



AGIFISH Co.

ANGIANG FISHERIES IMPORT & EXPORT JOINT STOCK COMPANY
1234 Tran Hung Dao St., Longxuyen City, Angiang Province, Vietnam
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No: 13/C.V.C.P.T.S.....

An Giang, March 30, 2025

Re. Explanation of the Differences in Business Results and the
Auditor's Qualified Opinion on the Audited Financial Statements
for the Accounting Period from January 1, 2024, to December 31, 2024.

To - **State Securities Commission of Viet Nam**
- **Hanoi Stock Exchange**

Referring to Circular 96/2020/TT-BTC issued by Ministry of Finance on 16/11/2020 regarding declaration of information on stock market. An Giang Fisheries Import & Export Joint Stock Company, (Code: AGF) provides the following explanation:

1. The difference in profit after corporate income tax before and after audit from 01/01/2024 to 31/12/2024:

Serial	ITEMS	From 01/01/2024 to 31/12/2024 VND (chưa kiểm toán)	From 01/01/2024 to 31/12/2024 VND (đã kiểm toán)	Difference VND
1	Revenue from sales and services	508,352,417,892	508,352,417,892	0
2	Revenue deductions	1,495,859,062	1,495,859,062	0
3	Net revenue from sales and services	506,856,558,830	506,856,558,830	0
4	Cost of goods sold and services	455,284,078,846	454,949,182,310	-334,896,536
5	Gross profit from sales and services	51,572,479,984	51,907,376,520	334,896,536
6	Financial income	248,904,172	248,544,470	-359,702
7	Financial expenses	37,042,487,888	37,042,487,888	0
8	Sales expenses	3,207,352,218	3,207,352,218	0
9	Administrative expenses	12,614,962,723	12,614,962,723	0
10	Other income	267,823,908	267,823,908	0
11	Other expense	3,048,651,667	3,048,651,667	0
12	Total net profit before tax	-3,824,246,432	-3,489,709,598	334,536,834
13	Current corporate income tax expenses			
14	Profit after corporate income tax	-3,824,246,432	-3,489,709,598	334,536,834

1.1 Gross profit from sales and services increased by 334.896.536 VND, primarily due

1.1.1 Cost of goods sold and services decreased due to reversal provision for devaluation of inventories 105.818.185 VND

1.1.2 Reversal accrued expenses – rent a pond 229.078.351 VND by not really.

1.2 Financial income decreased 359.702 VND due to exchange difference at the year - end.

The combined impact of the above items caused the audited profit after corporate income tax from 01/01/2024 to 31/12/2024 increased by 334.896.536 VND compared to before audit.



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2. The difference in audited profit after corporate income tax between 01/01/2024 - 31/12/2024 compared to the same period of the previous year:

Serial	ITEMS	From 01/10/2024 to 31/12/2024 VND	From 01/10/2023 to 31/12/2023 VND	Difference VND
1	Revenue from sales and services	508.352.417.892	452.707.288.307	55.645.129.585
2	Revenue deductions	1.495.859.062	805.788.844	690.070.218
3	Net revenue from sales and services	506.856.558.830	451.901.499.463	54.955.059.367
4	Cost of goods sold and services	454.949.182.310	399.116.662.824	55.832.519.486
5	Gross profit from sales and services	51.907.376.520	52.784.836.639	-877.460.119
6	Financial income	248.544.470	374.384.305	-125.839.835
7	Financial expenses	37.042.487.888	42.471.088.505	-5.428.600.617
8	Sales expenses	3.207.352.218	3.975.295.707	-767.943.489
9	Administrative expenses	12.614.962.723	10.143.325.277	2.471.637.446
10	Other income	267.823.908	3.609.915.341	-3.342.091.433
11	Other expense	3.048.651.667	6.202.428.411	-3.153.776.744
12	Total net profit before tax	-3.489.709.598	-6.023.001.615	2.533.292.017
13	Current corporate income tax expenses			
14	Profit after corporate income tax	-3.489.709.598	-6.023.001.615	2.533.292.017

There are main causes as:

- 2.1 Net revenue from sales and services increased by 54.955.059.367VND because revenue from sales of materials and cost of goods sold and services increased, it affected slightly reduced gross profit from sales and services.
- 2.2 Financial expenses decreased 5.428.600.617VND for Outstanding balance and Interest rate reduced compared to the same period of the previous year..
- 2.3 General and administrative expense increased 2.471.637.466VND due to revenue from sales and services leading to increased other expenses in cash.
- 2.4 Other income decreased 3.342.091.433 VND because during the accounting period from 01/01/2023 to 31/12/2023 have debt collection and contract compensation.
- 2.5 Other expense decreased 3.153.776.744 VND due to during the accounting period from 01/01/2023 to 31/12/2023, there are costs incurred during the period of production suspension and the farming areas are inactive.

The combined impact of the above items caused the audited profit after tax for the accounting period from 01/01/2024 to 31/12/2024 to decrease by 2.533.292.017 VND compared to the same period.



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3. Explanation of the post-tax profit of -3,489,709,598, as audited in the financial statement for the accounting period from 01/01/2024 to 31/12/2024.

Due to the severe impact of losses from previous years' business operations, AGIFISH's equity is negative, putting financial pressure on the company and leading to a shortage of capital for production activities. However, to maintain operations, the company has received credit limit support from the bank, resulting in high interest expenses as a significant portion of total costs. This has led to a post-income-tax profit of -3,489,709,598 VND

4. Qualified Opinion and other legal requirements

4.1 The financial statements contain material uncertainties that raise significant doubt about AGIFISH's ability to continue as a going concern, based on its accumulated losses of 876,075,930,001 VND as of December 31, 2024. As a result, the company is currently undergoing a business restructuring process, which includes the liquidation of certain investments, specifically as follows:

- + Reducing the scale of aquaculture and liquidating farming areas to align with market demand, while leasing out unused farming areas to cut costs, increase revenue, and ensure cash flow.
- + Providing pangasius fillet processing services for export at processing plants to stabilize revenue, maintain cash flow, fulfill debt and interest repayment obligations to financial institutions, and ensure job security for employees.
- + Negotiating with banks to secure working capital for future business operations.

Therefore, the Board of Directors believes that the financial statements have been prepared on a going concern basis.

4.2 The company has written off accounts receivable from customers and other receivables in accordance with Resolution No. 01/NQĐHĐCĐ/2023 of the 2023 Annual General Meeting of Shareholders, dated June 23, 2023, with a total principal amount written off of 545,593,871,438 VND. AGIFISH's approach of recording bad debts off-balance sheet while disclosing them in the financial statement notes for 10 years from the date of write-off and continuing debt recovery efforts is in compliance with Circular 48/2019/TT-BTC issued by the Ministry of Finance on August 8, 2019. Specifically:"

- The written-off debt of Viet Phu Foods and Fish Corporation amounts to 190,987,131,209 VND. The Company's receivable from Viet Phu Foods and Fish corporation comprises the sales-related debt and lending capital in 2017, 2018 and 2019. Based on the principle of prudence, AGIFISH has fully provisioned the debt owed by Viet Phu Company due to the assessed risk of non-recovery. On September 19, 2022, the Tien Giang Department of Planning and Investment announced the dissolution of Viet Phu Foods and Fish Corporation. AGIFISH affirms that this provisioning is fully in accordance with accounting principles and relevant standards
- The written-off debt of Hung Thanh Company Ltd. amounts to 139,318,256,976 VND. AGIFISH has assessed this debt as being at risk of non-recovery. Following the principle of prudence, the company has made provisions to cover the outstanding value of this debt, as reflected in the 2020 financial statements. On August 8, 2023, the An Giang Department of Planning and Investment announced the closure of Hung Thanh Company



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Ltd. Therefore, we maintain the value of the provisions for doubtful receivables that were established in previous years.

- 4.3 According to the Appeal Judgment No. 04/2024/KDTM-PT dated June 25, 2024, issued by the People's Court of An Giang Province regarding the dispute over the contract for the transfer of land use rights, assets on land, and the contract for the sale of goods between the Company and Delta AGF Investment and Construction Joint Stock Company (which has been declared bankrupt), the Court ruled that the real estate sale contract dated May 14, 2010, and Contract Appendix No. 01 dated June 10, 2010, were invalid. In compliance with the Court's judgment, on July 27, 2024, the Company transferred all tangible and intangible fixed assets at My Thoi cold storage to the administrator of Delta AGF Investment and Construction Joint Stock Company. As per the judgment, Delta AGF Investment and Construction Joint Stock Company is required to compensate and refund the Company a total amount of VND 303,995,849,999. However, to ensure prudence in the financial statements, the Company has only recognized receivables from Delta AGF Investment and Construction Joint Stock Company based on the remaining value of the transferred assets, amounting to VND 54,771,764,748. This transaction accurately reflects the court's ruling. However, due to the Auditor's lack of sufficient evidence regarding this receivable and its recoverability, a qualified opinion has been issued.
- 4.4 On December 23, 2015, AGIFISH signed Contract No. 01/2015AGF-QC-TDMIR for the sale of pangasius fillets with its related parties, Quang Chiến Co., Ltd. and TDMIR (a company established and operating in Russia). Under this contract, Quang Chiến Co., Ltd. was responsible for making payments to AGIFISH on behalf of TDMIR. From January 2016 to May 2016, AGIFISH exported 672 tons of pangasius fillets, and Quang Chiến Co., Ltd. made payments to AGIFISH totaling USD 1,314,600 (equivalent to VND 29,299,428,680). However, according to the First-Instance Judgment No. 20/2020/HS-ST dated August 28, 2020, issued by the Lai Châu Provincial People's Court, AGIFISH is required to refund VND 29,299,428,680 to the Vietnam Bank for Agriculture and Rural Development (AGRIBANK) on the grounds that this amount was unlawfully misappropriated by Quang Chiến Co., Ltd. from AGRIBANK to pay AGIFISH. AGIFISH had already provisioned this amount in its 2021 financial results but has not recorded any corresponding late payment interest. Throughout this business transaction, AGIFISH has fully complied with legal regulations on trade and export. The demand for repayment of VND 29,299,428,680 on the basis that the received funds originated from an unlawful act is unreasonable, as AGIFISH had no means to verify the source of the customer's payments. The court's ruling has caused significant financial damage to AGIFISH, and due to the company's current financial difficulties, it has not yet been able to comply with the judgment.
- 4.5 On May 30, 2016, AGIFISH signed a contract with Petrolimex Commercial Joint Stock Bank – An Giang Branch (PGBank–An Giang) for the transfer of the Nhon Hoa farming area, covering a total land area of 137,389 m² (including fish ponds and auxiliary facilities). However, 72,362.4 m² of this land has not yet received a final conclusion from the An Giang Department of Natural Resources and Environment regarding the transfer process. This farming area was developed as part of AGIFISH's long-term growth strategy. However, as it falls within the master plan for aquaculture zones located on alluvial land in Cho Moi District



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(An Giang Province), the title transfer has not yet been completed. The An Giang Department of Natural Resources and Environment has received the application and is in the process of reviewing it to grant AGIFISH legal land use rights. AGIFISH remains compliant with land-use planning policies set by Cho Moi District and An Giang Province. The legal formalities for this farming area will be finalized once the province completes its land-use planning policies.

4.6 On December 8, 2016, AGIFISH signed a mortgage contract with Vietcombank – Ho Chi Minh City Branch, under which AGIFISH pledged a portion of its assets as collateral for a loan taken by Hung Vuong Joint Stock Company. However, according to Circular 121/2012/TT-BTC dated July 20, 2012, and the current regulations outlined in Clause 2, Article 293 of Decree No. 155/2020/NĐ-CP dated December 31, 2020, public companies are not allowed to provide guarantees for institutional shareholders. AGIFISH acknowledges this regulation and is actively working with Hung Vuong Joint Stock Company to resolve the issue and ensure full compliance with legal requirements.

The above is the Company's explanation regarding the audited financial statements for the period from January 1, 2024, to December 31, 2024.

Sincerely.

AN GIANG FISHERIES IMPORT & EXPORT JOINT STOCK COMPANY
CHIEF EXECUTIVE OFFICER



Receiver:

- As mentioned above,
- Saved at office and Accounting Department

Nguyễn Văn Kỳ