,610)	(208,287)	(570,393)	(277,754)
Net cash flows from operating activities	63,587	61,664	179,830	78,535	110,243
Net cash flows from investing activities	(1,097,413)	639,001	(933,693)	(51,073)	(122,868)
Net cash flows from financing activities	1,049,374	(663,097)	459,980	177,436	(71,894)
Net cash flows during the year	15,548	37,569	(293,883)	204,898	(84,518)
Cash and cash equivalents at the end of the year	89,238	73,329	35,542	329,425	126,419

(Calculated based on audited consolidated financial statements)



(Calculated based on audited consolidated financial statements)

FINANCIAL RATIOS



PROFITABILITY

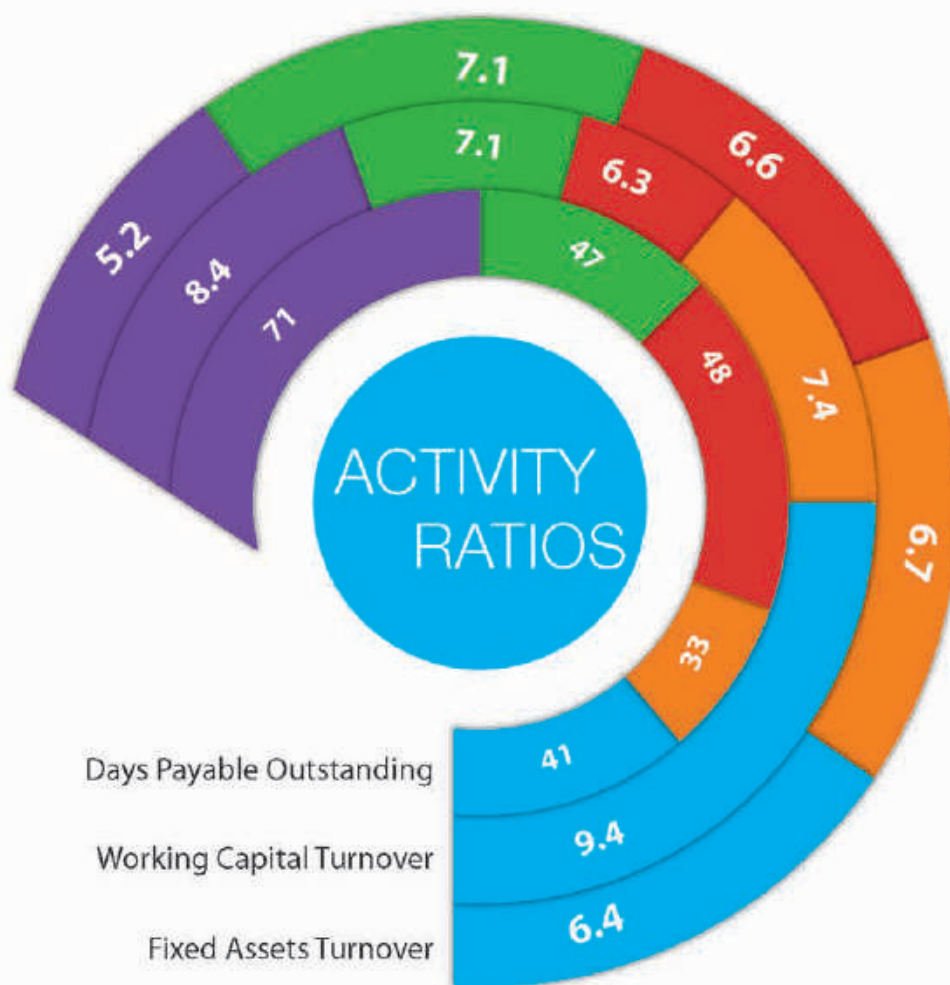
	2014	2013	2012	2011	2010
Gross Profit Margin	13.08%	11.85%	12.95%	17.64%	19.52%
Net Profit Margin (*)	6.98%	3.11%	4.98%	9.61%	7.11%
Return on Assets (ROA) (**)	12.47%	5.63%	7.68%	18.65%	12.82%
Return on Equity (ROE) (**)	26.31%	11.33%	16.36%	36.19%	27.12%
Sales Growth rate (%)	23.50%	20.51%	3.02%	36.38%	8.60%
Net Profit After Tax Growth rate (%)	177.27%	-24.74%	-46.63%	84.24%	10.77%

(Calculated based on audited consolidated financial statements)



(Calculated based on audited consolidated financial statements)

FINANCIAL RATIOS



ACTIVITY RATIOS

	2014	2013	2012	2011	2010
Days Inventory Outstanding	85	85	90	79	74
Inventory Turnover	4.3	4.3	4.1	4.6	5.0
Days Sales Outstanding	32	31	44	40	41
Receivable Turnover	11.6	11.8	8.4	9.0	8.9
Days Payable Outstanding	41	33	48	47	71
Working Capital Turnover	9.4	7.4	6.3	7.1	8.4
Fixed Assets Turnover	6.4	6.7	6.6	7.1	5.2

(Calculated based on audited consolidated financial statements)

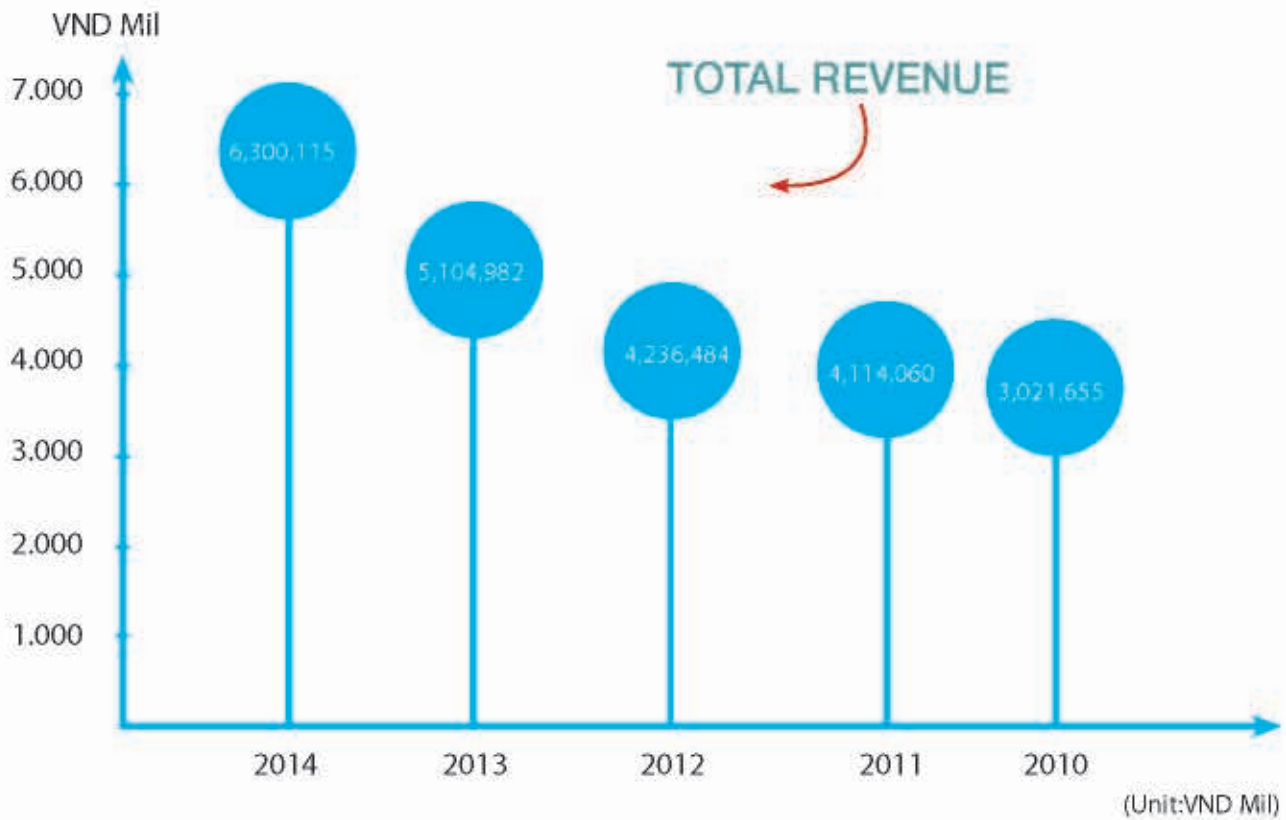
FINANCIAL RATIOS



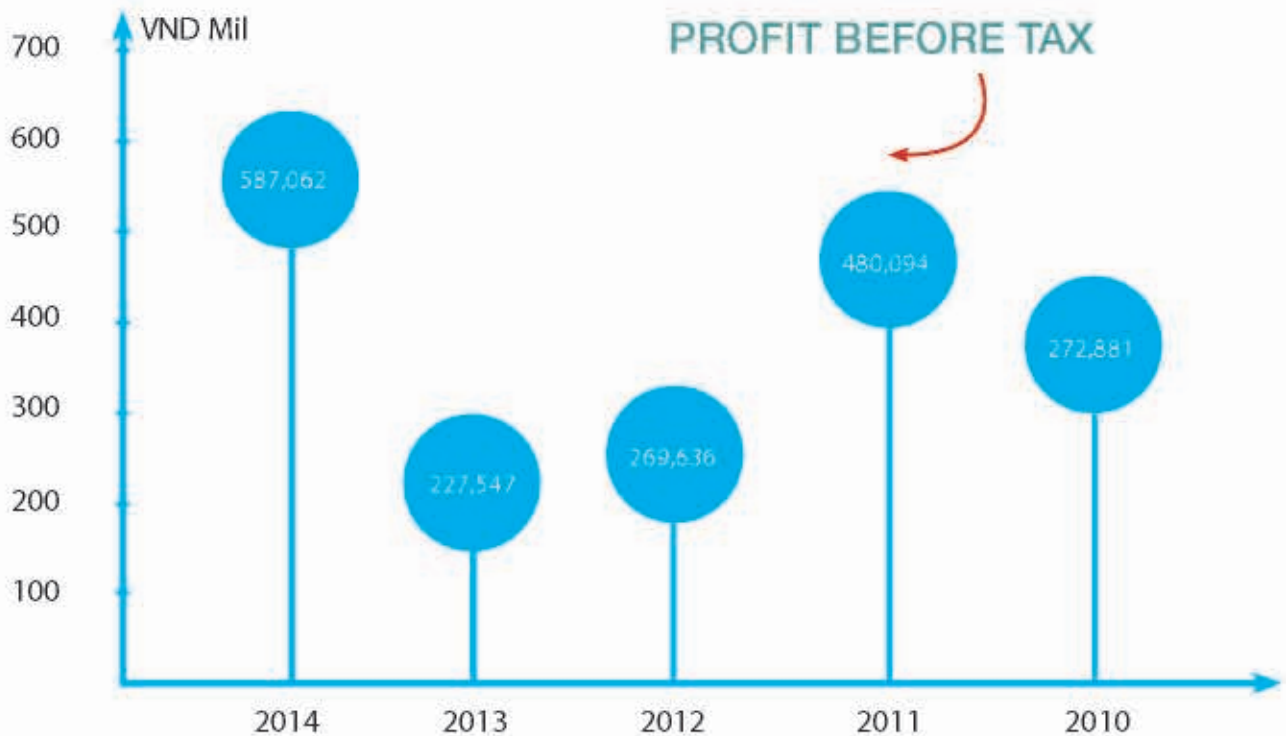
LIQUIDITY

	2014	2013	2012	2011	2010
Interest Coverage Ratio	16.27	3.93	5.49	7.82	7.09
Current Ratio	1.23	1.84	1.37	1.69	1.58
Quick Ratio	0.66	0.62	0.78	0.90	0.72

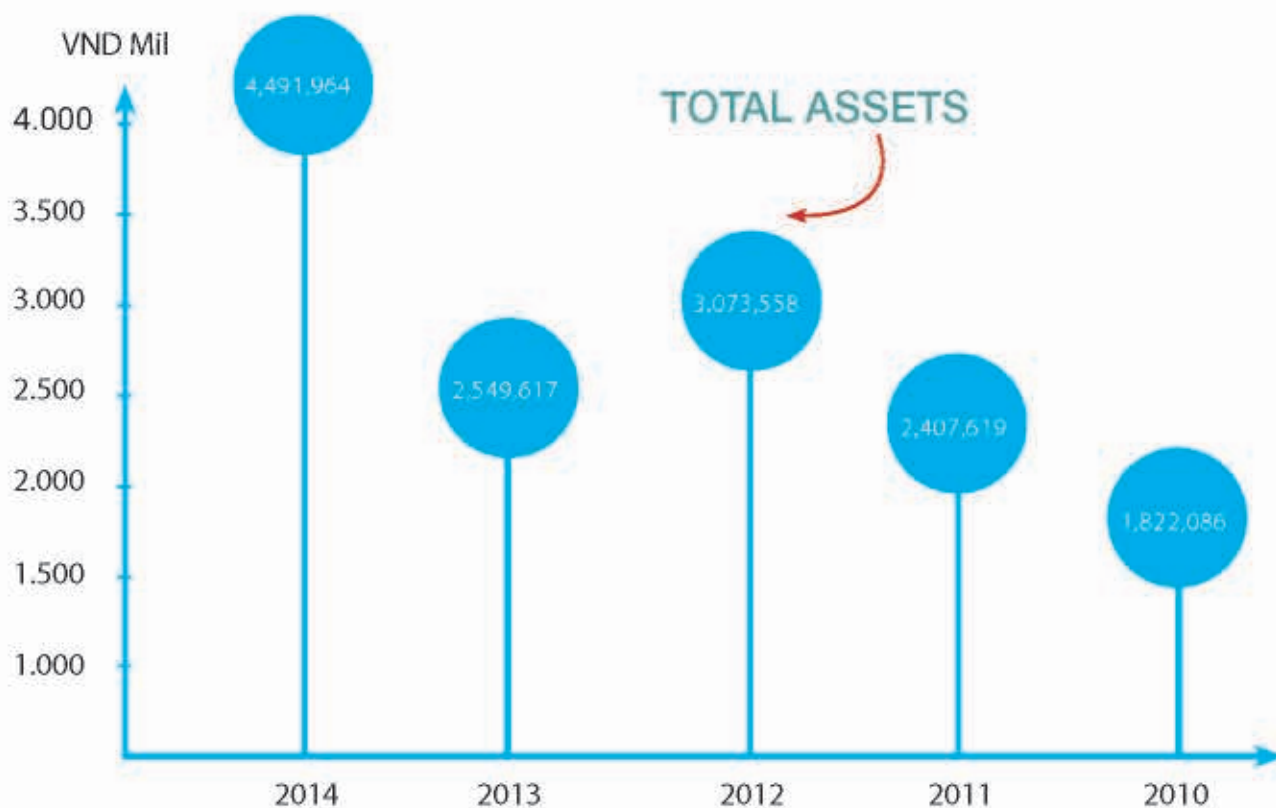
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Total Revenue	6,300,115	5,104,982	4,236,484	4,114,060	3,021,655
Profit Before Tax	587,062	227,547	269,636	480,094	272,881

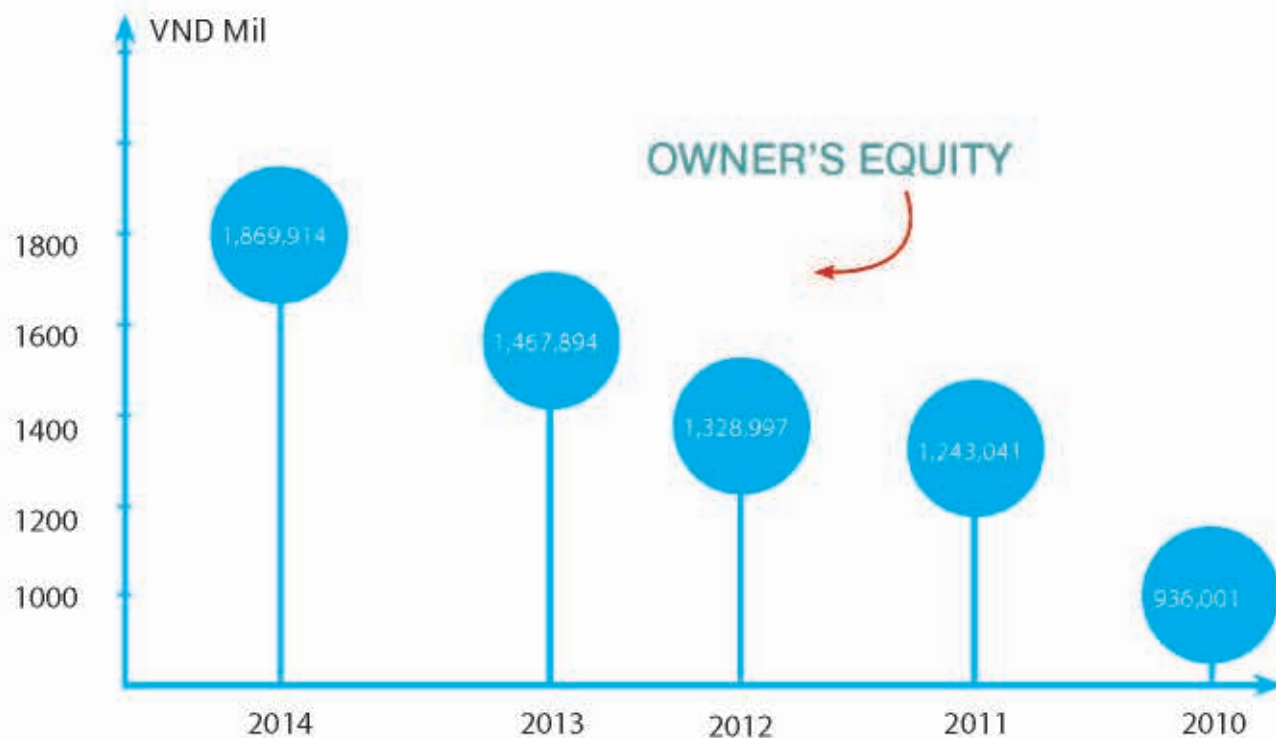


(Calculated based on audited consolidated financial statements)



(Unit: VND Mil)

	2014	2013	2012	2011	2010
Total Assets	4,491,964	2,549,617	3,073,558	2,407,619	1,822,086
Owner's Equity	1,869,914	1,467,894	1,328,997	1,243,041	936,001



(Calculated based on audited consolidated financial statements)



COMPANY PROFILE

Vision, Mission, Core values, Company history;
Core business activities; Management structure;
Development strategy



Vision
Mission
Core values
Company
history

VINH HOAN
focuses
on products
from **Pangasius**
Fish



VISION

To be the leading and trustworthy company with sustainable development in farming, processing, and exporting Pangasius in Vietnam; to be a food company with expansion strategy to optimize production value chain of our core business towards high technology application.

MISSION

Build and protect the brand of Vietnamese Pangasius

- Protect natural resources and develop sustainably based on responsible usage of resources;
- Provide delicious, safe, and healthy food for consumers;
- Bring values for local community through effective distributions from business activities, have a sense of community responsibility and always maintain Company's reputation;
- Bring beliefs, values, revenues, and profits for customers, suppliers while satisfying expectations of Company's shareholders;
- Ensure stable jobs and improving economic situations for workers



CORE VALUES

Ethical and responsible business activities

- Make and keep commitments in production and business activities;
- Live and behave according to laws;
- Conduct business activities in harmony with ecological environment, protect natural resources

Improvement and victory with efforts

- Develop and defeat competitors with healthy competition and ongoing efforts to create a difference and pioneering in technology and product innovation.
- Nurture and develop ambitious spirit, desire to develop ability and capability of each individual;
- Straight forward, objective, and transparent in all relationships;
- Look for the best solution for all matters with collective thinking and strength;
- Achieve major steps through small and continuous improvements.



COMPANY HISTORY

Vinh Hoan Corporation was established by Mrs. Truong Thi Le Khanh on December 29, 1997 in Dong Thap province, Mekong Delta as a Pangasius processor and exporter. The Company constantly develops and adds value to the entire supply chain by expanding aquaculture to control raw material supply and improving processing and exporting capacity sustainably. Since 2010, Vinh Hoan has become and maintained as the leading Pangasius processor and exporter in Vietnam with the average growth rate per year at 12.8%, doubled the industry rate from 2010 to 2014 at 5.6%. Vinh Hoan brand is the priority choice of many foreign importers for a reputable processor supplying premium quality products with sustainable development strategy by balancing among the factors: environment – society – economic.

1997

Established Vinh Hoan
Ltd., Co.;



1999

Operated the first seafood
processing workshop in Cao
Lanh, Dong Thap

2000

Received EU code (DL 147)



2005

Certified with ISO 9001:2000; ISO 14001:2004; BRC: 2005 and IFS version 4



2007

Established Vinh Hoan (USA)
Inc. in California, USA;
Established Vinh Hoan 1 Feed JSC;

Operated No.2 Workshop (DL 61);
Listed on Ho Chi Minh Stock Exchange;



2008

Operated Workshop No.3
(DL 500);



2009

Accredited with AQUAGAP for farming;

Company's internal laboratory accredited
with ISO/IEC 17025:2005;



2010

Became the leading company in exporting Pangasius according to Vietnamese Association of Seafood Exporters and Producers (VASEP);

Accredited with GLOBAL G.A.P. for Pangasius farming;

Accredited with ISO 22000 for quality control system;

LEAD



2011

Awarded Labor Medal Class III for Vinh Hoan Corporation and Mrs. Truong Thi Le Khanh – CEO of the Company based on Decision no. 150/QĐ-CTN on Jan 28, 2011 by the Prime Minister;

Awarded GRAND PRIZE BEST NEW RETAIL PRODUCT AWARD in the contest organized by Seafood Prix d'Elite 2011 at European Seafood Exhibition 2011 (ESE 2011) at Brussels, Belgium;

Accredited with Best Aquaculture Practice –BAP two stars for processing and farming;



2012

Awarded Labor Metal Class II for Vinh Hoan Corporation based on Decision No. 1261/QĐ-CTN on August 21, 2012 by the Prime Minister;



To be the first company to receive sustainable aquaculture certificate ASC (Aquaculture Stewardship Council) for farming;



2013

Accredited with GLOBAL G.A.P. for barramundi farming area

Started the construction of Collagen and Gelatin factory with the capacity of 2,000 tons of finished products per year



2014

Vinh Hoan was the only seafood company listed on the Top 50 Best Company by Forbes magazine;

Divested from fish feed business by transferring all the shares of Vinh Hoan 1 Feed JSC and acquiring 99.06% shares of Van Duc Tien Giang Food Export Company to concentrate our financial strength onto our core business.

VINH HOAN
TOP 50 BEST COMPANY
VIET NAM



Farming aquaculture domestically

Trading raw material and semi-processed agricultural products, materials serving the production and processing of sea products and aquaculture products

Trading in machineries, equipment, tools serving the production and processing of sea products, aquaculture products, and fish feed



Processing and preserving aquaculture products from aquatic products

CO BUS ACTIV

RE SINESS ITIES

Producing and trading cattle feeds, poultry feeds, aquatic feeds

Milling and polishing rice

Trading and exporting rice

Importing and exporting hydrolyzed Gelatin and Collagen, chemical medicine; importing chemicals, materials for production of hydrolyzed Gelatin and Collagen

Trading chemicals serving the production and processing of export sea products and aquaculture products; aquatic veterinary medicine; production of cattle feeds, poultry feeds, aquatic feeds

Extracting and manufacturing of hydrolyzed collagen and gelatin





PANGASIUS FILLETS



BARRAMUNDI FILLETS

Main Products

Besides traditional, products frozen; other by-products such as fish oil and fish meal are also exploited to optimize supply chain value. Barramundi are also farmed, processed and exported following the long-term strategy of increasing profit margin. The Company targets at production of value-added products and sustainable products complied with the international farming standards (GLOBAL GAP, BAP and ASC).

VALUE-ADDED
PRODUCTS



COLLAGEN AND GELATIN



FISH OIL AND FISH MEAL

BUSINESS LOCATIONS in 2014

The Company's localtions are set up by the bank of Mekong Delta to minimize the transportation expenses and exploit the geographic advantages. Moreover, it's also reaching out to the U.S. to improve customer service for U.S. market



Vinh Hoan (USA) Inc., is a subsidiary based in California, USA. It performs the sales and logistics activities for U.S. market. In late 2014, Vinh Hoan transferred its stake of 85%

California



Vinh Hoan Food 2 owns a rice mill in Lap Vo District – Dong Thap Province



DONG THAP Province

Ho Chi Minh branch with sales and documentation team



TPHCM

Van Duc Tien Giang (recently-acquired subsidiary) with Pangasius processing factory in Chau Thanh District – Tien Giang Province;

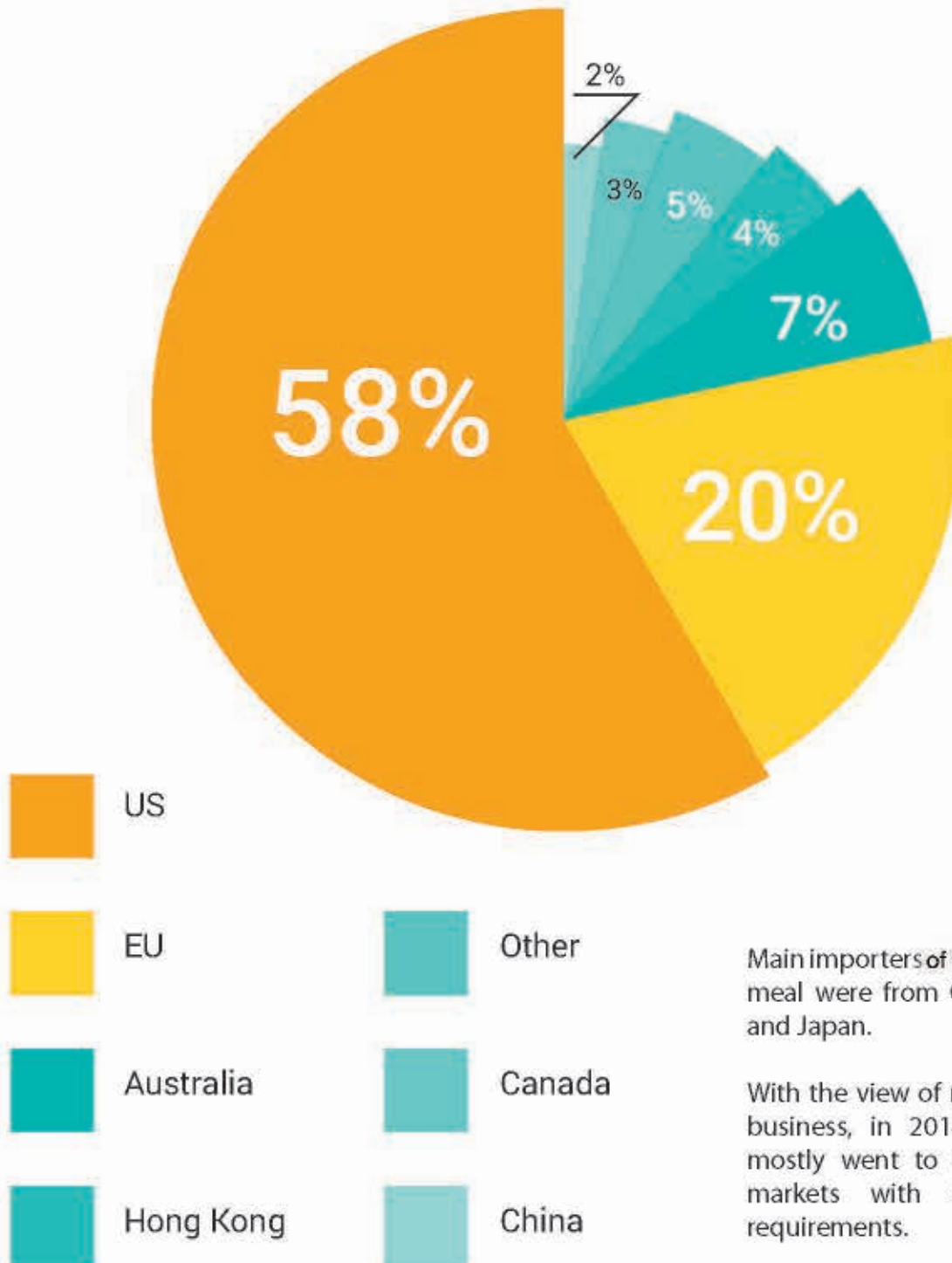


BEN TRE Province

Farming areas mainly concentrate in 3 provinces: Dong Thap, Tien Giang, Ben Tre.

MARKET BREAKDOWN IN 2014

US maintained its status as Vinh Hoan Corp.'s largest export market in 2014 (accounted for 58% of total revenue), followed by EU (20%). Sales in other markets such as Australia, Hongkong, Canada remained stable, accounted for 3-7% of total export value. In 2014, the Company also initiated conservative steps into emerging markets like China and Mexico.



Main importers of fish oil and fish meal were from China, Taiwan, and Japan.

With the view of narrowing rice business, in 2014 rice export mostly went to US & Canada markets with strict quality requirements.

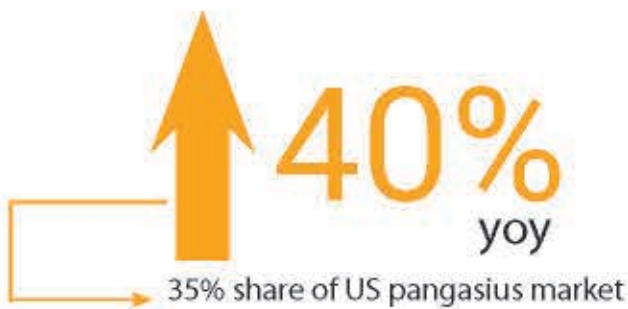
MARKET BREAKDOWN IN 2014



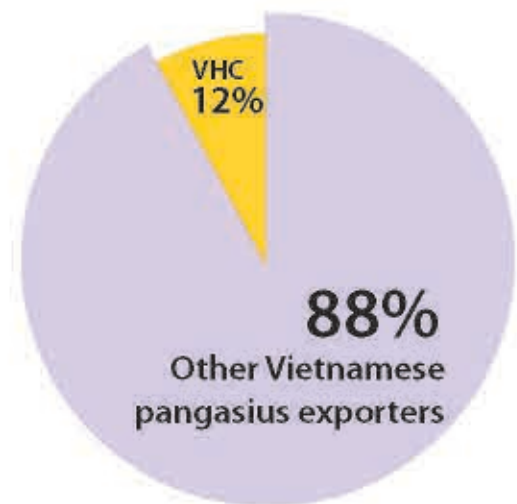
Anti-Dumping duty in US



US export value



In EU, despite the whole seafood industry's downward trend, the Company's sales reported slight increase (its market share was 12% in 2014 versus 11% in 2013) thanks to its sales policy targeting high-end markets, widespread and credible distribution channels. It also has high market share in UK, Netherlands and Belgium.



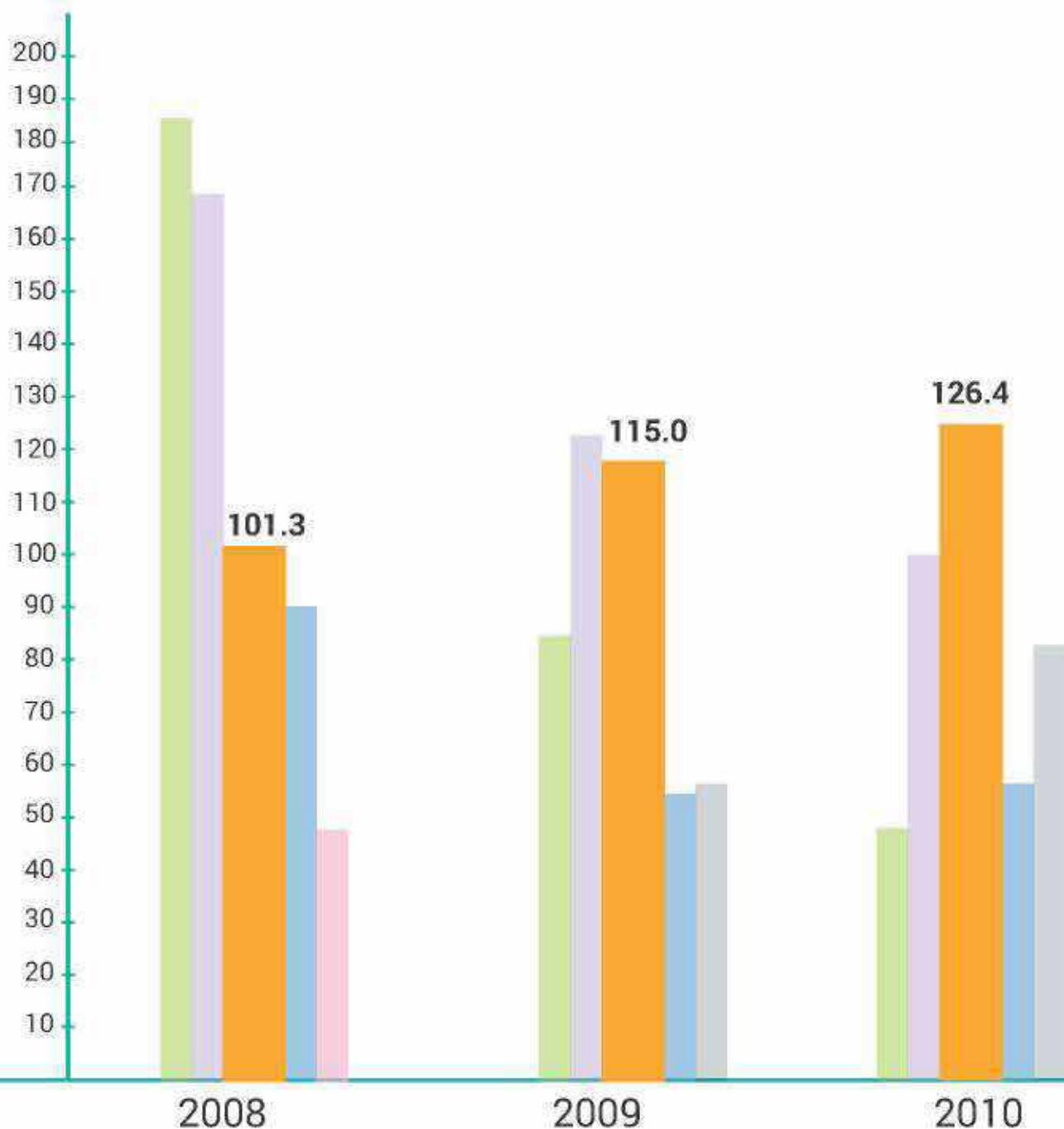


COMPANY'S
in the **INDUSTRY**
POSITION

Vinh Hoan had continuously sat among the top 5 Vietnamese Pangasius exporters and became the market leader since March 2010. In 2014, Vinh Hoan came 5th among seafood exporters (after shrimp producers and exporters).

TOP 5 VIETNAMESE PANGASIIUS EXPORTERS

Unit: US\$ Mil, Source: VASEP

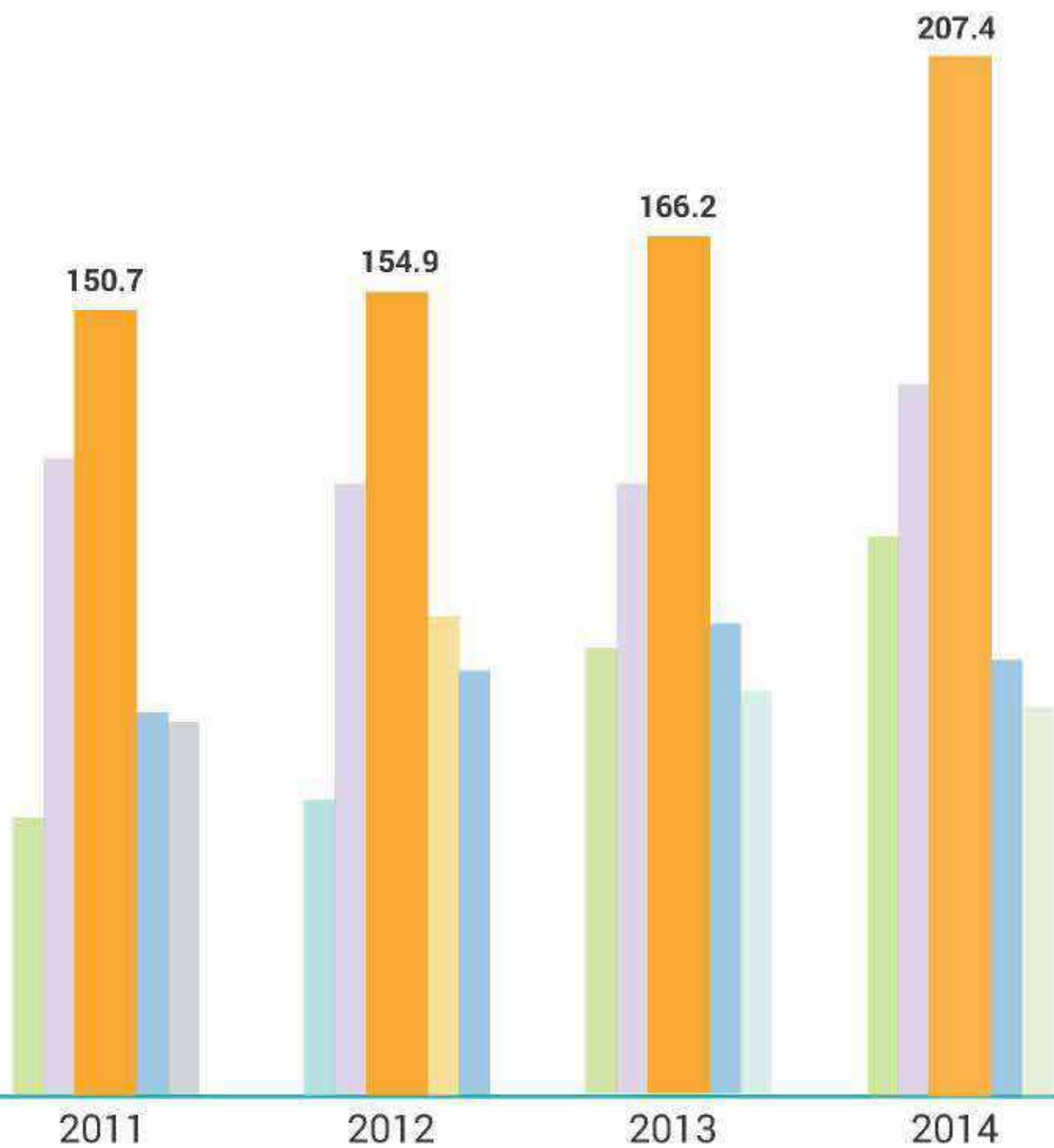


NAM VIET

VINH HOAN

HUNG VUONG

AGIFISH



THIEN MA

VIET AN

I.D.I

BIEN DONG



ORGANIZATION
and **MANAGEMENT**
STRUCTURE

GROUP STRUCTURE



01

VINH HOAN FEED 1

In 2014, the Company sold its controlling stake in Vinh Hoan Feed 1.

02

VINH HOAN FOOD 2 CO., LTD

Vinh Hoan Food 2 Co., Ltd. was established with Business Registration No. 1401420853 dated July 27, 2011 – sixth amendment on dated September 30, 2013 issued by Department of Planning and Investment (Dong Thap Province).

Charter capital: VND100 billion, of which 99.3% contributed by Vinh Hoan.

Main business: grain milling, rice polishing, rice import and export.

03

VINH HOAN FOOD 3 CO., LTD

Vinh Hoan Food 3 Co., Ltd. was established in accordance with Business Registration No. 1401493918 dated on September 21, 2011- first amendment dated April 17, 2012 issued by Department of Planning and Investment (Dong Thap Province).

Charter capital: VND80 billion, of which 90% were contributed by Vinh Hoan. As of December 31, 2014, Vinh Hoan has contributed VND311 million.

Main business: grain milling, rice polishing, rice import and export.

The construction and operation of Vinh Hoan Food 3 Co., Ltd is yet to start.

04

VINH HOAN 4 CO., LTD

Vinh Hoan 4 Co., Ltd. was established in accordance with Business Registration No. 140171196 dated on April 05, 2012 issued by Department of Planning and Investment (Dong Thap Province).

Charter capital: VND50 billion. Vinh Hoan has not contributed into this company.

Main business: processing, preserving seafood and seafood-related products.

Vinh Hoan 4 has not yet operated.





05

VINH HOAN COLLAGEN 5

Vinh Hoan Collagen 5 was established with Business Registration No. 1401587429 dated on December 02, 2011 – forth amendment dated May 22, 2014 issued by Department of Planning and Investment (Dong Thap Province).

Charter capital: VND100 billion, of which 85% contributed by Vinh Hoan.

Main business: extracting and manufacturing of hydrolized collagen and gelatin.

06

VINH HOAN (USA) INC.

Vinh Hoan (USA) Inc. was established in accordance with Business Registration No. 34473 dated on January 19, 2007 and Amended Business Registration No. BUS09-03694 dated on November 30, 2009 issued by California State, USA

Vinh Hoan (USA) Inc.'s charter capital of US\$ 499,912 was fully contributed by Vinh Hoan.

Main business: trading of frozen freshwater fish and seafood.

In early 2015, Vinh Hoan completed the transfer of 85% shares at Vinh Hoan (USA) Inc. and remained as a strategic shareholder.

07

VAN DUC TIEN GIANG FOOD EXPORT CO., LTD

Van Duc Tien Giang Food Export Co., Ltd. Giang was acquired by Vinh Hoan in 2014.

Charter capital: VND 255,423,960,000. As of December 31, 2014, 99.06% of total shares was owned by Vinh Hoan.

Main business: farming, processing, preserving and trading of freshwater fish and related products.

08

VINH HOAN HAU GIANG CO., LTD

Vinh Hoan Hau Giang Co., Ltd. was established in accordance with Business Registration No. 6300254158 dated on December 11, 2014.

Charter capital: VND30 billion. Vinh Hoan has not yet contributed into this company.

Main business: farming of domestic freshwater fish and breeding practices.

(*)

Vinh Hoan is completing the acquisition to establish Octogone Holdings Pte, Ltd. in Singapore



ORGANIZATION & MANAGEMENT STRUCTURE

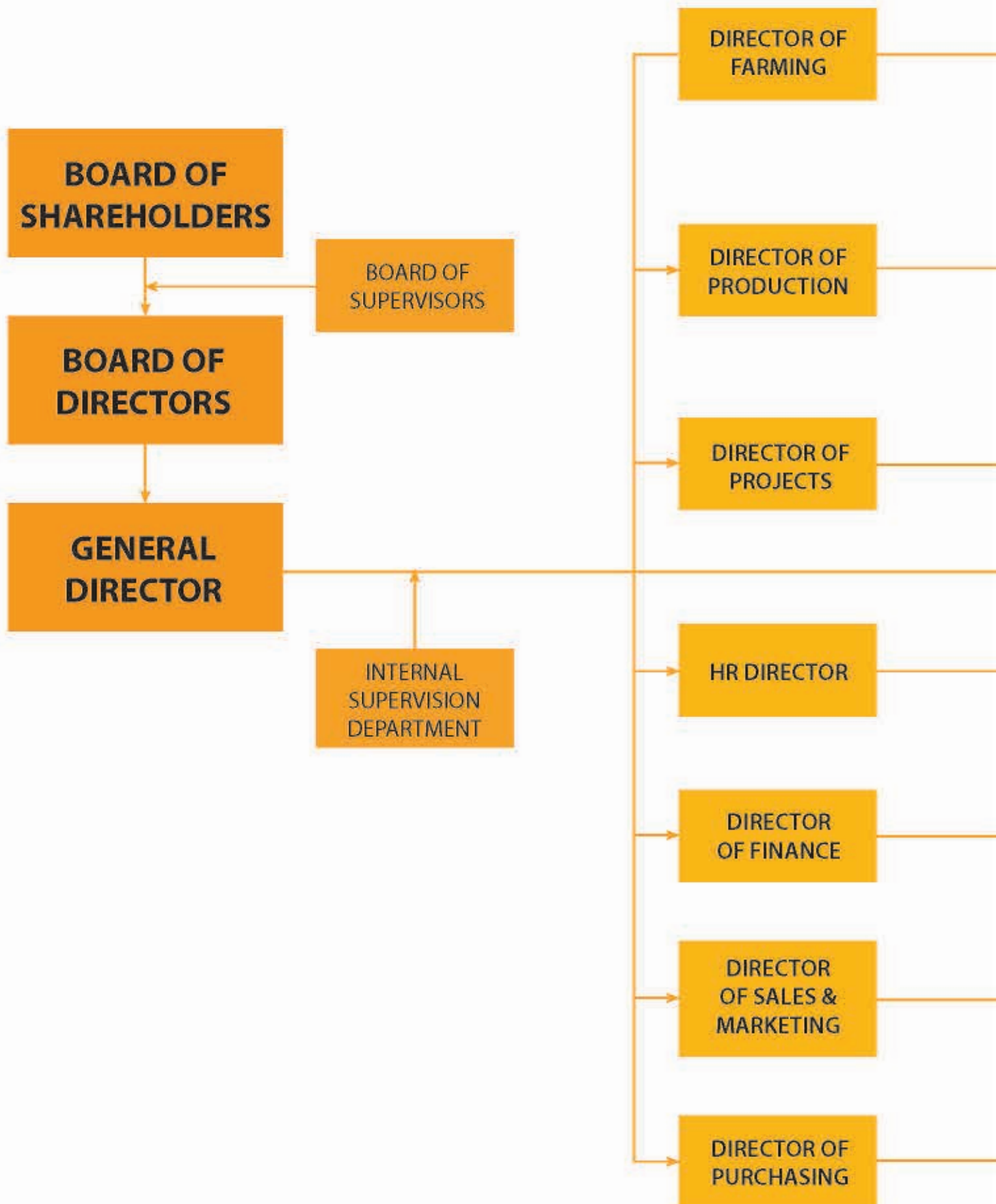
In front of the simultaneous innovation of the industry, the economy in general and with the increasing scale of production, business expansion, we believe Vinh Hoan need a suitable “coat” in terms of operational structure by the function of each division to help the Company operating more smoothly and efficiently. Therefore, on January 09, 2014, Board of Director has unanimously adopted the new organizational chart with the following changes:

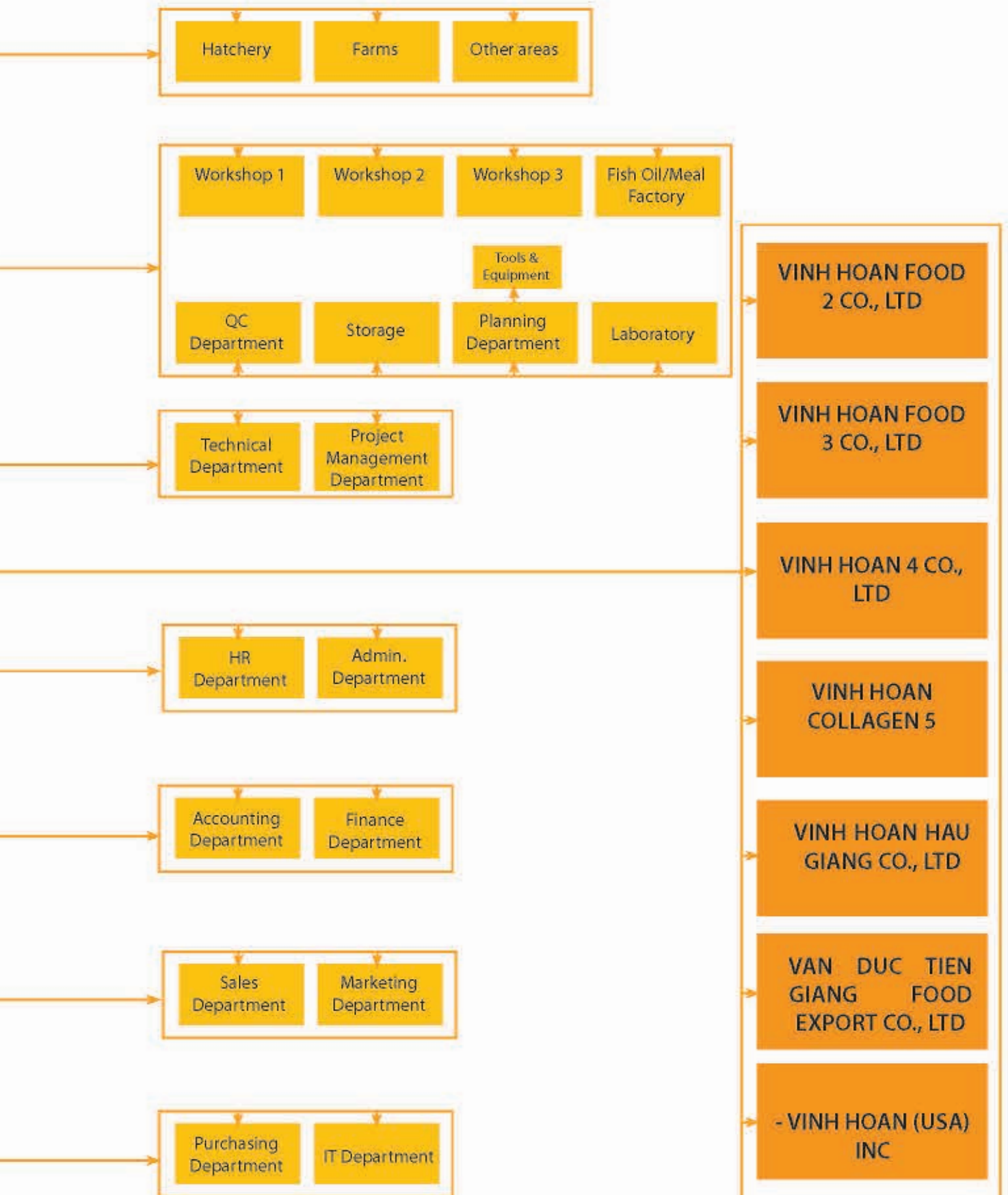
The current title of Deputy General Directors will be replaced and supplemented by the Directors in charge, including Director of Purchasing, Director of Sales and Marketing, Director of Finance, Director of Human Resource, Director of Project Planning, Director of Production, and Director of Farming. The Directors will be responsible for the operation of the relevant departments and report directly to General Director. The organizational chart also shows the management relationship of the Company towards its subsidiaries, under which the Directors of the subsidiaries will be responsible for their business performances and report directly to General Director.

Up to now, the new organizational chart is gradually completed with the Directors including:

- Mrs. Nguyen Ngo Vi Tam is appointed to be Director of Sales and Marketing
- Mrs. Truong Tuyet Phuong is appointed to be Director of Purchasing
- Mr. Huynh Duc Trung is appointed to be Director of Project Planning
- Mrs. Nguyen Thi Kim Dao is appointed to be Director of Finance
- Mrs. Ho Thanh Hue is appointed to be Director of Production
- Ms. Dang Thi Thuong is appointed to be Interim Director of Farming
- Ms. Nguyen Thi Hanh is appointed to be Interim Director of Human Resource

This new organizational chart will facilitate General Director to empower specifically and effectively the people in charge, to help achieve business strategy of the Company, especially in the general difficulty of the industry.







DEVELOPMENT
STRATEGY



Dear Valued Shareholders,

Despite of the difficulties, the seafood industry in 2014 once again exceeded the export turnovers impressively, reaching over 7.8 billion USD. Export business means participating in international playground, I believe that this achievement is not easy and I really admire other companies in the industry. 2014 was a successful year for Vinh Hoan. Revenue and profits were growing significantly, exceeding the plan and I believe it has met the expectations of the shareholders

Through the difficulties in new businesses, we have planned with timely adjustments towards the right direction, focused on the core business and developed based on added values. The highlighted M&As of the year including selling Vinh Hoan Feed and acquiring Van Duc Tien Giang to increase production capacity have contributed to the fruitful result, not only reflected through profitability but also set the foundation for a strong growth in the coming years.

In 2015, the management team is committed to continue with our business strategy and plan to optimize the efficiency of core business based on the operation improvement, cost control, and labor productivity growth while creating more value added activities to complete and focus on the development of new businesses opportunities.

On behalf of the Board of Directors, I would like to receive the support and comments from valued shareholders to help the management team and the entire staff members accomplish their goals and bring more benefits to shareholders.

Sincerely

Chairwoman

Truong Thi Le Khanh



SWOT ANALYSIS and
DEVELOPMENT
STRATEGY

STRENGTHS



S

- Anti-dumping duty advantage and reputation in the U.S. market; have the largest market share and leading position among the industry; and strong growth;
- Reputation in product quality, quality control system, and integrated business model, especially in E.U. market;
- Integrated farming, processing finished products and by-products systems provide active stance in raw material sourcing and optimize profitability of different segments;
- Good, loyal, and experienced management team
- Have the knowledge and relationships to penetrate international markets; facilitate improvement and innovation; and business development plans;
- Strong financial situation, no interest burden, have interest incentives for other new projects.

WEAKNESSES



W

- Lack of market diversification in different segments;
- Lack of strong brand;
- Lack of production optimization and competitive advantages in costs;
- Lack of experience in new businesses;
- Lack of human resource to meet development and expansion requirements of the Company, especially with new projects.

OPPORTUNITIES



Markets still have room to grow, especially for retail and value added segments;

- Global aquaculture industry is growing and replacing the fishery industry, create

opportunities for the development of core products and other products for aquaculture;

- The seafood sector is gradually rearranged which creates opportunities for innovative

businesses and appropriate business strategy to maintain and grow;

- Cannot be directly and significantly replaced by any other alternatives.

THREATS



- The increasing product costs;

- Direct labor forces are taken away by other industries;

- Environmental issues;

- Trade and technical barriers at import countries;

- The image of Pangasius globally is negatively affected by the rivals' media campaigns



ORIENTATION FOR STRENGTHS AND OPPORTUNITIES

Vinh Hoan aims for continuous growth in terms of revenue and scale in the next three years, growing consolidated reputation and market shares in U.S. and E.U. markets, along with the efforts to diversify markets to increase efficiency in production. The Company will take firm steps in expanding the consumption of Pangasius in the mainstream markets by strengthening the autonomy and effectiveness in communication, enhancing sales force. Vinh Hoan will continue to seek

opportunities to generate more revenue and profit from other species. Collagen and gelatin are the businesses that the Company wants to focus on to ensure it meets its project timeframe to set forth the prerequisite for the development of next stages. In addition to increasing revenue and business scale, the Company also pays attention to the strategies to increase its competitiveness of production costs, improve profitability and margins over the years.



ORIENTATION FOR STRENGTHS AND THREATS

The Company focuses on the matters related to workers and environment for the sustainable business development, proactive with risks, and long-term plan for all aspects. Along with strengthening its position in existing markets, Vinh Hoan is always patient in searching for opportunities and opening up new markets to improve its diversity and flexibility of the structural shift of the markets over the years. In addition to the inevitable political reasons, Vinh Hoan always has medium and long

term strategies to overcome these trade barriers and continue to reserve its position in the major markets.



ORIENTATION FOR WEAKNESSES AND OPPORTUNITIES

Along with strengthening its position in the existing markets, Vinh Hoan persistently seeks for opportunities and opens up new markets to improve its diversity and flexibility of the structural shift of the market throughout the years. The Company will concentrate in improving the image of Pangasius in the world directly and indirectly. Vinh Hoan will continue to create added values for customers, differentiate itself more clearly from its rivals. The Company will also

invest in technology in business and research and development in manufacturing and farming.



ORIENTATION FOR WEAKNESSES AND THREATS

In the long-term, the Company not only pays attention to the risks of business environment but also actively prepares and plans. We consistently comply with local and international laws, especially not only go for the profit that affects the environment and reputation of the Company. Vinh Hoan competes positively and for the long-term future, focusing on the value and sustainability.



FY14 BUSINESS RESULTS

Report on FY14 business results by Board of Directors
Report on Board of Executive Director supervision of
the Board of Management
Report of the Supervisory Board



FY14
BUSINESS
RESULTS

Board of **MANAGEMENT**



Ms. TRUONG THI LE KHANH

Chairwoman and Chief Executive Officer

Year of birth: 1961

Major: Bachelor of Economics

The founder of Vinh Hoan Corp from a small Pangasius processing workshop.

She has continuously steered the Company to get through hard times. She has devoted enormous time and effort to develop solid strategies to bring Vinh Hoan to its market leading position. With ever-increasing corporate size and upgrading organizational structure, she delegates and assigns responsibilities aligned with each specific business function and product sector to other management team members with the aim of creating more efficient management and herself focusing more on strategic planning activities.



M s. TRUONG TUYET PHUONG

Purchasing Director

Year of birth: 1974

Major: Bachelor of Accounting-Auditing

Time with Vinh Hoan Corp: 18 years

Before being appointed as Purchasing Director, Mrs. Phuong served as the Vice President of Financial Original in the organizational structure. Being well-equipped with her experience, Mrs. Phuong is in better position to manage purchasing activities for the Company with the aim of improving both the quality and the cost structure of the input materials.



M s. NGUYEN NGO VI TAM

BoD Member

Sales and Marketing Director

Year of birth: 1979

Major: Bachelor of Laws; MBA-Maastricht School of Management

Time with Vinh Hoan Corp: 12 years

Ms. Tam is in charge of sales and marketing activities, as well as actively involves in other external activities.



Mr. HUYNH DUC TRUNG

BoD Member

Project Director

Year of birth: 1963

Major: Engineer of Food Processing

Time with Vinh Hoan Corp: 15 years

Mr. Trung is responsible for establishing and monitoring the progress of new projects. He is also in charge of the factories' operation, maintenance and safety activities.



M s. NGUYEN THI KIM DAO

Chief Financial Officer

Year of birth: 1979

Major: Bachelor of Accounting - Auditing

Time with Vinh Hoan Corp: 12 years

Mrs. Dao served as the Chief Accountant in the past 10 years before being appointed the Chief Financial Officer in 2014. In her new role, she focuses on improving accounting and financial procedures for Vinh Hoan and its subsidiaries to supervise their costs and optimize the capital utilization efficiency.



Ms. NGUYEN THI HANH

Interim Human Resources Director

Year of birth: 1973

Major: Master of Human Resources Management, Swinburne University, Australia

Ms. Hanh is in charge of establishing the human resources system and corporate development to ensure high-quality workforce to accommodate the Company's growth requirements. She was appointed to present position since December 2014.



Ms. Dang Thi Thuong

Interim Farming Director

Year of birth: 1988

Major: Master of Biology

Ms. Thuong takes an important role in the Company's application of sustainable farming practices following the global farming standards. She was appointed as Interim Farming Director in March 2014 to improve the farms' quality and efficiency.




M s. HO THANH HUE

Production Director

Year of birth: 1982

Major: Environmental Engineer

Mrs. Hue is in charge of managing the operations of fish fillets processing factories, the Quality Control Department, and the logistics. She takes an important role in the implementation of the Company's production capacity expansion strategy.



**REVIEW
ON FY14
BUSINESS
RESULTS**

FY14 VERSUS FY13 AND ACTUAL VERSUS PLAN

REPORT ON FY14 BUSINESS RESULTS BY BOARD OF DIRECTORS

INDUSTRY SUMMARY

On December 30, 2014, the Vietnam Association of Seafood Exporters and Producers (“VASEP”) held its year-end event to mark Vietnam’s seafood export value exceeding US\$ 7 billion, reaching US\$ 7.84 billion in 2014, up approximately 17% yoy. Despite facing difficulties and challenges, companies and those passionate about this industry were proud **of their result** and progression throughout the years. This result ultimately reflected the suitable adjustments of a whole system involving government agencies, the legal framework, the association, and the dynamics and diligence of the corporates and farmers.

The industry growth was mostly contributed by shrimp export of US\$ 4 billion, up 30% yoy. Pangasius export remained its significant contribution, its value, however, saw a slight increase compared to 2013 at US\$ 1.77 billion. Below are some market progression and industry events that happened during 2014:

The market downturn in US and Europe: US market was worth US\$ 337 billion, down 13%. This did not affect the actual demand in US though, as there was mass export to US in early 2013 before the higher new anti-dumping duty was applied. EU market valued US\$ 344 billion, down 12% due to Euro depreciation. These two were still key markets for Pangasius for several reasons:

- US’s huge demand and myriad potential in retail.
- EU’s wide spread and high consumer perception

First and foremost, selling price in these markets showed low volatility thanks to specific quality requirements and suppliers choice. The price competition, therefore, is less intense. Export prices to US and EU both saw 5% increase yoy.

- Other growing markets **including** Mexico, Brazil, Asean, China and Hongkong. The intense price competition had put downward pressure on average selling price in 2014. In addition to growing volume, the Pangasius exporters also faced the problem of getting through the mere price competition and improving consumer perception towards the product quality.
- With respect to legal documents related to the Pangasius industry, 2014 attracts much attention from government agencies, experts and companies regarding Decision No. 36/2014/NĐ-CP which gave guidance on farming, processing, and exporting of pangasius products. Following this Decision, several quality standards would be controlled at a higher level with the aim of improving the Pangasius image in market and better planning in farming process. Based on comments and survey responses received, the implementation of this Decision has been placed under suspension until the end of 2015. This Decision, if being gradually conducted in accordance with market’s rules would create a positive impact on the industry’s future sustainable development.

In 2014, Vinh Hoan witnessed **the below important** events in production, market, and business results:

- Anti-dumping duty was revised down to 0% in the 9th administrative review (“POR 9”) from the previous US\$ 0.19/kg in POR 8, which created a significant advantage for the Company to grow its price and volume to this market. This resulted in a large contribution to revenue and profit margin of the core business.
- Despite the general industry’s decreasing sales to Europe, Vinh Hoan maintained its growth in key markets

such as: UK, Netherland, and Belgium; increasing its share in the industry's total EU export value from 11% to 12%

- Capacity expansion to save costs, improve competence and increase Vinh Hoan's penetration into large, emerging markets like China, as well as to yield higher profit margin.
- Decreasing feed cost reduced farming costs compared to 2013.
- Better market management resulted in higher by-products selling price and the Company's total profit.
- Divestment in Vinh Hoan Feed 1 to a Phillipino partner in Aug, 2014 yield considerable financial income and resources to focus on its core business (aka the Pangasius business) via acquisition of Van Duc Tien Giang. This deal has resulted in higher processing capacity, lowering costs, and better sales growth.
- Narrowing down the rice business following restructuring plan, decreasing its impact on the final business results.

BUSINESS RESULTS SUMMARY

The Company has overachieved the targets set out in previous AGM with a year full of success.

Detailed business results in 2014:

2014's revenue and profit results: Actual vs Plan

UNIT: VND BILLION

Item	Actual	Plan	% achieved
Consolidated Revenue	6.292	5.500	114,4%
Consolidated Net Profit after Tax	439	200	219,5%

Consolidated revenue soared 23.5% yoy, which mostly contributed by sales of finished products both in price and volume. Finished products alone yielded VND 4,680 billion, up 35% yoy. By-products sales also saw considerable growth of 29% yoy. Sales breakdown generally remains unchanged throughout the years. Merchandise sales comprised of pangasius merchandises and fish feed. Service revenue came from entrusted export service

Sales by products and activities:

UNIT: VND BILLION

	2013 Revenue	% of total revenue	2014 Revenue	% of total revenue
Merchandises	291	6,0%	366	6,0%
Finished products	4.180	82,0%	5.141	81,7%
Service	30	0,5%	16	0,3%
Raw materials	52	1,0%	67	1,0%
Waste	542	10,5%	702	11,0%
Total	5.095		6.292	

SALES BREAKDOWN BY PARENT COMPANY AND SUBSIDIARIES

Sales contributed by Vinh Hoan Feed 1 which was no longer being consolidated into the Company's financial statements after its divestment in August 2014, was compensated by revenue from Van Duc Tien Giang.

Unit: VND billion

	2014 Revenue (VND billion)
Parent company	5,036
Vinh Hoan 2	402
Vinh Hoan Feed 1 (first 7-month results)	1,031
Van Duc Tien Giang (last 5-month results)	530
Vinh Hoan USA	2,674

Main products' gross profit margin was improved due to higher selling price and lower production costs.

Unit: VND billion

	Item	Năm 2014	Năm 2013
Revenue	Merchandises	366	291
	Finished products	5.141	4.180
	By-products	702	542
Cost of Sales	Merchandises	333	255
	Finished products	4.433	3.665
	By-products–cost of sales	645	530
Gross Profit Margin	Merchandises	9,02%	12,37%
	Finished products	13,77%	12,32%
	By-products	8,12%	2,21%

Net profit after tax comprised of operating profit and financial income from divestment in Vinh Hoan Feed 1 (of VND 151 billion).

Subsidiaries' business results:

VINH HOAN 2

Vinh Hoan's share: 99,3%

Operating activities: rice processing and exporting

Unit: VND billion

Item	2013	2014
Net Revenue	328,1	402,3
Net Profit after Tax	(13,8)	(12,6)

Following its restructuring strategy and narrowing down non-core products, in 2014 the Company strove to increase production and push out inventories, especially during favorable seasons and focusing on mid to high-value segments sales to avoid losses in this business.

VINH HOAN USA(Inc)

Vinh Hoan's share: 100%

Operating activities: importing and logistics for US market

Unit: VND billion

Item	Năm 2013	Năm 2014
Net Revenue	2.064,7	2.674,5
Net Profit after Tax	(14,9)	21,9

Early 2015, the Company has completed its transfer of 85% stake in Vinh Hoan (USA) Inc. to a manager in the US to enhance mutual integration and efficiency of logistics activities serving US importers.

VINH HOAN COLLAGEN 5

Vinh Hoan's share: 85%

Operating activities: Manufacturing of collagen and gelatin extracted from fish skin.

Still being under construction in 2014, the subsidiary had not generated any sales. Early 2015, it has completed the inspection and trial production phase. This success proved the judicious technical choice and research methods of the engineers. The official operation is expected to be stable and sales will be starting in Q2/2015.

CORE BUSINESS – PANGASIU EXPORTS

The Company's Pangasius export value reach US\$ 232 million in 2014, up 18% yoy, meeting 106% plan. This continues to be one among 5 consecutive years when its value always grows at a consistent double-digit rate. Exports also expand to other markets and gain more market share at a stable rate.

Unit: US\$ M



Breakdown of export value in 2014 by products:

Pangasius fillets	202 USD \$ M
Rice	13,5 USD \$ M
Fishoil and fish meal	16,5 USD \$ M

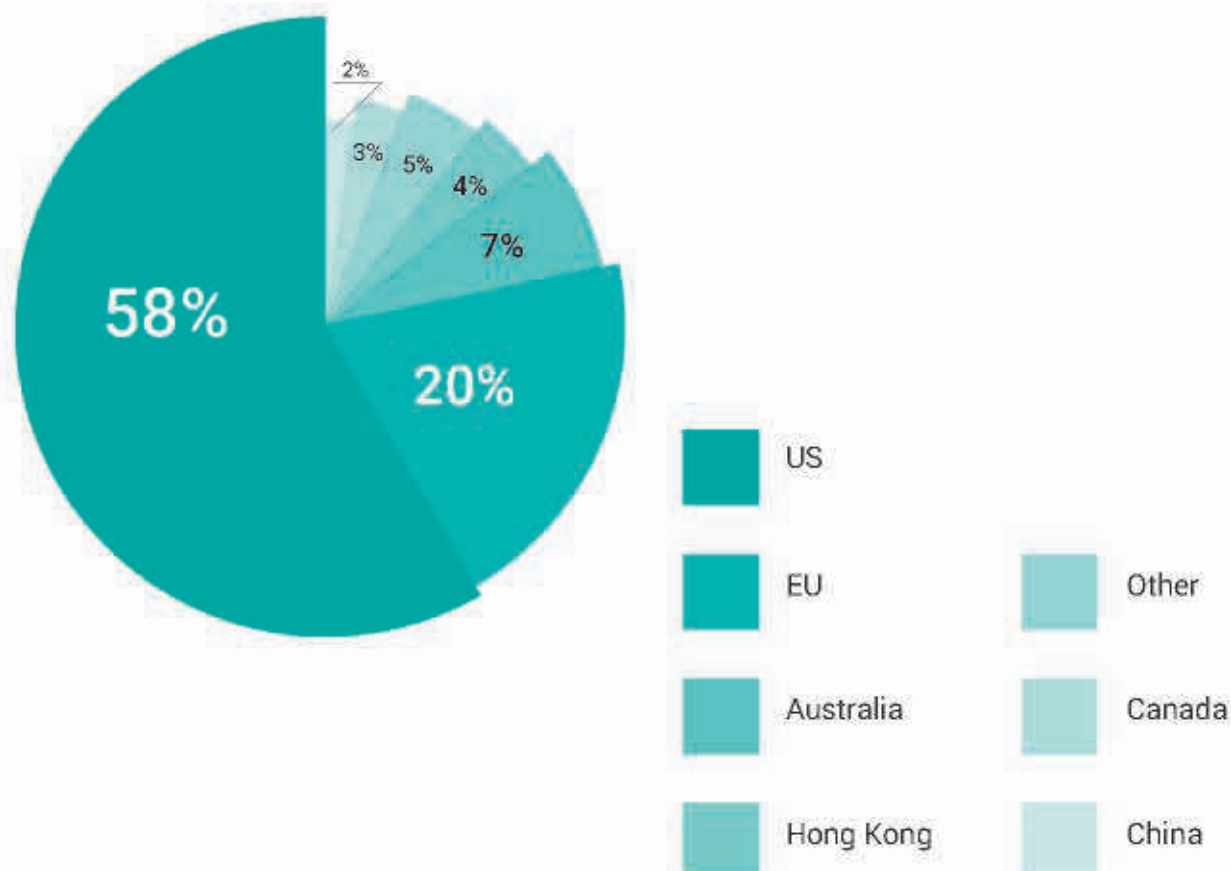
Pangasius fillets export reported 24% yoy growth in both price and volume. Fishoil and fish meal revenue remained stable due to an active switch to local sales where these by-products can be sold at a higher price.

Vinh Hoan's industry position (Source: VASEP)

Company Name	Export Value (US\$ million)
Vinh Hoan	207
Hung Vuong	140
Navico	109
Agifish	85
Bien Dong Seafood	76
TAFishco	76
IDI	64
Hung Ca	59
Godaco	49
Southvina	40

US retains its status as Vinh Hoan Corp.'s largest export market in 2014 (accounting for 58% of total revenue), followed by EU (20%). Despite the industry's export downturn in EU market, Vinh Hoan sales to this market was stable thanks to its sales policy focusing more on high-end segments, large and credible distribution chains. Significant sales growth in US contributed the most to total sales (of 40% yoy). Selling prices in these 2 markets also went up, resulted in profit and margin improvement. The Company also initiates its conservative steps into emerging markets such as China and Mexico.

Market Breakdown in 2014



Barramundi farming activities became more stable in 2014 where production activities aligned with sales. This has formed the prerequisite to improve barramundi farming productivity in the future.

FARMING AND PROCESSING ACTIVITIES

2014 was the year when the Company strove to expand its production capacity to cope with increase in sales and production scale. Management efficiency saw improvements in multi phases via stringent activities such as: monitoring, procedures establishment, personnel enhancement. All these measures will result in lowering production costs and improving quality which together will ultimately reflect on better brand image. The Company maintains its compliance with international quality standards including: BRC, ISO 22000, ISO 9001, ISO 14001, IFS for all of its factories and ISO 17025 for its laboratory. The Company also passed audit sessions conducted by importers and international distribution systems.

In farming, the Company has holistically applied sustainable farming standards such as GlobalGap, BAP and ASC to its farms. Self farming yielded increasing volume in 2014. Improved raw materials quality also contributed into higher processing productivity.

IMPROVEMENTS IN CORPORATE STRUCTURE-POLICIES- MANAGEMENT

In 2014, the Company had completed its management team at all functions. Accordingly, all functions are under direct management of the Directors in charge. Moreover, the Company focused more on educational and vocational staff training to provide more skilled labors. Labor productivity has increased by 16%, resulted in a rise in direct labor's income of 20%.

With respect to the policies, the Company also rewarded its employees properly based on their individual performance to boost their morale.

Taking
ADVANTAGE
To Improve
PROFIT



**FINANCIAL
POSITION**

EFFICIENT
COST CONTROL
THE KEY TO DEVELOPMENT

STRONG
FINANCING
THE FUNDAMENTAL
TO FUTURE GROWTH

FINANCIAL POSITION

(Unit: VND billions)

	2014	2013	% Change
Total assets	4492	2550	76%
Net revenue	6292	5095	23%
Net operating profit	590	223	165%
Other Profit/Loss	-3	5	-160%
Profit before tax	587	228	157%
Net profit after tax	463	176	163%
Profit attributable to equity holders of the Company	439	158	178%

FINANCIAL RATIOS

	Year 2014	Year 2013
1. Liquidity ratios		
Current ratio	1.23	1.84
Quick ratio	0.66	0.62
2. Leverage ratios		
Debt/Total assets	0.58	0.39
Debt/Equity	1.39	0.68
3. Activity ratios		
Inventory turnover	4.29	4.32
Assets turnover	1.40	2.00
4. Profitability ratios		
Return on sales (ROS)	6.98%	3.11%
Return on equity (ROE)	26.31%	11.33%
Return on total assets (ROA)	12.47%	5.63%
Operating profit/sales	9.38%	4.37%

ASSETS SITUATION

“Taking Advantage To Improve Profit”

Vinh Hoan envisages becoming the market leader in farming, processing and exporting of Pangasius products. In the pursuit of this goal, it takes advantage of every opportunity and plays to its strengths in each specific period. 2014 was the year when its determination succeeded, with revenue and NPAT's growth by over 23% and 78% respectively.

Total assets surged 88% yoy, mainly attributed to 4 asset groups:

- **Short-term investments**

An increase of VND 802 billions, accounting for 48% of total assets movement, had generated

- **Accounts receivable**

Up 60% yoy, in line with change in revenue.

The accounts receivable are in good shape for years, with most customers make on time payment. No new bad debt recorded in 2014.

	2014	2013	%Change
Accounts receivable turnover	11.58	11.78	(0.20)
Net revenue	6,292	5,095	23.5%
Average accounts receivable	544	432	25.7%
Average collection period	31.5	31.0	0.5

- Inventory

Up 33% yoy, in line with the change in revenue.

Inventory turnover slightly decreased, as a result of divestment in Vinh Hoan Feed 1 and acquisition of Van Duc Tien Giang (feed's turnover is faster than that of pangasius fillet's).

Vinh Hoan's inventory turnover is considered better than its peers.

	2014	2013	%Change
Inventory turnover	4.29	4.32	(0.03)
Costs of goods sold	5,469	4,491	21.8%
Average inventory	1,276	1,040	22.7%
Days in inventory	85.2	84.5	0.7

- Long-term assets

Up 54% yoy, resulted from new purchases of machinery and equipment,

complete construction of Vinh Hoan Collagen 5 factory, investment in farms, and assets acquired from Van Duc Tien Giang.

LIABILITIES MOVEMENT BRIEF

	2014	2013	%Change
Current liabilities	2,534	902	181%
Short-term loans and debts	2,036	512	297%
Non-current liabilities	71	91	(22%)
Total liabilities	2,605	993	162%
Debt/Total assets	0.58	0.39	0.49
Leverage ratio (Total assets/equity)	2.40	1.74	0.67

“Strong Financing - The Fundamental To Future Growth”

Taking advantage of the inexpensive and stable lending rate in 2014, we increased our leverage ratio to enhance the capital utilization efficiency. As a result, the ROE ratio improved by 15% versus 2013 (by 11% yoy exclusive of financial income gained from divestment in Vinh Hoan Feed 1). With this capital structure, Vinh Hoan is in more flexible position to adapt its leverage to changes in Vietnam economy as well as the world economy. Vinh Hoan is also confident about its loans and debts coverage.

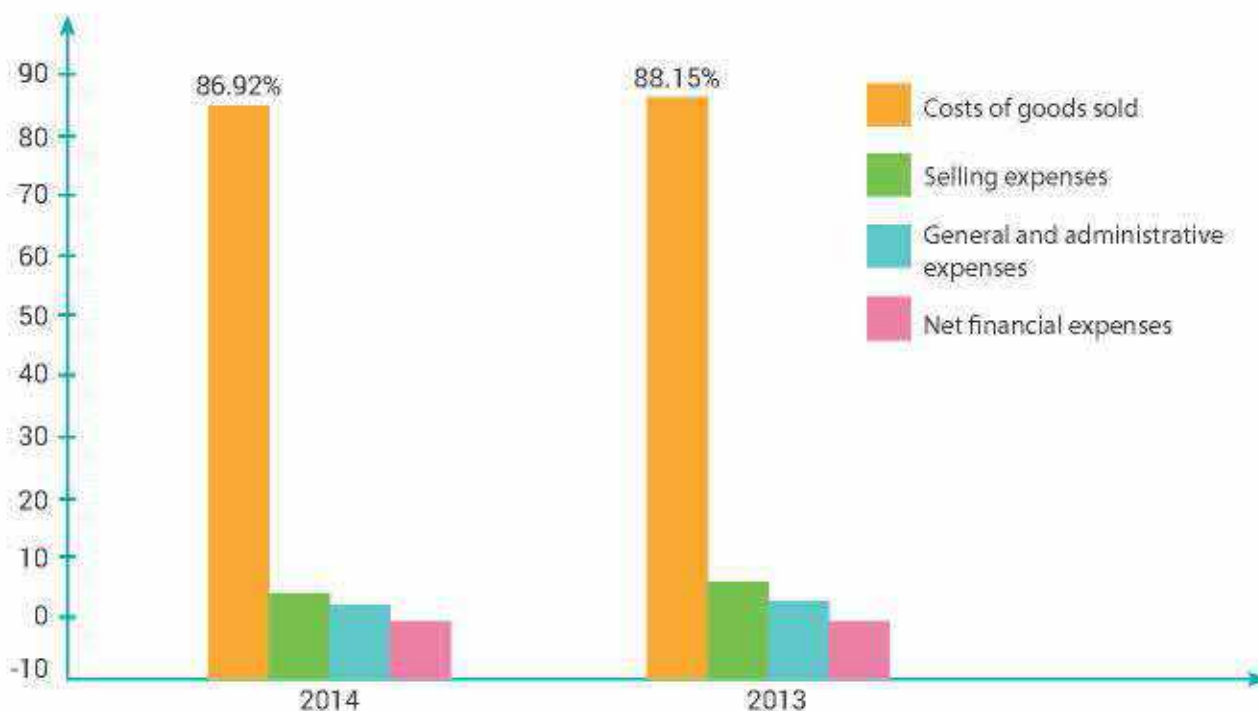
COST CONTROL

“Efficient Cost Control - The Key To Development”

Efficient cost control is essential for Vinh Hoan to cope with a more intense competition. The Company monitors its costs on a frequent basis, mitigates the loss and waste to optimize its resources utility. Measures to decrease waste threshold of input factors such as: raw materials, power, supplies and package have been implemented throughout the production phase to improve the productivity. The cost-to-revenue ratio, therefore, declined considerably in 2014.

	% of 2014 Revenue	% of 2013 Revenue	% Change
Costs of goods sold	86.92%	88.15%	(1.23%)
Selling expenses	3.90%	4.86%	(0.96%)
General and administrative expenses	2.57%	2.67%	(0.10%)
Net financial expenses (*)	(0.58%)	(0.06%)	(0.52%)
Total	92.81%	95.62%	(2.81%)

(*): calculated as Financial expenses - Financial Income, in which financial income is exclusive of financial income from divestment in Vinh Hoan Feed 1



2015 BUSINESS PLAN

REVENUE AND PROFIT

Consolidated revenue increases by 16% yoy

Consolidated net profit after tax increases by 11% yoy (excluding the non-recurrent income from divestment in Vinh Hoan Feed 1).

Detailed revenue and profit plan:

(VND billion)

ITEM	ACTUAL 2013	ACTUAL 2014	PLANNET 2015
CONSOLIDATED REVENUE	5,095	6,292	7,270
* Fish fillets, fish oil and fish meal	3,995	5,363	6,525
* Merchandises and Others	722	527	530
* Rice	328	402	35
* Collagen and Gelatin	-	-	180
CONSOLIDATED NET PROFIT AFTER TAX	158	439	320
(Attributable to equity holders of the Company)	131.5	246	291
* Fish fillets, fish oil and fish meal	40.8	63	12
* Merchandises and Others	(13.7)	(13)	-
* Rice	-	151	-
* Financial income from divestment in Vinh Hoan Feed 1	0.6	(8)	17
* Colagen and Gelatin	158	288	320

(#): Sales and profit from fish feed in 2014 mainly contributed from Vinh Hoan 1's operations.

Sales and profit from fish feed in 2015 will come from parent company's trading activities.

PRODUCTION PLAN AND SALES FORECAST IN 2015

Fish fillets

Export value: US\$ 240 million.

Market: gain more share in main markets, diversify markets especially in fast-growing ones.

Expand and complete farming area

Ensure self-supply 65% of the raw materials needs.

Establish monitoring and encouraging mechanism to improve the costs of self-farming.

Expand processing capacity and labor productivity.

Monitor and control of costs arising in all production phases to improve our competence.

Collagen and Gelatin:

After the inspection and trial production phases in Q1.2015, the assembly lines' synchronization and production

parameters' standardization will continue. In 2015, the factory is estimated to reach 35% of its design capacity, as well as to complete its quality control system to satisfy different applied industries' requirements. Sales activities are starting to generate this new business' revenue.

CAPITAL EXPENDITURE

Capex plan in 2015 includes:

- Expansion and upgrading of the fish processing factories and fish oil, fish meal workshops: VND 560 billion
- Construction, purchases of machineries and equipment for remaining items in Vinh Hoan Collagen 5: VND 100 billion
- Construction and expansion of farming area: VND 90 billion

SHAREHOLDER STRUCTURE & CHANGES IN OWNERS' EQUITY

SHARE INFORMATION AS OF DECEMBER 31, 2014

Number of shares:	92,403,943 shares
Par value:	10,000
Free float:	92,403,943 shares
Outstanding shares:	92,403,943 shares
Treasury shares:	0
Transferrable shares:	91,822,457
Restricted shares:	580,486
Market capitalization:	3,502,109,439,700

SHAREHOLDER STRUCTURE AT EX-DIVIDEND DATE (NOVEMBER 24, 2014)

Number of shareholders: 1,276 shareholders

No.	Shareholder	No. of shares	% of capital stock	No. of share-holders	Structure (*)	
					Institutional	Individual
1	State-owned					
2	Founders	45,921,765	49.70%	5	0	5
	- Domestic	45,921,765	49.70%	5		5
	- Foreign	0		0		
3	Major shareholders (holding more than 5% of the capital stock)	19,140,295	20.714%	2	2	0
	- Domestic	5,156,220	5.580%	1	1	
	- Foreign	13,984,075	15.134%	1	1	
4	Labor Union	139,503	0.151%	1	1	
	- Domestic	139,503	0.151%	1	1	
	- Foreign					
5	Treasury					
6	Preferred shareholders (if available)					
7	Others	27,202,380	29.438%	1,268	42	1,226
	- Domestic	22,263,797	24.094%	1,208	21	1,187
	- Foreign	4,938,583	5.344%	60	21	39
TOTAL		92,403,943	100,000%	1,276	45	1,231
<i>In which: - Domestic</i>		<i>73,481,285</i>	<i>79,522%</i>	<i>1,215</i>	<i>23</i>	<i>1,192</i>
<i>- Foreign</i>			<i>20,478%</i>	<i>61</i>	<i>22</i>	<i>39</i>

TRANSACTIONS RELATED TO TREASURY SHARES/ INTERNAL SHAREHOLDERS:

Treasury shares transactions:

From October 28 to Nov 11 2014, the Company had sold all of its Treasury shares (1,198,750 shares) at the average selling price of VND 52,400 per share. The Company currently holds no Treasury share.

Internal shareholders transactions:

Mr. Tran Minh Hao – member of Inspection Committee- had sold his shares as following:

No.	Shareholder	Position	Beginning shares owned		Ending shares owned		Movement reason
			No. of shares	% of capital stock	No. of shares	% of capital stock	
1	Tran Minh Hao		8,877	0.01%	4,347	0.01%	Selling

CHANGES IN OWNERS' EQUITY:

Issuing date	Issued to	No. of shares issued	No. of shares after additional issue	Charter capital after additional issue
Dec-31-2013	Charter capital as of Dec-31-2013		61.404.913	614.049.130.000
July-2014	Employees (ESOP 2012)	197.790	61.602.703	616.027.030.000
December-2014	Current shareholders (2:1 share dividend)	30.801.240	92.403.943	924.039.430.000



REPORT_{ON}
MANAGEMENT TEAM
BY BOARD OF
DIRECTION

INTRODUCTION of **BoD** (Board of Directors)



Mrs. TRUONG THI LE KHANH

Chairwoman

Share ownership: 49.32%

Year of birth: 1961

Major: Bachelor of Economics

The founder of Vinh Hoan Corp from a small Pangasius processing workshop. She has continuously steered the Company to get through hard times. She has devoted enormous time and effort to develop determined strategies to move Vinh Hoan to today's market leader position. With ever-increasing corporate size and upgrading organizational structure, she delegates and assigns responsibilities aligned with each specific business function and product sector to other management team members with the aim of creating more efficient management and herself focusing more on strategic planning activities.



Mrs. NGUYEN NGO VI TAM

BoD Member
Sales and Marketing Director
Share ownership: 0.12%
Year of birth: 1979

Major: Bachelor of Laws; MBA-Maastricht school of Management

Time with Vinh Hoan Corp: 12 years

Mrs. Tam is in charge of sales and marketing activities, as well as actively involves in other external activities.

Mr. JEAN ERIC JACQUEMIN

BoD Member

Mr. Jean Eric Jacquemin is the representative of Red River Holding - which is holding 15.13% of total company's shares. He made crucial contribution to Vinh Hoan's managerial and financial activities and has been as Board member since 2011.



Mr. HUYNH DUC TRUNG

BoD Member
Project Manager
Share ownership: 0.08%
Year of birth: 1963

Major: Engineer of Food Processing

Time with Vinh Hoan Corp: 15 years

Mr. Trung is responsible for establishing and monitoring the progress of new projects. He is also in charge of the factories' operation, maintenance and safety activities.

Mr. Vo Phu Duc

BoD Member
Share ownership: 1.49%
Year of birth: 1976

Major: Construction Engineer

Mr. Duc has been appointed as Board member since 2012. Currently he is the Director of Vinh Hoan Collagen 5 Corp. He acts as a technological consultant for the Company's manufacturing activities, especially for new products.



MEETINGS OF THE BOD IN 2014

MEETINGS OF THE BOD IN 2014

Meetings of the BoD were routinely held on a quarterly basis or informally on an adhoc basis by quickly discussing the Company's performance among Board members via phone. Five meetings were conducted in 2014 as follows:

No.	Board Member	Position	Meeting attendance	%
1	Mrs. Truong Thi Le Khanh	Chairwoman	6-Jun	100%
2	Mrs. Nguyen Ngo Vi Tam	Board Member	6-Jun	100%
3	Mr. Huynh Duc Trung	Board Member	6-Jun	100%
4	Mr. Vo Phu Duc	Board Member	6-Jun	100%
5	Mr. Jean Eric Jacquemin	Board Member	6-Jun	100%

ACTIVITIES OF THE BOD IN 2014

In 2014, the BoD had exercised supervisory activities over Board of Management in meeting business targets set out by shareholders, including:

- + Approve the business results for FY13, the annual report for FY13, and the business results for Q1/2014;
- + Forecast the business results for FY14;
- + Approve the FY14 AGM's proposals and programmes;
- + Approve the financing plans for FY14;
- + Approve the business performance of subsidiaries;
- + Approve the cash dividend for FY13;
- + Agree on the assignments, allocation, and working programmes of Board members and Inspection Committee;
- + Decide on the transfer of stake in Vinh Hoan Feed 1;
- + Decide on the selling of Treasury shares;
- + Decide on the stake receipt at Van Duc Tien Giang;
- + Decide on the transfer of stake in Vinh Hoan (USA) Inc;
- + Decide on the share dividend for FY 14;
- + Decide on the formation of Vinh Hoan Hau Giang Ltd.;
- + Decide on the suspension of Vinh Hoan 4 Ltd.'s operation;
- + Decide on the formation of Octogone Holdings Pte Ltd.

Decisions issued by BoD in 2014:

- Decision dated January 09 2014 on the change in corporate structure and in Vice Director titles;
- Decision dated February 2014 on redemption of ESOP shares issued to resigned employees;
- Decision dated April 03 2014 on 2013's cash dividend;
- Decision of Annual General Meeting on May 14;
- Decision dated May 29 2014 on approval of deposit contract signed with ANZ (Vietnam) to facilitate and guarantee the payment of stake transfer at Vinh Hoan Feed 1;
- Decision dated May 30 2014 regarding the transfer of stake at Vinh Hoan Feed 1;
- Decision dated June 10 2014 on issuing ESOP shares (3rd time);
- Decision dated July 28 2014 on selling Treasury shares;
- Decision dated August 07 2014 on share acquisition at Van Duc Tien Giang;

- Decision dated August 15 2014 on selling 85% stake in Vinh Hoan (USA) Inc.;
- Decision dated October 28 2014 regarding 2014's stock dividend distribution;
- Decision dated December 08 2014 on formation of Vinh Hoan Hau Giang One Member LLC;
- Decision dated December 25 2014 on formation of Octogone Holdings Pte Ltd.

REPORT OF THE BOARD OF DIRECTORS ON FY14 BUSINESS RESULTS AND FY15 BUSINESS PLAN

In the year 2014, the Board of Directors (“BoD”) effectively exercised its supervision towards the Board of Management’s activities via below measures:

Frequent meetings on monthly and quarterly basis to discuss and agree on subsequent plans to reach business targets. BoD held 6 formal meetings and several ad hoc meetings to create positive connection and orientation for the Board of Management.

Frequent communication with managers in charge of new projects, businesses and finance to grasp the general outlook, to raise proper questions or give advisory comments.

Consulting on personnel organization to adapt with requirements of current and future projects.

Exchange of information and agreement on several issues under proper authority of the BoD, and in compliance with related laws and Company Charter, including the company trading transactions, establishment of new companies, dividend distribution plan, selling of Treasury shares.

Under the BoD’s acceptance, in 2014 the Board of Management had implemented the operating strategy focusing on capacity expansion of the core business, downsizing the rice business, and selling Vinh Hoan Feed 1 to Pimilco to yield notable income and profit. The effort to cut production costs, improve productivity coupled with favorable zero anti-dumping duty have acted as the dynamic for the Company to overachieve its revenue and profit plan set out by the shareholders.

Unit: VND billion

Item	Actual 2014	Plan 2014	% achieved
Consolidated Revenue	6,292	5,500	114.40%
Consolidated Net Profit after Tax	439	200	219.50%

Consolidated revenue soared 23.5% yoy, which mostly contributed by sales of finished products both in price and volume. Finished products alone yielded VND 4,680 billion, up 35% yoy. By-products sales also saw considerable growth of 29% yoy.

Main products’ gross profit margin was improved due to higher selling price and lower production costs, reaching 13.77% in 2014 versus 12.32% in 2013.

Export value reported US\$ 232 million, up 18% yoy. Vinh Hoan Corp, therefore, remained its market leadership in Vietnam pangasius industry.

Regarding the corporate governance, upon implementation the BoD’s requirements, the BoM also had its own positive adaptation in delegation by splitting the general targets into specific action plans allocated to each function. Besides, the BoM also established reporting framework and monthly monitoring activities with detailed reason analysis and solutions suggestion.

Additionally, the BoD also called for action in personnel enhancement for new projects and businesses. During the year, the Company had appointed specialized personnel (in lieu of previous concurrent staff) to complete its labor productivity, stabilize the human resources and facilitate recruitment process for future development needs.

Regarding the development orientation, the BoD agreed on development strategy focusing on its core business by capacity and market expansion plan in upcoming years, and delving into supporting product segments which both have synchronizing attributes with the major products and high tech.

The BoD will continue to communicate and advise the management on matters relating to mid and long-term strategies with emphasis on trade barriers, environmental and labor issues in order for the Company to growth with sustainability and to bring the best value to its shareholders.

REVENUE AND PROFIT

CRITERIA	ACTUAL 2013(VND BILLION)	ACTUAL 2014(VND BILLION)	ACTUAL 2015(VND BILLION)
CONSOLIDATED REVENUE	5,095	6,292	7,270
* Fillets, fishoil and fish meal	3,995	5,363	6,525
* Fish feed and others	722	527	530
* Rice	328	402	35
* Collagen and Gelatin	-	-	180
NET PROFIT AFTER TAX (Attributable to equity holders of the Company)	158	439	320
* Fillets, fishoil and fish meal	131.5	246	291
* Fish feed and others	40.8	63	12
* Rice	(13.7)	(13)	-
* Financial income from divestment in Vinh Hoan Feed 1	-	151	-
* Collagen and Gelatin	(0.6)	(8)	17

(#): Revenue and profit from fish feed in 2014: primarily contributed from operations of Vinh Hoan Feed 1
Revenue and profit from fish feed in 2015: primarily contributed from fish feed trading activity of Vinh Hoan

CAPEX PLAN

Capex plan in 2015 comprises of:

Expansion and upgrading of the fish processing factories and fish oil, fish meal workshops: VND 560 billion

Construction, purchases of machineries and equipment for remaining items in Vinh Hoan Collagen 5: VND 100 billion

Construction and expansion of farming area: VND 90 billion



REPORT
OF SUPERVISORY
BOARD

INSPECTION COMMITTEE MEMBERS



Ms. TRUONG TUYET HOA
Head of committee
Year of birth: 1976



Mr. TRAN MINH HAO
Member
Year of birth: 1980



Mr. PHAM LAM TRIEU
Member
Year of birth: 1982

REPORT OF SUPERVISORY BOARD

SUPERVISORY SCOPE IN 2014

In the year 2014, the SB had conducted below activities:

1. Evaluate the compliance with government regulations, industry's requirements, and corporate governance rules;
2. Consider and evaluate the BoD's activities relating to the execution of strategies, financial plans, and operating plans as approved by the shareholders in the Annual General Meeting;
3. Audit the periodical financial statements to evaluate its fairness, financial data's transparency; involve in the auditing process and consider the external auditor's recommendation to improve the Company's management;
4. Assist in the creation of management regulations and human resources policies;
5. Consider the decision relating to M&A activities and the formation of new businesses. Assure the feasibility and transparency of stake transfer process at Vinh Hoan Feed 1 and Van Duc Tien Giang.

EVALUATIONS & COMMENTS

On the BoD and BoM activities:

In 2014, the supervisory and management activities were in conformity with regulations and within the jurisdiction set out by the law and the Company Charter.

According to VASEP, Vinh Hoan's Pangasius export value reached US\$ 207 million, increasing its market share to 12%. During the year, the Company strove to expand its farming and processing capacity to obtain the core business'

economies of scale and optimize the costs to support its sales policies. The divestment in Vinh Hoan Feed 1 was a right step taken by the BoD to exploit the value chain to a deeper extent. That way, the available resources are prioritised for processing and exporting processes to improve its competence and exploit its strengths.

The management team constantly create dynamic and pressure on the system to accelerate the changes. The human resources policies based on performance are gradually taking effect.

On business performance:

Sales reported an increase of VND 1,197 billion yoy in 2014, up 23.5%. Net profit after tax, after removing the one-off income from M&A activities, reached VND 288 billion, up 82.3% yoy. EBITDA/Sales ratio was 11.9%, higher than 2013's 8.2%. The Company had outperformed the listed peers and the industry.

Based on the financial statements of 2014, external auditor's report, and the work conducted by the SB, in all material respects, the Supervisory Board did not discern any matter that can impair the true and fair of the financial statements for the year ended December 31, 2014. Neither did the SB discern any matter in accounting records retention and in general compliance with the Company's internal regulations.

RECOMMENDATIONS

The SB recommends that the BoD gives more attention to two focal points in 2015:

1. Completion of management regulation

The improvement of management structure needs to align with the production capacity expansion. Of which, the completion of management regulation is the key to ensure the Company is effectively operated and the internal control is transparent.

2. Succession planning

In view of forming the foundation for further developments at the international level and convergence into the world economy, the SB recommends that the BoD emphasizes on building its succession plan. Fundamental to this plan is preparing the next generation for new challenges. Human resources planning -the key for talent recruitment, training, performance evaluation- therefore need to be constantly improved and updated.

CONCLUSION

Vinh Hoan – one of the top Vietnamese processors, with its clear-cut vision and mission and outstanding achievements in 2014, is more confident about its consistent strategy of delving more into the value chain. Hopefully Vinh Hoan brand will come to consumers' awareness not only in Vietnam but also in the international arena.



REPORT OF
SUSTAINABLE
DEVELOPMENT

REPORT OF SUSTAINABLE DEVELOPMENT
SOCIAL RESPONSIBILITY OF 2014

In 2008, when the international certifications for Pangasius farming has not been widely introduced and applied, Vinh Hoan built Green Farm program based on the principles of environmental protection, community and social care, ensuring food safety and traceability. This program is the awareness and initiation of the Company for a sustainable development orientation today. Sustainable development is defined as the conditions under which human and nature coexist harmoniously; human beings are satisfied by its physical needs at the present without damaging nature and their own life in the future. Although further improvements are necessary, the development orientation of the Company has been steered consistently by not only the Boards but also the entire staff members. This orientation is not only the essential requirements of the markets and business environment, but also the basis for the Company to improve itself and its competitiveness. Vinh Hoan's footsteps in the process of sustainable development have been formed via high purchasing standards of import markets, which forced the Company to learn to respond accordingly. The Company also faces the pressure of constant improvement and self-differentiation. For over 17 years, Vinh Hoan has the most solid steps in the following areas of its sustainable development journey.

LABOR

Consumers are increasingly aware of human factor related to the products they consume. The requirements for workers and working environment are extremely concerned by global distributors and trading companies. However, apart from the requirements of external parties, for production activities, the Company acknowledges the significant value of the labor force in the achievement of business objectives. The first and most important basis is the consistent policy in compliance with the regulations of the State regarding labor, especially the salary, bonus, medical and social insurance.

This is the requirement of the Company's management for Administrative department despite the challenges of cost competitiveness. Company's viewpoint of competition regarding labor cost is not simply cutting expenses but looking for a suitable way to boost labor productivity, stimulate high performance workers and eliminate inefficient ones. That is the sustainable competition of labor cost, ensuring workers the fair wages for economic and spiritual stability for long-term effects. In 2014, the Company has passed social responsibility audit by major customers, specifically the most recent audit by Walmart. This has allowed the Company to standardize its system regarding labor relations to guarantee equal rights, freedom of participating in Company activities, non-discrimination, and collective negotiation. Occupational safety from the early days of operation has always been the primary concern of the Company. Occupational safety has been improved over the time, not only in the equipment, worker training to avoid accidents, but also aimed to reduce heavy workload and future occupational diseases of workers. The heavy workload such as receiving raw material will be mechanized. The Company has invested and experiment in automatic machine for activities consuming extra labor in farming.

Beyond the standards, regulations, and certifications, Vinh Hoan also differentiates itself by caring for its employees. Each employee from all departments,




direct or indirect, receives and feels the care for their lives, physical and spiritual needs. Therefore, Vinh Hoan is always thought highly by its customers and visitors regarding teamwork towards common goals, focus on the job and work for the Company's benefits. Moreover, the management understands the connection between labor productivity and stability and the conditions under which the employees feel healthy and excited going to work everyday. A typical example of this care is employee's meals. The Company repeatedly conducted

surveys from employees to improve and ensure their meals to be delicious, healthy and safe. Currently, besides the Company cafeteria, Labor Union also has its own food court to "non-profit" compete and ensure the quality of the meals. Some of

our customers had lunch with our employees at the cafeteria to assess objectively our employees' benefits. We are extremely

LABOR and ENVIRONMENT



grateful towards our customers for their concern and for the opportunity of showing the extra value of our products besides cost of goods sold. There are much more values sharing among the management and the employees, among friends and colleagues that can not be fully expressed via standards and certifications.

ENVIRONMENT

The environmental factors are mainly related to aquaculture and processing activities. First is the problem of wastewater treatment, which is a strict requirement of the government that Vinh Hoan always complies. It is also in the area of cost which is "impossible to cut" of the Company. In the long-term, the Company is planning to call for investment in bio-fertilizer project from sewage and sludge. Operation of a seafood business is always associated with the water, specifically water from Mekong River. The sustainability is clearly not to detriment to the river at any level because it is the future of our business.

In aquaculture, our farming areas with or without certifications are standardized and comply with the provisions relating to:

- Quality control of water in and out of the farming areas;
- Treat and monitor waste water;
- Review comprehensively the environmental impact by an independent third party and take measures to prevent or mitigate;
- Make sure not to affect the biological diversity of ecosystems surrounding farming areas, such as not letting the fish escape and become the threats to the survival of other aquatic species, not killing wild animals from endangered animal list, not destroying the important flora of the region;
- Evaluation, measurement, and permission related to water usage for the ponds, ensure not to affect the natural water reserves in the long-term future.



SOCIAL RESPONSIBILITY

With approximately 6,000 employees, mostly local residents, Vinh Hoan understands that in addition to expressing the gratitude for surrounding social community, paying attention to the life outside of the factory is indirectly caring for the lives of its own employees. Therefore, the Company's sponsorship and charity participation are not for the fame but the deep understanding of sustainability. Thus, the local community can live safe and healthy lives; children can receive proper education, which is the best investment for the future human resources. We always have consistent perspective and commit to fully implement our obligations to the local and State government, contributing to the local and State economy in order to receive the best conditions for our business activities. Over the years including 2014, Vinh Hoan are honored and awarded with the certificate "Top 10 enterprises in the province for fulfilling their tax obligations and obligation to the community".

In the scope of aquaculture, each of the Company's farming areas is audited by a third party in order to prevent and mitigate the negative impact on the surrounding society. Areas where Vinh Hoan locates its farms, concrete bridges were built connecting the most remote villages; countryside roads were lit up; and the locals started using electric power thanks to the infrastructure that Vinh Hoan built for its farms.

Vinh Hoan expresses gratitude towards the locals where the Company found the best resources for business development. The Company's return is a continuous and long-term responsibility for the community.



OTHER CRITERIA OF SUSTAINABLE DEVELOPMENT

FOOD SAFETY AND TRACEABILITY

One of the reasons why Vinh Hoan started building integrated business model is to ensure the best food safety practices and product traceability system. The compliance of product quality control and traceability systems is the essential requirements of import markets, while meeting the high standards of global distributors and retailers. During processing, the products must meet the standards for microbiological and antibiotic residues and are maintained under good conditions during transport and storage. The documentation of processing lines and finished products are recorded with cautious to ensure its comprehensiveness and availability upon customers' requests. Vinh Hoan's consistent viewpoint of quality control is to control the procedure and critical points instead of only focusing on the clearance of goods at destination ports. Our products are identified on each small unit packages by end-users and ensured with traceability back to farming in case of consumer claims. At aquaculture stage, documentations related to fish health, fish feed origin, and fish feed ingredients are recorded comprehensively to ensure the safety and sustainability (such as fish meal used in fish feed cannot be produced from unsustainable fisheries resources). Currently, responsibility for products is extended to animal welfare. Fish must be farmed, transported, and processed in humane and unstressful conditions. We meet all the requirements and standards with stringent control. However, customer complaints related to all matters are inevitable. The sustainability of our business is reflected in our professionalism and prestige in resolving complaints. That is the foundation of long-term business relationships and the choice of customers in an environment of fierce competition on pricing. More important than solving complaints is to set and implement corrective actions to eliminate similar complaints in the future. Vinh Hoan has always met this important aspect to increase product quality and customer service.

Going forward, besides maintaining and improving the existing system, we will develop more sustainable policies related to supply chain and commitment to expand to other parties in the value chain. For Company's management, to pursue the revenue and profit targets set by shareholders while not creating any conflicts with the Company's and development and environment in the future requires the understanding, effort, and determination. However, once we understand the implementation of sustainable development policies properly, it does not contradict with Company's target but promote for the profitability of the Company, and the conservation, recognition, and return to the community, help strengthening Vinh Hoan's reputation in the heart of the locals, customers, shareholders, and stakeholders.



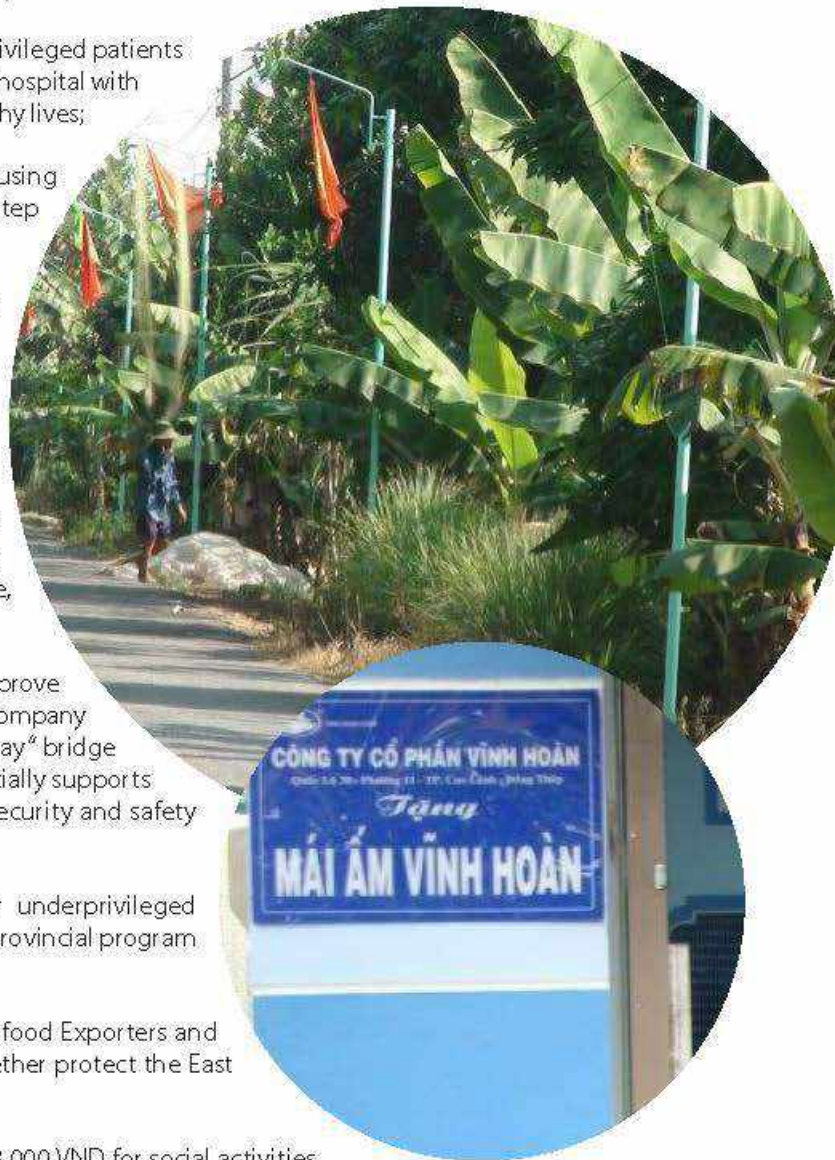
COMMUNITY RESPONSIBILITY

In addition to the outstanding business performance in 2014, as an annual tradition, the Company regularly participates in social and charity activities with the desire to share the difficulties with the poor. The activities that the Company carried out, include educational promotion programs, medical assistance for the elders, the disabled, bringing happiness to underprivileged children, taking care of veterans' parents, and other social activities such as supporting people affected by natural disasters, building bridges, houses, clinics, new rural constructions, and developing program "Lightening rural roads".

The outstanding activities that the Company has participated in 2014 include:

- Sponsorship for the disabled, orphans, and underprivileged patients undergoing cardiac surgeries – 7 patients from Cho Ray hospital with 170,746,958 VND, allowing these patients to have healthy lives;
- Support Binh Thanh People's Committee to build housing with 500,000,000 VND allowing the poor to get home, step by step to reduce poverty sustainably;
- Support the program "Shelter for soldiers at the border" with 120,000,000 VND;
- Continue with the program "Youth building a new countryside": the Company collaborate with Dong Thap government undertook the design and construction of the power line, maintenance for the old lines at over 30 rural provinces with 393,219,400 VND. With the humane and practical meaning, the program has received a strong support from the people, local government to complete the program.
- To mitigate the affect of traffic accidents, improve transportation system in the province in 2014, the Company supports with 300,000,000 VND to build "Ngon nha hay" bridge and repair some sections of rural roads as well as financially supports the local authorities in patrolling and protecting the security and safety of local traffic.
- Support educational promotion program for underprivileged students with outstanding per formances through the provincial program with 400,000,000 VND.
- In response to the Vietnamese Association of Seafood Exporters and Processors, the Company supports the program "Together protect the East Sea" with 1,000,000,000 VND.

In summary, in 2014, the Company has spent 3,827,118,000 VND for social activities, more than 20% compared to 2013.






**CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31 2014

VINH HOAN CORPORATION.





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STATEMENT OF THE GENERAL DIRECTOR

The General Director of Vinh Hoan Corporation presents this Statement together with the Consolidated Financial Statements for the fiscal year ended 31 December 2014, including the Financial Statements of Vinh Hoan Corporation (i.e. the Parent Company) and those of its subsidiaries (hereinafter collectively referred to as “the Group”).

BUSINESS HIGHLIGHTS

Parent Company

Vinh Hoan Corporation has been operating in accordance with the Business Registration Certificate No. 1400112623, which was firstly certified on 17 April 2007 and eighthly amended on 11 December 2014, granted by the Department of Planning and Investment of Dong Thap Province.

Charter capital as in the Business Registration Certificate: VND 924,039,430,000

Head office

Address : National Highway 30, Ward 11, Cao Lanh City, Dong Thap Province
Tel. : (84 - 67) 3891 166
Fax : (84 - 67) 3891 672
E-mail : vh@vinhhoan.com.vn
Tax code : 1400112623

Affiliate

Affiliate	Address
Branch of Vinh Hoan Corporation in Ho Chi Minh City	569-571-573 (Floors 8&9) Tran Hung Dao, Cau Kho Ward, District 01, Ho Chi Minh City

Principal business activities of Vinh Hoan Corporation as in the Business Registration Certificate are processing and preserving aquatic products and other products made from aquatic products; growing domestic aquatic animals; trading material and initially-processed agricultural products; trading materials serving the production and processing of aquatic products, processing feeds for aquatic animals; trading in aquatic products, food, agricultural products and animal products serving the production and processing of aquatic products and aquatic feeds; trading chemicals serving the production and processing of aquatic products and aquatic feeds; importing and trading fertilizers, trading aquatic veterinary medicines; producing cattle feeds, poultry feeds and aquatic feeds; trading in machinery and equipment serving the production and processing of aquatic products and aquatic feeds; producing paper packages ; printing packages of all kinds; constructing houses of all kinds; milling and polishing rice; trading real estate (except for providing real estate services), providing eco-tourism services; trading, exporting and importing rice; providing aquatic veterinary services (giving advice on the usage of drugs and feeds as well as on aquaculture techniques).

Subsidiaries

Subsidiary	Head office	Establishment license	Ownership rate
Vinh Hoan (USA) Inc.	No. 2, Mahogany Drive, Irvine, California 92620, USA	No. 34473 dated 19 January 2007 and the amended certificate No. BUS09-03694 dated 30 November 2009 granted by State of California, USA.	100%
Vinh Hoan 2 Food Co., Ltd.	Tan An Hamlet, Binh Thanh Trung Commune, Lap Vo District, Dong Thap Province	No. 1401420853 granted for the first time on 27 July 2011 and amended for the sixth time on 30 September 2013 by the Department of Planning and Investment of Dong Thap Province.	99.30%
Vinh Hoan 3 Food Co., Ltd.	Truong Xuan Industrial Group, Hamlet 4, Truong Xuan Commune, Thap Muoi District, Dong Thap Province.	No. 1401493918 dated 21 September 2011 and amended for the first time on 17 April 2012 granted by the Department of Planning and Investment of Dong Thap Province.	90%
Vinh Hoan Collagen 5 J.S.C	National Road 30, Ward 11, Cao Lanh City, Dong Thap Province	No. 1401587429 dated 02 December 2011 and amended for the 4th time on 22 May 2014 by the Department of Planning and Investment of Dong Thap Province	85%
Van Duc (Tien Giang) Food Export Processing Co., Ltd.	Dong Hoa Commune, Song Thuan Town, Chau Thanh District, Tien Giang Province	No. 1200667963 dated 22 June 2007 and amended for the thirteenth time on 21 August 2014 granted by the Department of Planning and Investment of Tien Giang Province	99.06%

MATERIAL EFFECTS ON THE GROUP'S OPERATIONS

The Group's profit has been significantly raised as compared to that of the previous year mainly due to the growth of sale volume and profit from sale of subsidiary.

During the year, Vinh Hoan Corporation additionally issued 30,801,240 shares to distribute dividends to its current shareholders and 197,790 shares under ESOP to employees following the Resolution dated 14 May 2014 of the Shareholders' Council. In addition, Vinh Hoan Corporation re-issued 1,198,750 treasury shares following the Meeting Minutes dated 16 July 2014 of the Board of Management.

As at 31 July 2014, Vinh Hoan Corporation sold its subsidiary – Vinh Hoan 1 Feed J.S.C.

FINANCIAL POSITION AND FINANCIAL PERFORMANCE

The consolidated financial position as at 31 December 2014, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group have been presented in the Consolidated Financial Statements enclosed with this Statement (from page 08 to page 43).

During the year, Vinh Hoan Corporation distributed its profits of the years 2013 and 2014 following the Resolution dated 14 May 2014 of the Shareholders' Annual Meeting and the Resolution dated 28 October 2014 of the Board of Management as follows:

Appropriation for bonus funds for the Executive Officers	VND 10,000,000,000
Distribution of dividends of 2013 in cash	VND 90,309,244,500
Distribution of dividends in shares	VND 308,012,400,000
Issuance of shares under ESOP to employees	VND 1,977,900,000
Total	VND 410,299,544,500

SUBSEQUENT EVENTS

As at 01 January 2015, Vinh Hoan Corporation has completed its transfer of 85% of its investment capital in Vinh Hoan (USA) Inc. at the transferring price of USD 425,000.00 following the Capital Transfer Agreement signed with the transferee on 15 August 2014.

Apart from the foregoing event, the General Director of Vinh Hoan Corporation hereby confirms that there have been no events from 31 December 2014 to the date of this Statement which need any adjustments on the figures or the disclosures in the Consolidated Financial Statements.

THE BOARD OF MANAGEMENT AND EXECUTIVE OFFICERS

The Board of Management and the Executive Officers of the Vinh Hoan Corporation during the year and as at the date of this Statement comprise:

The Board of Management

Full name	Position	Appointing date	Resigning date
Ms. Truong Thi Le Khanh	Chairwoman	01 April 2007	-
Ms. Nguyen Ngo Vi Tam	Member	01 April 2007	-
Mr. Huynh Duc Trung	Member	23 April 2009	-
Mr. Jean Eric Jacquemin	Member	25 April 2011	-
Mr. Vo Phu Duc	Member	09 May 2012	-

The Control Board

Full name	Position	Appointing date	Resigning date
Ms. Truong Tuyet Hoa	Head	09 May 2012	-
Mr. Pham Lam Trieu	Member	25 April 2013	-
Ms. Ho Thanh Hue	Member	23 April 2009	14 May 2014
Mr. Tran Minh Hao	Member	14 May 2014	-

The Executive Officers

Full name	Position	Appointing date	Resigning date
Ms. Truong Thi Le Khanh	General Director	01 April 2007	-
Ms. Truong Tuyet Phuong	Purchasing – HR Director	09 January 2014	-
Mr. Huynh Duc Trung	Project Director	09 January 2014	-
Ms. Nguyen Ngo Vi Tam	Sales & Marketing Director	09 January 2014	-
Ms. Nguyen Thi Kim Dao	Chief Financial Officer	01 January 2014	-
Ms. Ho Thanh Hue	Production Director	01 March 2014	-

AUDITORS

A&C Auditing and Consulting Co., Ltd. has performed the audit on the Consolidated Financial Statements for the fiscal year ended 31 December 2014, and has expressed its willingness to be appointed the Group's external auditor.

RESPONSIBILITIES OF THE GENERAL DIRECTOR

The General Director of Vinh Hoan Corporation is responsible for the preparation of the Consolidated Financial Statements to give a true and fair view of the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group. In order to prepare these Consolidated Financial Statements, the General Director of Vinh Hoan Corporation is required to:

Select the appropriate accounting policies and apply them consistently;

Make judgment and estimates prudently;

State clearly whether the accounting standards applied to the Group are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements;

Prepare the Consolidated Financial Statements of the Group on the going-concern basis, except for the cases that the going-concern basis is considered inappropriate;

Design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Consolidated Financial Statements are free from material misstatements due to frauds or errors.

The General Director of Vinh Hoan Corporation hereby ensures that all the requirements mentioned above have been followed when the Consolidated Financial Statements are prepared, that all the accounting books of the Group have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the Consolidated Financial Statements have been prepared in compliance with the Vietnamese Accounting Standards and System, which were issued together with Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other circulars of the Ministry of Finance giving guidance on the application of the Vietnamese Accounting Standards and System.

The General Director of Vinh Hoan Corporation is also responsible for protecting the assets of the Group and consequently has taken appropriate measures to prevent and to detect frauds and other irregularities.

APPROVAL ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Chief Financial Officer of Vinh Hoan Corporation hereby approves the accompanying Consolidated Financial Statements, which can truly and fairly present the consolidated financial position as at 31 December 2014, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and System, which were issued together with Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other Circulars giving guidance on the application of the Vietnamese Accounting Standards and System of the Ministry of Finance.



Nguyen Thi Kim Dao
Chief Financial Officer
Date:..... 2015

INDEPENDENT AUDITOR'S REPORT

To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE
GENERAL DIRECTOR OF VINH HOAN CORPORATION

We have audited the accompanying Consolidated Financial Statements of Vinh Hoan Corporation, comprising of Financial Statements of Vinh Hoan Corporation and those of its subsidiaries (the list of subsidiaries is presented in the Note I.5) (hereinafter collectively referred to as "the Group"), including the Consolidated Balance Sheet as at 31 December 2014, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements, which were prepared on 25 March 2015 (from page 137 to page 171).

RESPONSIBILITIES OF THE GENERAL DIRECTOR

The General Director of Vinh Hoan Corporation is responsible for the preparation, true and fair presentation of the Consolidated Financial Statements of the Group in accordance with the Vietnamese Accounting Standards and System and other relevant legal regulations on the preparation and presentation of Consolidated Financial Statements; and responsible for the internal control that the General Director of Vinh Hoan Corporation determines necessary to enable the preparation and presentation of the Financial Statements to be free from material misstatements due to frauds or errors.

RESPONSIBILITIES OF AUDITORS

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 standards and 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 auditor's 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 auditor considers internal control relevant to the Group's preparation and true 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 the General Director of Vinh Hoan Corporation, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide basis for our audit opinion

OPINION OF AUDITORS

In our opinion, the Consolidated Financial Statements referred to above give a true and fair view, in all material respects, of the consolidated financial position as at 31 December 2014, the consolidated financial performance, and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and System as well as other related legal regulations on preparation and presentation of Consolidated Financial Statements..

This Report is made in two languages (Vietnamese and English), both of equal validity. The Vietnamese version shall be the original for the reference when needed.

For and on behalf of

A&C Auditing and Consulting Co., Ltd



Bui Van Kha - Deputy General Director
Audit Practice Registration Certificate No. 0085-2013-008-1
Ho Chi Minh City, 2015

Phan Vu Cong Ba - Auditor
Audit Practice Registration Certificate No. 0197-2013-008-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A-CURRENT ASSETS	100		3,118,825,508,618	1,660,675,423,471
I. Cash and cash equivalents	110	V.1	89,237,664,563	73,328,912,771
1. Cash	111		89,237,664,563	73,328,912,771
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		802,451,008,141	240,977,578
1. Short-term investment	121	V.2	802,451,008,141	240,977,578
2. Provisions for devaluation of short-term investments	129		-	-
III. Short-term receivables	130		670,183,505,921	416,902,748,935
1. Trade receivables	131	V.3	555,016,301,366	358,814,540,235
2. Prepayments to suppliers	132	V.4	89,449,131,841	61,061,119,631
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Other receivables	135	V.5	34,356,236,070	5,594,717,021
6. Allowance for doubtful debts	139	V.6	(8,638,163,356)	(8,567,627,952)
IV. Inventories	140		1,454,624,584,803	1,097,463,537,707
1. Inventories	141	V.7	1,509,663,104,281	1,154,642,895,108
2. Allowance for inventories	149	V.8	(55,038,519,478)	(57,179,357,401)
V. Other current assets	150		102,328,745,190	72,739,246,480
1. Short-term prepaid expenses	151	V.9	4,052,962,667	4,499,978,448
2. Deductible VAT	152		53,919,551,759	45,598,213,424
3. Taxes and other accounts receivable from the State	154	V.22	575,222,399	127,746,901
4. Trading Government bonds	157		-	-
5. Other current assets	158	V.10	43,781,008,365	22,513,307,707

For the fiscal year ended 31 December 2014

ASSETS	Code	Note	Ending balance	Beginning balance
B-NON-CURRENT ASSETS	200		1,373,138,678,896	888,941,372,566
I. Long-term receivables	210		-	-
1. Long-term trade receivables	211		-	-
2. Working capital in affiliates	212		-	-
3. Long-term inter-company receivable	213		-	-
4. Other long-term receivable	218		-	-
5. Allowance for doubtful debts	219		-	-
II. Fixed assets	220		1,170,201,946,247	807,040,605,187
1. Tangible fixed assets	221	V.11	915,500,248,665	605,412,947,516
<i>Historical cost</i>	222		1,460,364,578,367	1,083,747,762,101
<i>Accumulated depreciation</i>	223		(544,864,329,702)	(478,334,814,585)
2. Financial leased assets	224		-	-
<i>Historical cost</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.12	120,448,890,982	86,074,073,974
<i>Initial costs</i>	228		130,634,567,558	89,430,154,846
<i>Accumulated amortization</i>	229		(10,185,676,576)	(3,356,080,872)
4. Construction-in-progress	230	V.13	134,252,806,600	115,553,583,697
III. Real estate investment	240		-	-
Historical costs	241		-	-
Accumulated depreciation	242		-	-
IV. Long-term investments	250		2,045,847,888	7,697,000,726
1. Investments in subsidiaries	251	V.14	-	-
2. Investments in associates	252		-	-
3. Other long-term investments	258	V.15	2,045,847,888	7,697,000,726
4. Provisions for devaluation of long-term financial investments	259		-	-
V. Other non-current assets	260		110,350,163,629	74,203,766,653
1. Long-term prepaid expenses	261	V.16	83,287,568,218	48,077,487,614
2. Deferred income tax assets	262	V.17	4,050,170,875	3,329,418,949
3. Other non-current assets	268	V.18	23,012,424,536	22,796,860,090
VI. Goodwill	269		90,540,721,132	-
TOTAL ASSETS	270		4,491,964,187,514	2,549,616,796,037

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
A-LIABILITIES	300		2,605,206,164,864	993,334,622,290
I. Current liabilities	310		2,533,902,252,388	901,954,660,554
1. Short-term borrowings	311	V.19	2,035,705,398,842	512,222,635,038
2. Trade payables	312	V.20	245,560,157,277	84,102,525,240
3. Advances from customers	313	V.21	11,631,558,268	8,372,038,166
4. Taxes and other obligations payable to State Budget	314	V.22	13,395,750,923	11,873,863,732
5. Payable to employees	315	V.23	70,592,690,941	53,270,413,299
6. Accrued expenses	316	V.24	18,864,046,674	19,912,570,969
7. Inter-company payables	317		-	-
8. Payable according to the progress of construction contracts	318		-	-
9. Other payable	319	V.25	37,704,805,919	108,043,114,010
10. Provisions for short-term payables	320	V.26	43,100,000,000	43,100,000,000
11. Bonus and welfare funds	323	V.27	57,347,843,544	61,057,500,100
12. Trading Government bonds	327		-	-
II. Long-term liabilities	330		71,303,912,476	91,379,961,736
1. Long-term trade payables	331		-	-
2. Long-term inter-company payables	332		-	-
3. Other long-term payables	333		-	-
4. Long-term borrowings	334	V.28	63,546,765,919	84,116,433,338
5. Deferred income tax payable	335	V.29	7,757,146,557	7,263,528,398
6. Provisions for unemployment allowances	336		-	-
7. Provisions for long-term payables	337		-	-
8. Unearned revenues	338		-	-
9. Science and technology development funds	339		-	-
B-OWNER'S EQUITY	400		1,869,914,277,690	1,467,893,650,986
I. Owner's equity	410		1,869,914,277,690	1,467,893,650,986
1. Capital	411	V.30	924,039,430,000	614,049,130,000
2. Share premiums	412	V.30	216,409,744,645	190,492,000,000
3. Other sources of capital	413		-	-
4. Treasury stocks	414	V.30	-	(36,897,215,355)

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416	V.30	4,596,414,898	4,233,565,274
7. Investment and development fund	417		-	-
8. Financial reserved fund	418		-	-
9. Other funds	419		-	-
10. Retained earnings	420	V.30	724,868,688,147	696,016,171,067
11. Construction investment fund	421		-	-
12. Business arrangement supporting fund	422			
II. Other sources and funds	430		-	-
1. Sources of expenditure	432		-	-
2. Fund to form fixed assets	433		-	-
C-INTEREST OF MINORITY SHAREHOLDERS	439	V.31	16,843,744,960	88,388,522,761
TOTAL LIABILITIES AND OWNER'S EQUITY	440		4,491,964,187,514	2,549,616,796,037

OFF-BALANCE SHEET ITEMS

ITEM	Note	Ending balance	Beginning balance
Leasehold assets		-	-
Materials and goods kept or processed for others		-	-
Goods deposited by others		-	-
Treated doubtful debts		-	-
Foreign currencies:			
-US Dollar (USD)		3,547,063.25	1,091,851.44
-Euro (EUR)		638.17	284.70
-Chinese Yuan (CNY)		3,436.00	-
Estimates for non-business and project expenditure		-	-


Ha Thi Phuong Thuy Hong Nhung
Preparer


Ha Thi Phuong Thuy Hong Nhung
Chief Accountant

Dong Thap, 25 March 2015


CÔNG TY
CỔ PHẦN
VĨNH HOÀN
Nguyễn Thị Kim Đào
Chief Financial Officer

CONSOLIDATED INCOME STATEMENT

Year 2014

Unit: VND

ITEM	Code	Note	Current year	Previous year
1. Sales	01	VI.1	6,300,114,589,793	5,104,982,308,957
2. Sales deductions	02	VI.1	7,665,955,244	9,970,397,459
3. Net sales	10	VI.1	6,292,448,634,549	5,095,011,911,498
4. Cost of sales	11	VI.2	5,469,173,184,569	4,491,390,771,560
5. Gross profit	20		823,275,449,980	603,621,139,938
6. Financial income	21	VI.3	238,197,793,288	93,375,830,680
7. Financial expenses	22	VI.4	64,703,900,365	90,566,596,204
In which: Loan interest expenses	23		38,437,879,203	77,556,979,729
8. Selling expenses	24	VI.5	245,140,954,972	247,603,991,011
9. General and administration expenses	25	VI.6	161,644,877,846	136,205,793,637
10. Net operating profit	30		589,983,510,085	222,620,589,766
11. Other income	31	VI.7	6,516,783,102	14,623,995,133
12. Other expenses	32	VI.8	9,438,227,217	9,697,712,678
13. Other profit/ (loss)	40		(2,921,444,115)	4,926,282,455
14. Profit/ (loss) from affiliates	45		-	-
15. Total accounting profit before tax	50		587,062,065,970	227,546,872,221
16. Current income tax	51	V.22	124,375,704,473	41,637,653,583
17. Deferred income tax	52	VI.9	(227,133,767)	9,871,308,972
18. Profit after tax	60		462,913,495,264	176,037,909,666
18.1. Profit after tax of minority shareholders	61		23,761,433,684	17,651,998,211
18.2. Profit after tax of parent company's shareholders	62		439,152,061,580	158,385,911,455
19. Basic earnings per share	70	VI.10	4,806	1,737

Ha Thi Phuong Thuy Hong Nhung
Preparer

Ha Thi Phuong Thuy Hong Nhung
Chief Accountant

Dong Thap, 25 March 2015



CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

Year 2014

Unit: VND

I. CASH FLOWS FROM OPERATING ACTIVITIES

ITEM	Code	Note	Current year	Previous year
1. Profit before tax	01		587,062,065,970	227,546,872,221
2. Adjustments				
- Depreciation of fixed assets	02	V.11, V.12	120,830,567,381	110,824,016,997
- Provisions	03	V.8	(4,584,173,248)	(1,793,826,454)
- Unrealised foreign exchange (gain)/ loss	04	VI.3, VI.4	4,639,431,082	2,897,171
- Gain/ (loss) from investing activities	05	VI.3	(210,448,590,756)	(78,863,053,937)
- Interest expenses	06	VI.4	38,437,879,203	77,556,979,729
3. Operating profit/(loss) before	08		535,937,179,632	335,273,885,727
- Increase/(decrease) of receivables	09		(114,481,540,104)	27,594,604,391
- Increase/(decrease) of inventories	10		(216,611,547,401)	(107,560,055,218)
- Increase/ (decrease) of payables	11		31,677,833,432	(53,056,995,607)
- Increase/ (decrease) of prepaid expenses	12		(1,961,902,612)	(6,458,922,724)
- Interests paid	13	V.24, VI.4	(39,068,352,211)	(79,132,794,650)
- Corporate income tax paid	14	V.22	(125,850,606,493)	(46,316,451,465)
- Other cash inflows	15		8,435,319,176	2,345,845,654
- Other cash outflows	16		(14,489,454,497)	(11,024,837,358)
Net cash flows from operating activities	20		63,586,928,922	61,664,278,750

II. CASH FLOWS FROM INVESTING ACTIVITIES

ITEM	Code	Note	Current year	Previous year
1. Purchases and construction of fixed assets and other long-term assets	21	V.11, V.12, V.13, VII	(361,515,858,300)	(197,330,850,192)
2. Proceeds from disposals of fixed assets and other long-term assets	22		3,027,265,486	447,160,455
3. Cash outflow for lending, buying debt instruments of other entities	23		(1,132,210,030,563)	(200,023,926,798)
4. Cash recovered from lending, selling debt instruments of other entities	24		331,022,158,190	940,540,794,196
5. Investments into other entities	25		(356,600,000,000)	-
6. Withdrawals of investments in other entities	26		404,022,941,627	-
7. Interest earned, dividends and profits received	27		14,840,314,215	95,368,266,329
Net cash flows from investing activities	30		(1,097,413,209,345)	639,001,443,990

For the fiscal year ended 31 December 2014

III. CASH FLOWS FROM FINANCING ACTIVITIES

ITEM	Code	Note	Current year	Previous year
1. Proceeds from issuing stocks and capital contributions from shareholders	31		135,765,000,000	
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from short-term and long-term borrowings	33	V.19	5,957,019,471,672	5,626,568,523,538
4. Repayment for loan principal	34	V.19, V.28	(4,875,020,537,130)	(6,285,157,765,883)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36	V.30	(168,389,466,675)	(4,507,494,000)
Net cash flows from financing activities	40		1,049,374,467,867	(663,096,736,345)
Beginning cash and cash equivalents	50		15,548,187,444	37,568,986,395
Effects of fluctuations in foreign exchange rates	60	V.1	73,328,912,771	35,542,358,549
Effects of fluctuations in foreign exchange rates	61		360,564,348	217,567,827

Ending cash and cash equivalents	70	V.1	89,237,664,563	73,328,912,771
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Ha Thi Phuong Thuy Hong Nhung
Preparer



Ha Thi Phuong Thuy Hong Nhung
Chief Accountant

Dong Thap, 25 March 2015



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year 2014

The Consolidated Financial Statements of Vinh Hoan Corporation for the fiscal year ended 31 December 2014 comprise of Financial Statements of Vinh Hoan Corporation (hereinafter referred to as “the Parent Company”) and those of its subsidiaries (hereinafter collectively referred to as “the Group”).

I. GENERAL INFORMATION

- 1. Investment form of Parent Company** : a joint stock company
- 2. Operating sector** : manufacturing - processing
- 3. Main operations** : Growing domestic aquatic animals; processing and preserving aquatic products and other products made from aquatic products; trading in aquatic products; trading machinery and equipment, chemicals, agricultural products, animal products, materials serving production and processing of aquatic products, processing feeds for aquatic animals; producing and trading cattle feeds, poultry feeds, aquatic feeds, and aquatic veterinary medicines; milling and producing raw powder; wholesaling rice; extracting and manufacturing gelatin and hydrolysis collagen; manufacturing cosmetics; manufacturing chemical and pharmaceutical products; importing and exporting gelatin, hydrolysis collagen, chemical and pharmaceutical products; importing chemicals, materials and supplies for manufacturing gelatine and hydrolysis collagen, chemical and pharmaceutical products, cosmetics and supplementary foodstuff; importing and exporting cosmetics; importing and exporting supplementary foodstuff
- 4. Total number of subsidiaries** : 06
- In which:
- Number of subsidiaries to be consolidated : 06

5. List of key subsidiaries to be consolidated

Subsidiary	Head office	Ownership rate	Voting right
Vinh Hoan 1 Feed J.S.C.	National Highway 30, Thanh Binh Industrial Group, Thanh Binh District, Dong Thap Province	69.80%	69.80%
Vinh Hoan (USA) Inc.	No. 2 , Mahogany Drive, Irvine, California 92620, USA	100%	100%
Vinh Hoan 2 Food Co., Ltd.	Tan An Hamlet, Binh Thanh Trung Commune, Lap Vo District, Dong Thap Province	99.3%	99.3%
Vinh Hoan 3 Food Co., Ltd.	Truong Xuan Industrial Group, Hamlet 4, Truong Xuan Commune, Thap Muoi District, Dong Thap Province.	100%	100%
Vinh Hoan 5 Collagen J.S.C.	National Road 30, Ward 11, Cao Lanh City, Dong Thap Province	97.14%	97.14%
Van Duc (Tien Giang) Food Export Processing Co., Ltd.-	Dong Hoa Commune, Song Thuan Town, Chau Thanh District, Tien Giang Province	99.06%	99.06%

(*) Only the figures arisen in the first 07 months of 2014 of Vinh Hoan 1 Feed J.S.C are consolidated into the Group's results of operations.

6. Material effects on the Group's operations

The Group's profit has been significantly raised as compared to that of the previous year mainly due to the growth of sale volume and profit from sale of subsidiary.

During the year, Vinh Hoan Corporation additionally issued 30,801,240 shares to distribute dividends to its current shareholders and 197,790 shares under ESOP to employees following the Resolution dated 14 May 2014 of the Shareholders' Council. In addition, Vinh Hoan Corporation re-issued 1,198,750 treasury shares following the Meeting Minutes dated 16 July 2014 of the Board of Management.

As at 31 July 2014, Vinh Hoan Corporation sold its subsidiary – Vinh Hoan 1 Feed J.S.C.

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

The fiscal year of the Group begins on 01 January and ends on 31 December annually.

2. Currency united used in preparing Consolidated Financial Statements

The Consolidated Financial Statements are presented in Vietnam Dong (VND).

III. ACCOUNTING SYSTEM AND STANDARDS

1. Accounting system

The Consolidated Financial Statements are prepared in line with the Vietnamese Accounting System, which was issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other Circulars giving guidance on the application of the Vietnamese Accounting Standards and System of the Ministry of Finance.

2. Statement on the compliance with the Vietnamese Accounting Standards and System

The General Director of Vinh Hoan Corporation ensured to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance as well as the Circulars of the Ministry of Finance giving guidance on the implementation of the Vietnamese Accounting Standards and System, in the preparation of these Consolidated Financial Statements.

On 22 December 2014, the Ministry of Finance released the following Circulars:

- Circular No. 200/2014/TT-BTC guiding the Vietnamese Accounting System in replacement for the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance;
- Circular No. 202/2014/TT-BTC guiding the preparation of Consolidated Financial Statements in replacement for guidance regarding the preparation of Consolidated Financial Statements as specified in the Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance.

The regulations of these Circulars are applied to the bookkeeping, preparations and presentations of the Financial Statements for the year 2015 onwards.

3. Accounting form

The Group companies have used the accounting form of general journal recording.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the Consolidated Financial Statements are prepared on the accrual basis (except for the information relating to cash flows).

2. Consolidation bases

The Consolidated Financial Statements comprise of the Financial Statements of Vinh Hoan Corporation (i.e. Parent Company) and those of its subsidiaries. A subsidiary is an entity that is controlled by the parent company. The control exists when the parent company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the options that are currently valid or shall be transferred should also be taken into consideration.

The financial performances of a subsidiary, which is bought or sold during the year, are included in the consolidated income statements from the date of acquisition or until the date of selling investments in that subsidiary.

In the case that the accounting policy of a subsidiary is different from the accounting policy applied consistently in the Group, the Financial Statements of that subsidiary shall be suitably adjusted before being used for the preparation of the consolidated financial statements.

Intra-group balances in the balance sheet and intra-group transactions and unrealized profits resulting from these transactions are eliminated when the Consolidated Financial Statements are prepared. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

Interests of minority shareholders reflect the amount of the subsidiary's profit and net assets, which are not held by the shareholders of the parent company. Interests of minority shareholders are presented in a particular item in consolidated income statement and consolidated balance sheet. Interests of minority shareholders include the value of benefits of the minority shareholders as at the initial date of business consolidation and the amount of benefits of the minority shareholders in the statement of fluctuations of the owner's equity from the date of business consolidation. The losses correspondingly with the amount of capital of the minority shareholders, which are exceeded their amount of capital in the owner's equity of the subsidiary, are recorded as a decrease in the benefits of the Group unless the minority shareholders are responsible and possible to compensate for these losses.

3. Business merging

The business merging is recorded in line with its purchasing method. The costs of business merging include the fair values as at the transaction date of the exchanged assets, the liabilities which are already generated or acknowledged as well as the capital instruments issued by the Group to obtain the right to control the acquired business entity, plus the expenses directly related to the business merging. The purchased assets, the liabilities which are able to be determined and the inherent liabilities arisen from the business merging are recognized at their fair values as at the date of business merging.

The difference between the cost of business merging and the ownership share of the Group in the net fair value of the assets, the liabilities which are able to be determined and the recognized inherent liabilities of the acquired business entity as at the acquisition date is recorded as a goodwill. If the cost of business merging is lower than the net fair value of assets, the liabilities which are able to be determined and the recognized inherent liabilities of the acquired business entity, the difference shall be included into the financial performance during the period when the acquisition transaction is generated.

4. Goodwill

Goodwill is the difference between acquisition costs and the Group's benefit in the net determinable and realizable values of assets and liabilities as well as the contingent liabilities of subsidiaries, associates and jointly controlled entities as at the acquisition dates. Goodwill is recognized as an asset in the Consolidated Balance

Sheet and are allocated into expenses in line with the straight-line method in 10 years.

When a subsidiary or associate is sold, the carrying value of goodwill relating to this entity is recognized into the financial performance.

5. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates cannot exceed 03 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash.

6. Inventories

Inventories are recorded at their original costs. Costs of inventories comprise all costs of purchases, cost of conversions and other costs incurred in bringing the inventories to their present location and conditions.

Costs of inventories are determined in accordance with the weighted average method and are recorded in line with the perpetual method.

Allowance for devaluation of inventories is recognized when their costs are higher than their net realizable values. Net realizable value is the estimated selling price of inventories less the estimated costs of completion and the estimated costs necessary to make the sale.

Any increases/ (decreases) in the balances of allowances for devaluation of inventories are recognized in the item "costs of sales" during the year.

7. Trade receivables and other receivables

Trade receivables and other receivables are recognized at the values on supporting documents and invoices.

Allowances for doubtful debts are made for each bad debt basing on outstanding debt ages or estimates for possible losses. Details are as follows:

- As for outstanding debts:
 - Allowances are made at the rate of 30% of the value of debts outstanding from over 06 months to less than 01 year;
 - Allowances are made at the rate of 50% of the value of debts outstanding from 01 year to less than 02 years;
 - Allowances are made at the rate of 70% of the value of debts outstanding from 02 years to less than 03 years;
 - Allowances are made at the rate of 100% of the value of debts outstanding for over 03 years.
- As for doubtful debts: allowances are made basing on the estimated loss.

Any increases/ (decreases) in the balances of the allowances for doubtful debts are recognized in item "general and administration expenses" during the year.

8. Tangible fixed assets

Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the Group to have these fixed assets as at the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those, which do not meet the above conditions, shall be recorded into expenses during the period.

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) from the liquidation are posted into the income or the expenses during the period.

Fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The

depreciation years applied are as follows:

Fixed assets	Years
Buildings and structures	05 - 25
Machinery and equipment	03 - 10
Vehicles	04 - 06
Office equipment	03 - 06

9. Operating leased assets

The Group as the lessee

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Group's operating expenses in accordance with the straight-line method over the lease term and are not subject to the method of lease payment.

10. Intangible fixed assets

Intangible fixed assets are presented at their initial costs less accumulated amortization. Intangible fixed assets of the Group comprise of:

Land use right

The land use right presents the actual expenses relating to the land being used such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground leveling, registration fees, etc. The permanent land use right is not amortized. The impermanent land use right is amortized according to the period of land assignment.

Computer software

The buying expenses of computer software which are not an integral part of related hardware are capitalized. Initial cost of computer software includes all the expenses paid until the date the software is put into use. Computer software is amortized in line with the straight-line method in the period from 4 to 5 years.

11. Construction-in-progress

Expenses on construction-in-progress reflect the expenses pertaining to the construction of fish raising ponds, acquisitions of fixed assets and machinery installation, which have not been completed. These assets are still under construction; therefore, they have not been depreciated.

12. Borrowing costs

Borrowing costs are recognized as an expense when it is incurred. In case the borrowing costs are directly related to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs shall be capitalized.

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization shall be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the year, except for particular borrowings serving the purpose of obtaining a specific asset.

13. Long-term prepaid expenses

Tool expenses

Expenses on tools being put into use are allocated into the expenses during the year in accordance with the straight-line method for the periods from 02 years to 03 years.

Land rental

Establishment costs include all costs paid for establishment of the company. These costs are allocated into expenses in accordance with the straight-line method in 03 years from the date the company officially comes into operation.

Establishment costs

Establishment costs include all costs paid for establishment of the company. These costs are allocated into expenses in accordance with the straight-line method in 03 years from the date the company officially comes into operation.

Pre-operation costs

Pre-operation costs include training, advertisement and sales promotion expenses prior to the date the company officially comes into operation. These costs are allocated into expenses in accordance with the straight-line method in 03 years from the date the company officially comes into operation.

14. Accrued expenses

Accrued expenses are recorded, based on reasonable estimates on the amounts payable for merchandises and services already used.

15. Severance allowances

The Group has to pay for severance allowances to the employees who have worked for the Group for 12 months or more. The payment for severance allowances is at 1/2 average monthly salary plus the salary allowances (if any) within 06 consecutive months prior to the resigning date for one working year as for the period the employees do not do not join in unemployment insurance plan.

Severance allowances are recognized in the "general and administration expenses" upon the actual payments to employees.

16. Provisions for payables

Provisions are recorded when the Group has legal obligations or joint obligations resulted from an event in the past and is able to make payment for the accounts. Provisions are determined on the basis of the estimates of necessary expenses to settle the obligation as at the balance sheet date. If time causes material effects, the provisions shall be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money and the specific risks from this liability in the current market. The increase in provisions due to the effect of time shall be recognized as an interest expense.

17. Capital

Owner's equity

The Group's source of capital is the owner's equity recognized basing on the actual investments from shareholders of Vinh Hoan Corporation.

Share premiums

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury stocks. Expenses directly related to the additional issue of stocks and the re-issuance of

treasury stocks are recorded as a decrease in "Share premiums".

Treasury shares

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury stocks and is recorded as a decrease in owner's equity. When this share capital is re-issued, the difference between the re-issuance price and carrying value of treasury stocks is recorded in "Share premiums".

18. Dividends

Dividends are recorded as liabilities when they are disclosed.

19. Appropriations for funds

Bonus and welfare funds are appropriated for the purpose of rewarding, encouraging the physical benefits, improving and raising the physical and moral lives for employees. These funds are appropriated in accordance with the Resolution of the Shareholders' Annual Meeting.

20. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Consolidated Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered as at the balance sheet date and shall be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as at the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as at the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax shall be included in the owner's equity.

21. Foreign currency transactions

Foreign currency denominated transactions are converted at the actual exchange rates ruling as at the transaction dates. The ending balances of foreign currency denominated monetary items are converted at the actual exchange rates ruling as at the balance sheet date.

The foreign exchange differences, which arise from transactions of monetary items in foreign currencies and the differences on foreign exchange rates due to the revaluation of the ending balances of the monetary items in foreign currencies during the year, after offsetting their positive differences against negative differences, shall be recorded into the financial income or the financial expenses.

The exchange rates used to convert the transactions in foreign currencies are the actual exchange rates of the commercial banks that make transactions with the Group at the time of making the transactions. The exchange rates used to revalue the ending balances of monetary items in foreign currencies are the buying exchange rate or the average inter-bank exchange rates disclosed by the bank where the Group opens its account as at the balance sheet date.

Exchange rates used as at	31 December 2013	:	VND 21,036 /USD
	31 December 2014	:	VND 21,369 /USD

22. Recognition of sales and incomes

Sales of merchandises and finished goods

Sales of merchandises and finished goods are recognized when most of risks and benefits incident to the ownership and management rights of those merchandises and finished goods are transferred to buyers and there are no uncertainties related to payments, additional costs, or sales returns.

Sales of service provision

Sales of service provision are recognized when there are no significant uncertainties related to payments or additional costs. In the case that the services are provided in many accounting periods, the determination of sales is done on the basis of the service completion rate as at the balance sheet date.

Interest

Interests are recorded basing on the term and the interest rates applied in each particular period.

23. Financial assets

Classification of financial assets

The classification of financial assets depends on their natures and purposes and is determined at the date of initial recognition. The financial assets of the Group comprise held-to-maturity investments, loans and receivables.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity periods that the Group intends and is able to hold to maturity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed in the market.

Initial recognition of a financial asset

A financial asset is recognized at the acquisition date and derecognized at the selling date. At the date of initial recognition, a financial asset is recognized at initial costs plus other costs pertaining to the acquisition or issuance of that financial asset.

24. Financial liabilities and equity instruments

Financial instruments are classified as financial liabilities or equity instruments upon the dates of initial recognition in conformity with the natures and definitions of financial liabilities or equity instruments.

Financial liabilities

The classification of financial liabilities depends on their natures and purposes and is determined at the date of initial recognition. The financial liabilities of the Group comprise of trade payables, borrowings and other payables.

At the date of initial recognition, other financial liabilities are recorded at initial costs plus other costs pertaining to those financial liabilities.

Amortized value is measured by the initial value of financial liabilities minus the principal amounts then plus/minus the accumulated amortized amounts which are calculated by applying the effective interest method to the difference between initial value and the due value, then minus deductions (direct deductions or deductions by using a provisional account) due to devaluation or unrecoverable amount.

The effective interest method is used to calculate the amortized value of one or a group of financial liabilities and to allocate the interest income or interest expenses in relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or during a shorter period (if necessary) to the current net carrying value of the financial liability.

Equity instrument

Equity instrument is the contract which can prove the remaining benefits in the assets of the Group after deducting all of its liabilities.

25. Offsetting financial instruments

Financial assets and financial liabilities shall be offset against each other and reflected at their net values in the Balance Sheet only if the Group:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to recognize the asset and to settle the liability simultaneously.

26. Segment reporting

A business segment is a distinguishable component of the Group that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Group that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

27. Related parties

A party is considered a related party of the Group in case that party is able to control the Group or to cause material effects on the financial decisions as well as the operations of the Group. A party is also considered a related party of the Group in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

Transactions with the related parties during the year are presented in Note VIII.2.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET

1. Cash and cash equivalents

	Ending balance	Beginning balance
Cash on hand	5,227,149,437	2,826,153,335
Cash at banks	84,010,515,126	70,502,759,436
Cộng	89,237,664,563	73,328,912,771

2. Short-term investments

This item presents the deposits having terms from 03 months to less than 01 year. In which, the term deposit of VND 330 billion has been pledged to secure the loan from Vietcombank – Ho Chi Minh City.

3. Trade receivables

	Ending balance	Beginning balance
At Vinh Hoan Corporation(*)	165,841,543,985	169,900,127,143
At Vinh Hoan 1 Feed J.S.C	-	14,493,504,694
At Vinh Hoan 2 Food Co., Ltd.	747,904,000	1,333,675,000
At Vinh Hoan (USA) Inc.	381,808,219,124	173,087,233,398
At Van Duc (Tien Giang) Food Export Processing Co., Ltd.	6,618,634,257	-
Total	555,016,301,366	358,814,540,235

(*) Some of trade receivables of totally VND 120 billion have been pledged to secure the loan from HSBC (Vietnam) Ltd.

4. Prepayments to suppliers

	Ending balance	Beginning balance
At Vinh Hoan Corporation(*)	45,623,496,900	26,351,448,769
At Vinh Hoan 1 Feed J.S.C	-	8,681,667,184
At Vinh Hoan 3 Food Co., Ltd.	2,076,730,558	-
At Vinh Hoan Collagen 5 J.S.C	-	22,505,377,979
At Vinh Hoan 2 Food Co., Ltd.	254,000,001	3,522,625,699
At Vinh Hoan (USA) Inc.	849,840,000	-
At Van Duc (Tien Giang) Food Export Processing Co., Ltd.	40,645,064,382	-
Total	89,449,131,841	61,061,119,631

(*) In which, payment on the receipt of transferring land use right at Vinh Hoa farming area and Hoa Hung farming area is VND 15,664,600,000 and VND 6,781,450,000 respectively.

5. Other receivables

	Ending balance	Beginning balance
Bank deposit interests	10,287,401,389	-
Vinafood 2 – entrusted exports	5,668,963,950	3,235,336,800
Other receivables	18,399,870,731	2,359,380,221
Total	34,356,236,070	5,594,717,021

6. Allowances for doubtful debts

	Ending balance	Beginning balance
Allowance for debt outstanding from 01 year to less than 02 years	1,501,995,688	8,567,627,952
Allowance for debt outstanding from 02 years to less than 03 years	7,136,167,668	-
Total	8,638,163,356	8,567,627,952

7. Inventory

	Ending balance	Beginning balance
Goods in transit	-	11,133,839,418
Materials and supplies	107,132,569,320	242,554,338,932
Tools	6,087,445,381	3,674,151,485
Work-in-process	698,479,229,636	377,130,694,031
Finished goods	674,249,388,095	512,713,927,572
Merchandises	3,537,000	142,717,928
Goods on consignment	23,710,934,849	7,293,225,742
Total	1,509,663,104,281	1,154,642,895,108

Some of merchandises in stock totally valued at VND 45 billion have been pledged to secure the loan from banks.

8. Allowances for inventories

	Ending balance	Beginning balance
Materials and supplies	8,576,287,237	-
Finished goods	46,462,232,241	57,179,357,401
Total	55,038,519,478	57,179,357,401

Fluctuation in allowances for inventories is as follows:

Beginning balance	57,179,357,401
Increase due to the acquisition of subsidiary	2,443,335,325
Reversal	(4,584,173,248)
Ending balance	55,038,519,478

9. Short-term prepaid expenses

	Ending balance	Beginning balance
Tools	1,200,833,149	2,830,964,538
Insurance premiums	1,784,614,497	1,669,013,910
Pond leveling and filling	1,067,515,021	-
Total	4,052,962,667	4,499,978,448

10. Other current assets

	Số cuối năm	Số đầu năm
Advances (*)	43,776,008,365	22,141,201,707
Short-term deposits and mortgages	5,000,000	372,106,000
Total	43,781,008,365	22,513,307,707

(*) In which, the advances paid to individuals to acquire land at farming areas are totally VND 21,218,521,934. At present, although the transfer procedures of farming areas have been under progress, they have been put in use.

11. Increases/(decreases) in tangible fixed assets

	Buildings & structures	Machinery and equipment	Vehicles	Office equipment	Other fixed assets	Total
Historical costs						
Beginning balance	466,241,829,621	581,538,814,076	33,258,056,277	2,709,062,127	-	1,083,747,762,101
Increases	232,433,359,342	302,057,765,201	22,396,896,084	4,605,788,625	19,856,907,159	581,350,716,411
New purchases	4,295,557,020	161,727,078,189	13,253,727,273	1,312,671,488	-	180,589,033,970
Completed capital constructions	147,073,703,425	61,279,998,301	-	-	1,943,700,000	210,297,401,726
Acquisition of subsidiary	80,769,667,548	79,050,688,711	9,128,628,678	3,238,565,774	17,913,207,159	190,100,757,870
Exchange difference due to the conversion of Financial Statements	294,431,349	-	14,540,133	54,551,363	-	363,522,845
Decrease	(67,417,172,932)	(125,717,347,406)	(10,931,072,645)	(668,307,162)	-	(204,733,900,145)
Liquidation and disposal	-	(1,367,311,523)	(1,846,348,160)	(144,210,903)	-	(3,357,870,586)
Sale of subsidiary	(62,039,658,588)	(95,370,657,623)	(6,567,082,135)	(524,096,259)	-	(164,501,494,605)
Re-classification	(5,377,514,344)	(28,979,378,260)	(2,517,642,350)	-	-	(36,874,534,954)
Ending balance	631,258,016,031	757,879,231,871	44,723,879,716	6,646,543,590	19,856,907,159	1,460,364,578,367
<i>In which:</i>						
Assets being fully depreciated but still in use	24,886,246,868	94,244,630,421	3,486,141,719	1,779,284,163	-	124,396,303,171
Depreciation						
Beginning balance	122,675,591,508	337,594,013,497	15,781,911,261	2,283,298,319	-	478,334,814,585
Increase	65,928,637,004	98,976,118,827	6,337,744,517	2,415,422,181	9,603,739,563	183,261,662,092
Depreciation	41,548,743,795	68,176,495,202	4,021,945,865	457,178,862	982,361,205	115,186,724,929
Acquisition of subsidiary	24,317,326,567	30,799,623,625	2,308,528,580	1,912,743,939	8,621,378,358	67,959,601,069
Exchange difference due to the conversion of Financial	62,566,642	-	7,270,072	45,499,380	-	115,336,094
Decreases	(27,198,549,966)	(80,272,137,281)	(8,635,445,143)	(626,014,585)	-	(116,732,146,975)
Liquidation and disposal	-	(993,121,246)	(1,096,546,651)	(192,537,896)	-	(2,282,205,793)

Sale of subsidiary	(21,821,035,622)	(50,881,864,432)	(4,439,029,485)	(433,476,689)	-	(77,575,406,228)
Re-classification	(5,377,514,344)	(28,397,151,603)	(3,099,869,007)	-	-	(36,874,534,954)
Ending balance	161,405,678,546	356,297,995,043	13,484,210,635	4,072,705,915	9,603,739,563	544,864,329,702
Net book value						
Beginning balance	343,566,238,113	243,944,800,579	17,476,145,016	425,763,808	-	605,412,947,516
Ending balance	469,852,337,485	401,581,236,828	31,239,669,081	2,573,837,675	10,253,167,596	915,500,248,665
In which: Assets temporarily not in use	-	-	-	-	-	-
Assets waiting for liquidations	-	-	-	-	-	-

Some tangible fixed assets, of which the historical costs and the net book values are VND 304,815,303,899 and VND 153,661,276,022 respectively, have been pledged to secure the loans from banks.

12. Increases/ (decreases) in intangible fixed assets

	Land use right	Computer software	Total
Initial costs			
Beginning balance	88,491,679,766	938,475,080	89,430,154,846
New purchases	2,385,887,586	136,720,000	2,522,607,586
Increase due to acquisition of subsidiary	51,161,986,796	32,934,980	51,194,921,776
Decrease due to sale of subsidiary	(12,279,871,360)	(233,245,290)	(12,513,116,650)
Ending balance	129,759,682,788	874,884,770	130,634,567,558
<i>In which:</i> Assets fully amortized but being still in use	1,251,852,100	540,229,790	1,792,081,890
Amortization			
Beginning balance	2,620,515,142	735,565,730	3,356,080,872
Amortization	1,625,377,163	81,912,196	1,707,289,359
Increase due to acquisition of subsidiary	6,149,114,285	21,956,604	6,171,070,889
Decrease due to sale of subsidiary	(865,406,754)	(183,357,790)	(1,048,764,544)
Ending balance	9,529,599,836	656,076,740	10,185,676,576
Net book value			
Beginning balance	85,871,164,624	202,909,350	86,074,073,974
Ending balance	120,230,082,952	218,808,030	120,448,890,982

Some of intangible fixed assets, of which the initial costs and net book values are VND 73,578,759,134 and VND 63,305,489,211 respectively, have been pledged to secure the loans from Vietcombank –Ho Chi Minh City Branch.

13. Construction-in-progress

	Beginning balance	Increase (*)	Kết chuyển vào TSCĐ trong năm	Allocation
Acquisition of fixed assets	79,007,780,242	174,056,500,974	(168,946,240,151)	84,118,041,065
Construction-in-progress	36,545,803,455	223,886,363,806	(210,297,401,726)	50,134,765,535
Expenses on fish raising ponds	2,513,617,322	24,133,196,235	(26,517,920,460)	128,893,097
Construction of plant (Vinh Hoang 5)	21,728,553,127	179,589,981,182	(161,037,259,104)	40,281,275,205
Other construction-in-progress	12,303,633,006	20,163,186,389	(22,742,222,162)	9,724,597,233
Total	115,553,583,697	397,942,864,780	(379,243,641,877)	134,252,806,600

(*) in which, the increase in construction-in-progress due to acquisition of subsidiary is VND 13,082,798,659

14. Investments in subsidiaries

Subsidiaries	Principal activities	Charter capital	Benefit rate and voting right	
			Ending balance	Beginning balance
Vinh Hoan 1 Feed J.S.C (i)	Manufacturing and trading feeds for aquatic animals	100,000,000,000 VND	69.80%	69.80%
Vinh Hoan (USA) Inc. (ii)	Trading aquatic products	499,912,00 USD	100%	100%
Vinh Hoan 2 Food Co., Ltd. (iii)	Trading foods of all kinds	100,000,000,000 VND	99.30%	99.30%
Vinh Hoan 3 Food Co., Ltd. (iv)	Trading foods of all kinds	80,000,000,000 VND	100%	100%
Vinh Hoan Collagen 5 J.S.C (v)	Extracting and manufacturing gelatin, collagen	80,000,000,000 VND	97.14%	97.14%
Van Duc (Tien Giang) Food Export Processing Co., Ltd. (vi)	Trading aquatic products	255,423,960,000 VND	99.06%	-

(i) As at 31 July 2014, Vinh Hoan Corporation sold its investment in Vinh Hoan 1 Feed J.S.C

(ii) According to the Business Registration Certificate No. 34473 dated 19 January 2007 and the Amended Business Registration Certificate No. BUS09-03694 dated 30 November 2009 granted by State of California, the United States of America, Vinh Hoan Corporation invests in Vinh Hoan (USA) Inc. 100% of charter capital, equivalent to USD 499,912.00

(iii) According to the Business Registration Certificate No. 1401420853 dated 27 July 2011, which was amended for the sixth time on 30 September 2013 granted by the Department of Planning and Investment of Dong Thap Province, Vinh Hoan Corporation's contributed capital in Vinh Hoan 2 Food Co., Ltd. is VND 99,300,000,000, equivalent to 99.30% of charter capital of this company. As at the balance sheet date, Vinh Hoan Corporation has fully invested charter capital in this company following the Business Registration Certificate.

(iv) According to the Business Registration Certificate No. 1401493918 dated 21 September 2011 and the First Amended Business Registration Certificate on 17 April 2012 granted by the Department of Planning and Investment of Dong Thap Province, Vinh Hoan Corporation's contributed capital in Vinh Hoan 3 Food Co., Ltd. is VND 72,000,000,000, equivalent to 90% of charter capital of this company. As at the balance sheet date, Vinh Hoan Corporation has invested VND 311,000,000. The amount of charter capital to be invested in Vinh Hoan 3 Food Co., Ltd. is VND 71,689,000,000.

- (v) According to the Business Registration Certificate No. 1401587429 dated 02 December 2011 and the Fourth Amended Business Registration Certificate on 22 May 2014 granted by the Department of Planning and Investment of Dong Thap Province, Vinh Hoan Corporation's contributed capital in Vinh Hoan Collagen 5 J.S.C is VND 85,000,000,000, equivalent to 85% of charter capital of this company. As at the balance sheet date, Vinh Hoan Corporation has fully invested charter capital in this company following the Business Registration Certificate
- (vi) During the year, Vinh Hoan Corporation has acquired 25,302,396 shares of Van Duc (Tien Giang) Food Export Processing Co., Ltd. at the price of VND 356,600,000,000. As at the balance sheet date, the Parent Company has hold 25,302,396 shares, equivalent to 99.06% of charter capital of Van Duc (Tien Giang) Food Export Processing Co., Ltd.

In the year 2012, Vinh Hoan Corporation established a subsidiary (i.e. Vinh Hoan 4 Food Co., Ltd. operating in line with the Business Registration Certificate No. 140171196 dated 05 April 2012). The capital contribution into this subsidiary shall be performed in the upcoming period.

In the year 2014, Vinh Hoan Corporation established a subsidiary (i.e. Vinh Hoan Hau Giang Co., Ltd., which is operating in line with the Business Registration Certificate No. 6300254158 dated 11 December 2014). The capital contribution into this subsidiary has not been made.

15. Other long-term investments

This item presents the loans in 30 months.

16. Long-term prepaid expenses

	Beginning balance	Increase (*)	Allocation	Ending balance
Tools	38,726,967,578	20,571,350,857	(16,864,843,775)	42,433,474,660
Land rental	7,665,081,498	1,427,585,850	(2,220,377,346)	6,872,290,002
Establishment costs	1,004,719,573	-	-	1,004,719,573
Pre-operation costs	680,718,965	3,633,207,237	-	4,313,926,202
Pond digging and sandbank construction	-	20,027,403,159	(2,674,363,368)	17,353,039,791
Pond renovation	-	5,829,361,731	(2,410,095,054)	3,419,266,677
Other expenses	-	8,507,287,278	(616,435,965)	7,890,851,313
Total	48,077,487,614	59,996,196,112	(24,786,115,508)	83,287,568,218

(*) In which, the prepaid expenses for acquisition of subsidiary of the Group is VND 31,479,716,927.

17. Deferred income tax assets

Deferred income tax assets arising from the deductible temporary differences. Details are as follows:

Beginning balance	3,329,418,949
Increase	720,751,926
Ending balance	4,050,170,875

18. Other non-current assets

This item presents the long-term deposits and mortgages.

19. Short-term borrowings

	Ending balance	Beginning balance
VDB - Branch in Dong Thap and An Giang area (i)	-	3,200,000,000
Vietinbank – Dong Thap Branch	347,756,277,859	-
Vietcombank – Ho Chi Minh City Branch (ii)	1,528,475,299,894	441,269,864,823
HSBC (Vietnam) Ltd. (iii)	159,473,821,089	67,752,770,215
Total	2,035,705,398,842	512,222,635,038

- (i) The unsecured loan from Vietinbank – Dong Thap Branch is to supplement working capital at the interest rate specified in each debt receipt.
- (ii) The loan from Vietcombank – Ho Chi Minh City is to supplement working capital. This loan is secured by pledging some of term deposits, land use rights and tangible fixed assets.
- (iii) The loan from HSBC (Vietnam) Ltd. – Ho Chi Minh City Branch is to supplement working capital. This loan is secured by pledging receivables and inventories.

Short-term loans and borrowings are as follows:

Beginning balance	512,222,635,038
Increase due to acquisition of subsidiary	366,867,255,419
Loan increased	5,957,019,471,672
Exchange difference	9,958,906,424
Loan repaid	(4,810,362,869,711)
Ending balance	2,035,705,398,842

20. Trade payables:

	Ending balance	Beginning balance
At Vinh Hoan Corporation	146,830,874,325	56,258,226,361
At Vinh Hoan 1 Feed J.S.C	-	25,582,110,871
At Vinh Hoan 2 Food Co., Ltd.	275,220,886	1,974,294,510
At Vinh Hoan Collagen 5 J.S.C	27,405,393,312	284,738,104
At Vinh Hoan (USA) Inc.	46,303,101,319	3,155,394
At Van Duc (Tien Giang) Food Export Processing Co., Ltd.	24,745,567,435	-
Total	245,560,157,277	84,102,525,240

21. Advances from customers

	Ending balance	Beginning balance
At Vinh Hoan Corporation	8,259,277,553	5,533,629,938
At Vinh Hoan 1 Feed J.S.C	-	51,529,416
At Vinh Hoan 2 Food Co., Ltd.	536,400,000	1,801,610,000
At Vinh Hoan (USA) Inc.	1,526,175,603	985,268,812
At Van Duc (Tien Giang) Food Export Processing Co., Ltd.	1,309,705,112	-
Total	11,631,558,268	8,372,038,166

22. Taxes and other obligations to the State Budget

	Beginning balance	Amount payable	Amount already paid	Ending balance
VAT on local sales	1,074,913,020	6,010,107,867	(7,085,020,887)	-
VAT on imports (i)	-	22,955,359,076	(23,009,749,290)	(54,390,214)
Import-export duties (i)	(127,746,901)	926,181,111	(1,319,266,395)	(520,832,185)
Corporate income tax (*)	9,875,894,469	127,985,420,923	(125,850,606,493)	12,010,708,899
Personal income tax	923,056,243	18,026,320,235	(17,564,334,454)	1,385,042,024
Property tax	-	3,192,300,275	(3,192,300,275)	-
Other taxes	-	2,502,217,797	(2,502,217,797)	-
Total	11,746,116,831	181,597,907,284	(180,523,495,591)	12,820,528,524

(i) The excessive payments for taxes are presented in the "tax and other receivables from the State".

(*) Corporate income tax liability during the year is as follows:

Corporate income tax liability during the year	124,375,704,473
Increase due to the acquisition of subsidiary	4,153,103,975
Exchange difference arising from conversion of Financial Statements	(33,553,380)
Decrease due to sale of subsidiary	(509,834,145)
Total	127,985,420,923

23. Payables to employees

This item presents the salaries payable to employees.

24. Accrued expenses

	Ending balance	Beginning balance
Loan interests	71,905,453	237,711,705
Transportation expenses	3,154,890,000	14,431,569,893
Others	15,637,251,221	5,243,289,371
Total	18,864,046,674	19,912,570,969

25. Other short-term payables

	Ending balance	Beginning balance
Social insurance, health insurance, unemployment insurance, Trade Union's expenditure	10,900,435,180	7,549,230,208
Dividends	52,953,825	3,033,256,000

Van Duc Food Co., Ltd. – entrusted exports	-	3,975,834,292
Van Duc (Tien Giang) Food Export Processing Co., Ltd.– entrusted exports	-	92,059,995,316
Others	26,751,416,914	1,424,798,194
Total	37,704,805,919	108,043,114,010

26. Provision for short-term payables

This item presents the provision for the expenses on anti-dumping lawsuit in the USA.

27. Bonus and bonus funds

Beginning balance	61,057,500,100
Increase due to acquisition of subsidiary	655,555,000
Appropriations for funds	10,000,000,000
Disbursement	(14,365,211,556)
Ending balance	57,347,843,544

28. Long-term borrowings

This is the loan from Vietcombank – Branch in Ho Chi Minh City to settle or to compensate for the reasonable, legitimate, legal expenses related to the project of Vinh Hoan 2 export rice processing plant. The loan interest rate is the interest rate applied to 12-month saving accounts in VND, of which the interest is paid on due date, as disclosed by the creditor plus the fixed margin of 3,6%/year. This interest rate cannot be higher than the ceiling interest rate applied to loans given to debtors operating agriculture which is disclosed by the creditor in each period. The loan period is 120 months with the grace period of 12 months starting from the first loan disbursement. This loan is secured by mortgaging land use right and assets attached to land which belong to the project of Vinh Hoan 2 export rice processing plant.

Payment schedule of long-term borrowings:

Less than 01 year	-
From 01 year to less than 05 years	31,773,382,959
Over 05 years	31,773,382,960
Total debts	63,546,765,919

Details are as follows:

Beginning balance	84,116,433,338
Increase due to acquisition of subsidiary	44,088,000,000
Loans repaid	(64,657,667,419)
Ending balance	63,546,765,919

29. Deferred income tax liabilities

Deferred income tax liabilities arising from the taxable temporary differences. Details are as follows:

Beginning balance	7,263,528,398
Increase	493,618,159
Ending balance	7,757,146,557

30. Owner's equity

Statement of fluctuations in owner's equity

The information on the fluctuations in owner's equity is presented in the Appendix on page 44.

During the year, Vinh Hoan Corporation issued shares to distribute dividends to its current shareholders at the rate of 50% and issued shares under ESOP to employees following the Resolution dated 14 May 2014 of the Shareholders' Annual Meeting. Accordingly, the Vinh Hoan Corporation has raised its owner's equity and dropped the retained earnings by a same amount of VND 309,990,300,000. As at 11 December 2014, the Vinh Hoan Corporation received the Eighth Amended Business Registration Certificate approving the increase in charter capital up to VND 924,039,430,000 from the Department of Planning and Investment of Dong Thap Province

Dividends

Dividends are paid as follows:

Shareholders of Parent Company	90,284,550,675
Minority shareholders	78,104,916,000
Total	168,389,466,675

Shares

	Ending balance	Beginning balance
Number of shares registered to be issued	92,403,943	61,404,913
Number of shares already sold to the public	92,403,943	61,404,913
- Common shares	92,403,943	61,404,913
- Preferred shares	-	-
Number of shares repurchased	-	1,198,750
- Common shares	-	1,198,750
- Preferred shares	-	-
Number of outstanding shares	92,403,943	60,206,163
- Common shares	92,403,943	60,206,163
- Preferred shares	-	-

Face value per outstanding share; VND 10,000

Foreign exchange difference

The exchange differences are generated from the conversion of Financial Statements of Vinh Hoan (USA) Inc. from USD into VND and from the revaluation of the ending balances of the monetary items in construction period to establish Vinh Hoan Collagen 5 J.S.C.

31. Interests of minority shareholders

Beginning balance	88,388,522,761
Increase in share capital from minority shareholders during the year	72,950,040,000
Profit in the year	23,761,433,684
Exclusion of distributed profits	(75,099,920,000)
Decrease due to sale of subsidiary	(93,156,331,485)
Total	16,843,744,960

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

1. Sales

	Current year	Previous year
Gross sales	6,300,114,589,793	5,104,982,308,957
- Merchandises	365,747,325,591	290,992,887,225
- Finished goods	5,148,221,274,877	4,188,025,878,597
- Service provision	16,128,762,893	30,146,735,045
- Materials and supplies	66,859,297,803	51,592,162,458
- By-products	703,157,928,629	544,224,645,632
Deductions:	(7,665,955,244)	(9,970,397,459)
-Sales allowances	(1,606,217,771)	(2,762,178,639)
-Sales returns	(6,059,737,473)	(7,208,218,820)
Net sales	6,292,448,634,549	5,095,011,911,498
In which:		
- Merchandises	365,747,325,591	290,985,226,425
- Finished goods	5,140,644,148,084	4,179,896,005,938
- Service provision	16,128,762,893	30,146,735,045
- Materials and supplies	66,859,297,803	51,592,162,458
- By-products	703,069,100,178	542,391,781,632

2. Costs of sales

	Current year	Previous year
Costs of merchandises	333,031,291,128	255,130,869,600
Costs of finished goods	4,433,474,538,996	3,664,574,087,635
Costs of service provision	-	811,141,817
Costs of materials and supplies	62,149,234,407	46,857,241,204
Costs of by-products	645,102,293,286	530,250,908,535
Allowances for devaluation of inventories	(4,584,173,248)	(6,233,477,231)
Total	5,469,173,184,569	4,491,390,771,560

3. Financial incomes

	Current year	Previous year
Term deposit interest	16,706,211,119	67,214,166,858
Demand deposit interest	446,008,160	345,032,716
Loan interest	616,136,452	1,037,220,271
Interests on the advances for purchases of materials	7,010,270,391	8,084,392,029
Interests on deferred payments for goods	1,411,234,091	2,861,374,109
Proceed from transfer of subsidiary	182,753,138,010	-
Unrealized exchange gain	97,657,512	-
Realized exchange gain	29,157,137,553	13,833,644,697
Total	238,197,793,288	93,375,830,680

4. Financial expenses

	Current year	Previous year
Loan interests	38,437,879,203	77,556,979,729
Unrealized exchange loss	4,737,088,594	2,897,171
Realized exchange loss	21,528,932,568	13,006,719,304
Total	64,703,900,365	90,566,596,204

5. Selling expenses

	Current year	Previous year
Employees	8,495,400,413	6,323,312,493
Tools	7,964,036,334	5,879,489,270
Depreciation/ (amortization) of fixed assets	191,265,502	350,077,863
External service rendered	149,218,703,294	141,668,573,045
Others	79,271,549,429	93,382,538,340
Total	245,140,954,972	247,603,991,011

6. General and administration expenses

	Current year	Previous year
Employees	43,049,224,344	33,849,663,599
Office stationery	3,228,838,248	1,331,534,454
Depreciation/ (amortization) of fixed assets	12,111,824,974	9,024,524,570
Taxes, fees and legal fees	4,892,102,070	1,841,742,319
Allowances		5,160,997,797
External service rendered	68,548,363,453	60,459,635,879
Others	29,814,524,757	24,537,695,019
Total	161,644,877,846	136,205,793,637

7. Other incomes

	Current year	Previous year
Proceeds from disposals and liquidations of fixed assets	3,027,265,486	447,160,455
Debts not required to pay	60,195,099	769,204,074
Other incomes	3,429,322,517	13,407,630,604
Total	6,516,783,102	14,623,995,133

8. Other expenses

	Current year	Previous year
Net book values of liquidated and disposed fixed assets	1,075,664,793	781,259,785
Other expenses	8,362,562,424	8,916,452,893
Total	9,438,227,217	9,697,712,678

9. Deferred corporate income tax

	Current year	Previous year
Deferred income tax arising from taxable temporary differences	(720,751,926)	7,263,528,398
Deferred income tax arising from deductible temporary differences	493,618,159	2,607,780,574
Total	(227,133,767)	9,871,308,972

10. Earnings per share

	Current year	Previous year
Accounting profit after corporate income tax of shareholders of the parent company	439,152,061,580	158,385,911,455
Increase/(decrease) of accounting profit to determine profit attributable to ordinary equity holders:	-	-
Profit attributable to ordinary equity holders	439,152,061,580	158,385,911,455
Average ordinary shares outstanding during the year (*)	91,371,686	91,205,193
Earnings per share	4,806	1,737

(*) Average ordinary shares outstanding during the year are calculated as follows:

	Current year	Previous year
Ordinary shares outstanding at the beginning of the year	60,206,163	46,312,523
Effects of ordinary shares issued from retained earnings during the year	-	13,893,640
Effects of ordinary shares issued from retained earnings during the year	30,999,030	30,999,030
Effects of re-issuance of treasury shares	166,493	
Average ordinary shares outstanding during the year	91,371,686	91,205,193

During the year 2014, Vinh Hoan Corporation issued shares to distribute dividends to its current shareholders at the rate of 50% and issued shares under ESOP to employees. Consequently, the earnings per share in the previous year have been adjusted in line with the increases of the additional shares. This retrospective adjustment has caused the decrease of earnings per share of the previous year to from VND 2,579 to VND 1,737.

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

During the year, the Group companies had the balances relating to acquisition of fixed assets as follows:

	Current year	Previous year
Acquisition of fixed assets, of which the payments have not been made	28,068,215,680	3,867,892,996
Advances for acquisition of fixed assets	35,701,556,885	49,679,210,836
Capital raised by dividends	309,990,300,000	138,936,400,000

VIII. OTHER DISCLOSURE

1. Subsequent events

As at 01 January 2015, the Group has completed the transfer of 85% of its investment capital in Vinh Hoan (USA) Inc. at the price of USD 425,000.00 following the Capital Transfer Agreement signed with the transferee on 15 August 2014.

2. Transactions with related parties

Transactions with the key managers and related individuals

The Group's key managers comprise of the members of the Board of Management, the Executive Officers, the Chief Accountant and their close family members.

During the year, the Group entered into the following transactions with key managers and related individuals:

	Current year	Previous year
Board of Management and Executive Officers		
Acquisition of shares	356,600,000,000	-
Borrowings	-	12,000,000,000
Related individuals		
Acquisition of materials and supplies	15,924,292,360	8,728,045,580
Sales of merchandises	-	286,575,046

As at the balance sheet date, the balances with key managers and related individuals are as follows:

	Ending balance	Beginning balance
Board of Management and Executive Officers	419,499,372	20,000,000
Related individuals	4,500,000,000	-
Total receivables	4,919,499,372	20,000,000
Related individuals	-	825,795,280
Total payable	-	825,795,280

Income of key managers during the year is totally VND 9,766,712,092 (in the previous year: VND 5,562,601,000).

Transactions with other related parties

The Group's other related parties comprise:

Related party	Relationship
Van Duc Food Co., Ltd	Company invested by the related individual of the Chairwoman

During the year, the Group companies entered into the following transactions with Van Duc Food Co., Ltd.:

	Current year	Previous year
Acquisition of merchandises and services	6,194,531,225	15,220,293,850
Sales of merchandises, materials, supplies and services	8,762,412,979	2,691,393,580
Sales of finished goods	4,699,886,679	7,333,632,440
Entrusted exports (entrusted by Group companies)	10,645,389,870	6,925,802,687
Entrusted exports (entrusted to Group companies)	1,296,049,124	21,175,449,035
Income from entrusted export service	1,978,732,080	1,255,289,269
Other expenses	348,646,250	-
Acquisitions of fixed assets	6,194,531,225	-
Premise and machinery leasing	8,762,412,979	-

As at the balance sheet date, the balances with Van Duc Food Co., Ltd. are as follows:

	Ending balance	Beginning balance
Entrusted exports	485,771,094	533,043,825
Sales of goods	879,642,186	-
Total receivables	1,365,413,280	533,043,825
Van Duc Food Co., Ltd.		
Entrusted exports	-	3,975,834,292
Sales of goods	276,588	2,556,362,241
Total payables	276,588	6,532,196,533

The prices of goods and services provided to the related parties are prices agreed among the parties. The purchases of goods and services from the related parties are done at the agreed prices.

The receivables are unsecured and shall be settled in cash. There are no allowances for bad debts for the receivables from the related parties.

3. Segment information

Information on segment is presented as that of business segment and geographical segment. Segment reporting is mainly done on the basis of geographical area, based on the organizational structure, internal management and internal financial statements of the Group's companies.

Geographical segment

The Group's operations are mainly taken place in the local market and export to foreign countries.

Details of net external sales in respect of geographical segment based on the location of customers are as follows:

	Current year	Previous year
Exports	4,725,922,724,452	4,146,414,409,163
Local sales	1,566,525,910,097	948,597,502,335
Total	6,292,448,634,549	5,095,011,911,498

The Group companies have not followed up the information on financial performances, fixed assets, other long-term assets and large non-cash expenses of each geography-based segment according to the location of customers.

Business segment

The Group's principal activities are under one operating sector (i.e. growing, manufacturing and processing aquatic products and processing feeds for aquatic animals).

4. Operating leases

Leasing contracts

As at the balance sheet date, the total minimum leases in the future of operating leases shall be paid as follows:

	Ending balance	Beginning balance
Less than 01 year	3,143,604,198	2,969,689,556
From 01 year to less than 05 years	27,223,608,010	4,836,035,856
Over 05 years	50,430,203,473	11,797,923,003
Total	80,797,415,681	19,603,648,415

5. Financial risk management

Overview

The Group's activities are exposed to the financial risks, including credit risk, liquidity risk and market risk. The Executive Officers of the Group companies are responsible for establishing policies and controls to minimize the financial risk as well as monitor the implementation of applied policies and controls. The risk management is carried out mainly by the Department of Accounting and Finance following the policies and procedures approved by the Executive Officers.

Credit risk

Credit risk is the risk that one contractual party shall cause a loss for the Group by its failure to pay for its obligations.

The Group is exposed to credit risks substantially from trade receivables, cash in bank and loans.

Trade receivables

In order to control the trade receivables, the Executive Officers of the Group companies have released regulations on sales of goods with close stipulations in details on purchase subjects, sales norm, debt limit and debt term. The Executive Officers shall inspect the conformity with these regulations on sales of goods every month. Besides, the accountant in charge of accounts follows up the accounts receivable regularly to accelerate the recovery.

The Group's trade receivables relate to various entities operating different sectors and geographical locations and consequently the credit risks from trade receivables are low.

Cash in bank

The term deposits and demand deposits of the Group are in the large and trusted banks in Vietnam. Therefore, the credit risk from cash in bank is low.

The maximum credit risk level of financial assets is their carrying values (see Note VIII.6 for more information on carrying values of financial assets).

Analysis on overdue age and devaluation of financial assets is as follows:

	Not yet overdue or devaluated	Not yet overdue but devaluated	Already overdue but not devaluated	Already overdue and/or devaluated	Total
Ending balance					
Cash and cash equivalents	89,237,664,563	-	-	-	89,237,664,563
Held-to-maturity investments	802,451,008,141	-	-	-	802,451,008,141
Trade receivables	544,713,980,192	-	1,020,445,380	9,281,875,794	555,016,301,366
Loans	2,045,847,888	-	-	-	2,045,847,888
Other receivables	253,953,309,096	-	-	-	253,953,309,096
Total	1,692,401,809,880	-	1,020,445,380	9,281,875,794	1,702,704,131,054
Beginning balance					
Cash and cash equivalents	73,328,912,771	-	-	-	73,328,912,771
Held-to-maturity investments	240,977,578	-	-	-	240,977,578
Trade receivables	345,906,753,925	-	3,696,445,920	9,211,340,390	358,814,540,235
Loans	7,697,000,726	-	-	-	7,697,000,726
Other receivables	95,480,234,375	-	-	-	95,480,234,375
Total	522,653,879,376	-	3,696,445,920	9,211,340,390	535,561,665,685

Liquidity risk

Liquidity risk is the risk that the Group shall encounter difficulty in meeting obligations associated with financial liabilities.

The Group's liquidity risks mainly arise from the differences in maturity dates of financial assets and financial liabilities.

The Group controls the liquidity risks by regularly tracking the current payment requests as well as estimated payment requests in the future to maintain an appropriate amount of cash and loans at reasonable level, supervising the cash flows actually arisen in comparison with estimation to minimize the effects of the changes in cash flows to the Group.

The terms of payments to non-derivative financial liabilities (including loan interest payable) are based on the undiscounted payments supposed to make according to the contracts. Details are as follows:

	Less than 01 year	From 01 year to less than 05 years	Over 05 years	Total
Ending balance				
Borrowings	2,035,705,398,842	31,773,382,959	31,773,382,960	2,099,252,164,761
Trade payables	245,560,157,277	-	-	245,560,157,277
Other payables	88,768,417,413	-	-	88,768,417,413
Total	2,370,033,973,532	31,773,382,959	31,773,382,960	2,433,580,739,451
Beginning balance				
Borrowings	512,222,635,038	42,058,216,669	42,058,216,669	596,339,068,376
Trade payables	84,102,525,240	-	-	84,102,525,240
Other payables	228,633,109,727	-	-	228,633,109,727
Total	824,958,270,005	42,058,216,669	42,058,216,669	909,074,703,343

The Group believes that the liquidity risk arising from payment to financial liabilities is low. The Group can settle its due debts from operating cash flow and proceeds from financial assets on their maturity dates.

Market risk

Market risk is the risk that the fair value or cash flows in the future of a financial instrument shall fluctuate due to changes in market prices.

Market risks relating to the Group's operations comprise of foreign currency risk, interest rate risk and material/merchandise price risk.

The sensitivity analyses and assessment below, which are related to the Group's financial position as at 31 December 2014 and 31 December 2013, have been done on the basis of the value of net debts. Changes of exchange rates, interest rates and material/merchandise prices used in analyzing the sensitivity are supposed on the assessment of their occurrence possibility in the coming year with observable conditions of the market at present

Foreign currency risk

Foreign currency risk is the risk that the fair value or cash flows of a financial instrument shall fluctuate due to changes in exchange rates.

The Group has sold goods (substantially, exported goods) mainly under the currency unit of USD and consequently it is affected by the fluctuation in exchange rates.

The Group controls the risk relating to the fluctuations in foreign exchange by optimizing the payment terms of debts, forecasting foreign exchange rates, reasonably maintaining loan and debt structures between foreign currency and VND, choosing the time of purchase and payment in foreign currencies when the foreign exchange rates are low, utilizing the available money to balance the foreign exchange risk and liquidity risk.

Net currency denominated assets/ (liabilities) of the Group are as follows:

	Ending balance			Beginning balance		
	USD	EUR	GBP	USD	EUR	GBP
Cash and cash equivalents	3,547,063.25	638.17	-	2,361,019.06	273.78	-
Held-to-maturity investments	7,217.11			7,198.76		
Trade receivables	23,814,339.72	-	-	15,144,443.25	-	-
Other receivables	332,385.32	-	-	1,279,717.47	-	-
Borrowings	(95,266,181.61)	-	-	-	-	-
Trade payables	(2,632,082.10)	(78,028.80)	-	(237,567.90)	-	-
Other payables	(7,123,923.39)	-	(84,048.26)	(5,287,699.76)	-	(84,048.26)
Net currency denominated assets/ (liabilities)	(77,321,181.70)	(77,390.63)	(84,048.26)	13,267,110.88	273.78	(84,048.26)

As at 31 December 2014, on the assumption that other variables are constant, if the exchange rate between VND and USD raises/drops by 02%, the profit before tax of the Group in the current year shall drop/raise by VND 33,045,526,635,00 (in the previous year: dropped/ raised by VND 5,578,710,227) due to the effects of exchange loss/gain arising from revaluation on foreign currency denominated financial instruments.

The effects of the risks arising from the fluctuations in exchange differences between VND and EUR as well as GBP on the profit before tax of the Group are negligible since net assets/ (liabilities) carry unremarkable values.

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of in the future a financial instrument shall fluctuate due to changes in market interest rates.

The Group's interest rate risk relates to loans at floating interest rates.

The Group controls the interest rate risk by analyzing the market situation on order to give appropriate decision on choosing the time for getting loans, choosing appropriate loan terms to get the most favorable interest rates as well as maintaining loan structure with appropriate floating interest rate and fixed interest rate.

The Group's financial instruments at floating interest rates are as follows:

	Ending balance		Beginning balance	
	VND	USD	VND	USD
Borrowings	(63,546,765,919)	(95,266,181.61)	(596,339,068,376)	-
Net liabilities	(63,546,765,919)	(95,266,181.61)	(596,339,068,376)	-

As at 31 December 2014, on the assumption that other variables are constant, if the interest rates applicable to USD denominated loans raise/drop by 01%, the profit before tax of the Group in the current year shall drop/raise by VND 20,357,430,348 (in the previous year: dropped/ (raised) by VND 0).

The Executive Officers believe that the effects arising from the fluctuation in interest rates applicable to VND denominated loans on the profit before tax of the Group are negligible since net liabilities carry unremarkable values.

Material/ (merchandise) price risk

The Group is exposed to the risk related to fluctuations material/ (merchandise) prices. The Group manages the material/ (merchandise) price risk by following up the market information and related situations to control the time for purchasing materials/ (merchandises), preparing manufacturing plan and keeping the volumes of inventories at reasonable level

Collaterals

Collaterals pledged to other entities

As at 31 December 2014, the Group pledged its held-to-maturity investments and trade receivables of totally VND 330 billion and VND 120 billion respectively to secure the loans from banks (see Notes No. V.2, V.3 and V.19) (as at 31 December 2013: VND 0).

The Group's collaterals shall be released upon the Group's fulfillment of its financial obligations. There is no special term or conditions on the use of these collaterals

Collaterals pledged by other entities

The Group did not have any collaterals pledged by other entities as at 31 December 2014 and 31 December 2013.

6. Fair values of financial assets and liabilities

Financial assets

	Carrying value				Fair value	
	Ending balance		Beginning balance		Ending balance	
	Initial cost	Provision	Initial cost	Provision	Ending balance	Ending balance
Cash and cash equivalents	89,237,664,563	-	73,328,912,771	-	89,237,664,563	73,328,912,771
Held-to-maturity investments	802,451,008,141	-	240,977,578	-	802,451,008,141	240,977,578
Trade receivables	555,016,301,366	(8,638,163,356)	358,814,540,235	(8,567,627,952)	546,378,138,010	350,246,912,283
Loans	2,045,847,888	-	7,697,000,726	-	2,045,847,888	7,697,000,726
Other receivables	219,277,915,943	-	95,480,234,375	-	219,277,915,943	95,480,234,375
Total	1,668,028,737,901	(8,638,163,356)	535,561,665,685	(8,567,627,952)	1,659,390,574,545	526,994,037,733

Financial liabilities

	Carrying value		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Borrowings	2,099,252,164,761	596,339,068,376	2,099,252,164,761	596,339,068,376
Trade payables	245,560,157,277	84,102,525,240	245,560,157,277	84,102,525,240
Other payables	88,768,417,413	228,633,109,727	88,768,417,413	228,633,109,727
Total	2,433,580,739,451	909,074,703,343	2,433,580,739,451	909,074,703,343

Fair values of financial assets and liabilities of the Group are presented at the values which the financial instruments can be converted in a current transaction among parties having adequate knowledge and expecting to enter into the transaction.

The Group has applied the following method and assumption to estimate the fair values of financial assets and financial liabilities:

- Fair values of cash and cash equivalents, trade receivables, other receivables, loans, trade payables and other current liabilities are equivalent to the carrying values of these items (excluding the provisions for estimates on unrecoverable amounts) since these instruments have short-term periods.
- Fair values of long-term loans are estimated by discounting cash flow at the interest rates applicable to loans having similar features and due dates.


Hà Thi Phương Thủy Hồng Nhung
Preparer


Hà Thi Phương Thủy Hồng Nhung
Chief Accountant

Dong Thap, 25 March 2015


Nguyễn Thị Kim Đào
Chief Financial Officer

APPENDIX: FLUCTUATION IN OWNER'S EQUITY

Unit: VND

	Capital	Share premiums	
Beginning balance of the previous year	475,112,730,000	190,492,000,000	
Issuance of shares by dividends	138,936,400,000	-	
Re-purchase of issued shares	-	-	
Profit in the year	-	-	
Appropriation for funds	-	-	
Exchange difference due to the conversion of Financial Statements	-	-	
Ending balance of the previous year	614,049,130,000	190,492,000,000	
Beginning balance of the current year	614,049,130,000	190,492,000,000	
Issuance of shares by dividends	309,990,300,000	-	
Re-issuance of treasury shares	-	25,917,744,645	
Profit in the year	-	-	
Appropriation for funds	-	-	
Dividend distribution	-	-	
Exchange difference due to the conversion of Financial Statements	-	-	
Ending balance of the current year	924,039,430,000	216,409,744,645	

Treasury shares	Foreign exchange differences	Other funds	Retained earnings	Total
(36,897,215,355)	3,991,224,376	-	696,298,161,346	1,328,996,900,367
-	-	-	(138,936,400,000)	-
-	-	-	-	-
-	-	-	158,385,911,455	158,385,911,455
-	-	-	(19,731,501,734)	(19,731,501,734)
-	242,340,898	-	-	242,340,898
(36,897,215,355)	4,233,565,274	-	696,016,171,067	1,467,893,650,986
(36,897,215,355)	4,233,565,274	-	696,016,171,067	1,467,893,650,986
-	-	-	(309,990,300,000)	-
36,897,215,355	-	-	-	62,814,960,000
-	-	-	439,152,061,580	439,152,061,580
-	-	-	(10,000,000,000)	(10,000,000,000)
-	-	-	(90,309,244,500)	(90,309,244,500)
-	362,849,624	-	-	362,849,624
-	4,596,414,898	-	724,868,688,147	1,869,914,277,690


Ha Thi Phuong Thuy Hong Nhung
Preparer


Ha Thi Phuong Thuy Hong Nhung
Chief Accountant

Dong Thap, 25 March 2015

 Nguyễn Thị Kim Đào
 Chief Financial Officer