COVER SHEET

CS200319138

SEC Registration Number

ALLIANCE SELECT FOODS
INTERNATIONAL INC. AND ITS
SUBSIDIARIES

(Company's Full Name)

SUITE 1205 EAST TOWER PSE CENTRE
EXCHANGE ROAD, ORTIGAS CENTER
PASIG CITY

(Business Address: No. Street City/Town/Province)

GRACE S. DOGILLO
(Contact Person)

635-5241 TO 44/638-3829
(Company Telephone Number)

12 31
Month *Day*
(Fiscal Year)

17-A
(Form Type)

06 15
Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number// Section
Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2013**

2. SEC Identification Number **CS200319138** 3. BIR Tax Identification No. **227-409-243-000**

4. Exact name of issuer as specified in its charter **ALLIANCE SELECT FOODS INTERNATIONAL, INC**.

5. **Pasig City, Philippines** (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization
Industry Classification Code:

7 **Suite 1205, East Tower, PSE centre, Exchange Road, Ortigas Center, Pasig City**
Address of principal office Postal Code

8 **(632) 635-52-41 to 44**
Issuer's telephone number, including area code

9 **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common shares, P1.00 Par Value	**1,069,426,237 shares**

11. Are any or all of these securities listed on a Stock Exchange.

Yes [/] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

The Philippine Stock Exchange, Inc. **Common**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [/] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in “Annex B”). Php 1,323,739,918.

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ] No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify The part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders;

(b) Any information statement filed pursuant to SRC Rule 20;

(c) Any prospectus filed pursuant to SRC Rule 8.1.

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Part I – BUSINESS AND GENERAL INFORMATION

Item 1 – BUSINESS

BACKGROUND

Alliance Select Foods International, Inc. (ASFI or the "Parent Company") is a public corporation under Section 17.2 of the Securities Regulation Code (SRC) and was registered in the Philippine Securities and Exchange Commission (SEC) on September 1, 2003. The Parent Company is primarily engaged in the business of manufacturing, canning, importing and exporting of food products such as marine, aquaculture and other processed seafood. Its shares have been listed on the Philippine Stock Exchange (PSE) since November 8, 2006.

On July 1, 2010, the Board of Directors resolved to change the corporate name from Alliance Tuna International, Inc. to Alliance Select Foods International, Inc. The change in corporate name was then approved by the SEC on July 22, 2010. While canned tuna will continue to be an important source of growth for ASFI, the firm decided to diversify its product line and take advantage of its manufacturing expertise and global marketing channels to introduce new products. The new name reflects that change in the Parent Company's direction.

The Parent Company's key business activity is the processing, canning, and export of canned tuna. ASFI exports its canned tuna products to Europe, North America, Asia, Africa and South America. The Parent Company is primarily a "private label manufacturer" of canned tuna and processes and cans tuna in the institutional and retail pack can sizes using its customers' brands.

To enhance margins, ASFI processes the by-products and scraps from its tuna processing operations into fishmeal, which it sells to the domestic and export markets.

The Parent Company set up a marketing representative office in Bangkok, Thailand, in May, 2004 to tap the network of buyers and brokers who use Thailand as a base to buy canned tuna.

ASFI also acquired a 40% stake in FDCP, Inc., (FDCP) a can making Company, in September 2005, to ensure the availability of quality cans at competitive prices and sustainable supply. The investment in FDCP has enabled ASFI to improve its product cost structure.

In May, 2008 the Parent company established a subsidiary, PT International Alliance Foods Indonesia (PT IAFI) which acquired the assets of an Indonesian tuna cannery located in Bitung, in the island of North Sulawesi. The Parent Company owns 99.98% of PT IAFI. A complete renovation of the factory and upgrade of capacity to 90 metric tons per day was undertaken. This investment in Indonesia allows PT IAFI access to rich Indonesian marine resources and expanded the combined operating capacity of the company's two canned tuna processing facilities to 230 metric tons per day. PTIAFI started operations in July 2009. To ensure consistent supply of tuna, its primary raw material, PT IAFI set up PT Van de Zee, a fishing company in Indonesia, in which it owns an 80% stake, in May 2012. The fishing company has been granted a license by the Indonesian government to catch up to 30,000 MT by 2016. PT Van de Zee will be operated in integration with the tuna processing activities of PTIAFI thus making it the first foreign investment company to be granted a capture fishing license and allocation in the rich fishing grounds of Indonesia.

As part of the Parent Company's product diversification strategy, it invested in a New Zealand based processor of smoked salmon in January 2009. The initial investment of a 39.00% stake in Prime Foods New Zealand, Ltd. ("PFNZ") was later increased to 50% plus 1 share of PFNZ. The Parent Company and PFNZ established a joint-venture company called Big Glory Bay Salmon & Seafood, Inc. ("BGB") that imports salmon from New Zealand and other countries and processes it in General Santos City, Mindanao, Philippines. The smoked salmon products from BGB are exported globally.

BGB was registered with the BOI on February 26, 2010 as a New Export Producer of Smoked (hot/cold) Salmon and its by-products on a non-pioneer status under the Omnibus Investments Code of 1987. This entitles BGB to avail of income tax holidays for four (4) years. The construction for a new facility commenced soon afterwards and the state of the art facility based in General Santos City, Philippines was inaugurated on August 2, 2011. BGB started commercial operation on August 1, 2011. Since its inception BGB has been able to export

its output to leading supermarkets in countries in the region like Singapore, Japan, Hong Kong and South Korea. In addition, the company also sells the "Superfish" brand of smoked salmon to local supermarket chains in the Philippines. As of December 31, 2013, ASFI owns 50% + 1 and PFNZ owns 50% less 1 share of BGB's outstanding capital of US$1,386,014.

On August 10, 2011, ASFI acquired 100% of the issued share capital of Spence & Co. Ltd., located at No. 76 Campanelli Drive, Brockton MA 02301 USA, for a cash consideration of $ 9.2 million. Spence, which became a wholly owned subsidiary of the Parent Company, specializes in the production of smoked salmon and other seafood. It is one of the leading salmon processors in USA with extensive network of clients in that country. Their products set the industry benchmark and are available in the major supermarkets in USA. The investment has given ASFI a beachhead to process and distribute additional smoked salmon products in USA, the world's largest market for smoked salmon. The investment in salmon processing allows the Parent Company to diversify its product line to take advantage of the changing food consumption patterns around the globe, address the issue of sourcing raw materials and improve overall margins and profitability.

As part of its expansion strategy into backward integration, in October 2012, Alliance acquired an 80% stake, approximately US$2.2 million, in Akaroa Salmon New Zealand Ltd. Akaroa is among the pioneers of farmed salmon industry in New Zealand. The company was set up in 1985 and over the years they established the Akaroa Salmon brand as the premium quality brand in the country. Akaroa has been recipient of various awards and accolades from New Zealand's food industry- the latest being the Cuisine Artisan Awards 2011 when their Hot Smoked Salmon was declared the winner. They operate two marine farms in the pristine cold waters of Akaroa Harbor in the country's South Island to rear the King, or Chinook, salmon. Their processing facilities are located in the Riccarton district of Christchurch, a little more than an hour away from their salmon farms. They also hold a 20% stake in Salmon Smolt NZ Ltd., a modern hatchery guaranteeing high quality and consistent supply of smolts (juvenile salmon) for Akaroa's farms. The company is a thriving niche producer at the highest end of the quality salmon market, supplying New Zealand's leading chefs and the discerning diner with premium fresh and smoked salmon products.

PRODUCTS

Canned Tuna

The market for canned tuna is comprised of the institutional and retail markets. The difference between the two segments is the size of the canned product.

The institutional pack can is referred to in the industry as "603." This pack size is named as such because the can is six and 3/16 (6-3/16) inches in diameter. The standard amount of tuna or "drain weight" contained in this can-size is between 1.75 to 1.85 kg, depending on customers' specifications. The end users of the institutional sized-cans include restaurants, fast food chains, school systems, and other public feeding systems. ASFI packs this can size in solids, chunks, and flakes, with packing mediums of oil, brine, vegetable broth, and water.

The retail pack can, on the other hand, is referred to in the industry as the "307." This pack size is named as such because the can is three and 7/16 (3-7/16) inches in diameter. The 307 can has a standard drain weight of between 170 to 200 grams. This pack size is sold to wholesalers, distributors, and food companies that have their own brands. The retail pack can is what consumers normally purchase in the supermarkets and groceries. ASFI packs this can-size in solids, chunks, and flakes, with packing mediums of oil, brine, vegetable broth, and water.

ASFI started to offer a new retail can size, known as "211" in the middle of 2005. The 211 can has a standard drain weight of between 90 to 100 grams. This can size is exported to selected European countries and the US. In 2007, the company introduced new cans sizes namely the 3 kgs, 1 kg and 90 grams. The 3 kgs and 1 kg can sizes are for institutional buyers with drain weights of 2.6 kgs and 650 grams respectively. These cans are sold primarily in Europe.

To keep up with market trends and demands, ASFI introduced two new retail packs in 2008. The "411" can size has a drain weight of 280 grams. These products are sold primarily in Europe. Another recent introduction is the 5 oz. can with a drain weight of 100 grams. ASFI is one of only two canneries in the Philippines that offer this product. This can size is sold in the US.

Globally, the retail can market accounts for around 80.00% of the total end-market, while the institutional can market accounts for the balance of about 20.00%. Philippine canned tuna manufacturers primarily process can, and export the institutional pack can as the country has a cost advantage in terms of raw material, tuna, but a relatively higher cost for the tin cans in which tuna is packed. It should be noted that for the institutional can size, there is more tuna packed relative to the can utilized. ASFI, however, has penetrated the substantially larger retail pack can market to tap the potential for growth that this market segment offers.

Smoked Salmon

PFNZ manufactures smoked salmon and smoked mussels for both the retail (75%) and foodservice sectors. Domestic sales in New Zealand account for almost all of its sales though a small portion is exported to Australia and the United Arab Emirates. The company sells its products under the Prime Smoke and Studholme brands. In addition, it also manufactures the house brand for Progressive, the largest supermarket chain in New Zealand.

PFNZ primarily manufactures retail sized products, which range from 50 grams per pack to 100 gram, and are sold under the Prime Smoke brand. Institutional sized products are also sold under the same brand and weigh between 500 – 510 grams. The products are frozen and vacuum packed. These products are either hot or cold smoked salmon and are sold as fillets, slices and shavings. Institutional sales include brined cold smoked salmon in weights ranging between 500-510 grams.

Spence's best-selling product is the retail-sized smoked salmon ranging from 6-16 oz. packets. It sells the traditional and classic smoked salmon to supermarkets in the US. Salmon species that the firm smokes include Coho, Sockeye, and King. In addition to these traditional products, Spence also markets value added salmon products like Nova lox, Gravlax, Pastrami Salmon, Pinwheels, Salmon spread for bagels, Pate, Salmon Fleurette Platter, Salmon Trim, Mustard Dill Sauce, Red Hackle Smoked Salmon, Lox in a Box, Smoked Salmon Petit Fours, and Salmon rings. These salmon products are mainly sold under the Spence brand.

Spence is also a very active player in packing retail-sized private label brands, chief among them is the private label brand of one of the more popular premium supermarket chain in the US. The most popular products available under this name include the firm's Smoke Salmon and Smoke Trout packages. For one of the leading restaurants in the country, Spence produces value added smoked salmon in various flavors.

A leading seafood restaurant group is another major client of Spence. Products offered again are retail sized ranging from 6-16 oz. Best sellers include Smoke Roasted Honey Oak Salmon in 6 oz. pack. Scottish Style Smoked Salmon Platter in 12 oz. is a popular seller for social gatherings. Other fast moving flavors are Smoke Roasted Garlic Pepper Salmon, Smoked Nova Salmon, Smoked Wild Sockeye, and Smoked Whitefish loin in a 16 oz. pack.

Smoked salmon makes up a large portion of Spence's sales with a miniscule percentage of other seafood. These products, marketed under the Spence brand and sold in retail sized packs, include, Smoked Trout, Smoked Mackerel, Smoked Whitefish, Smoked Bluefish, Findon Haddock, Smoked Trout Pate, Smoked Bluefish Pate, and Smoked Whitefish Salad.

BGB's products also include retail sized smoked salmon packs for supermarkets. The product sizes range from 50 grams to 200 grams. The subsidiary's products are either cold or hot smoked. Currently, the company processed King and Atlantic salmon species in addition to trout. The finished products are marketed to supermarkets and other premium quality retail outlets in Singapore, Hong Kong, Japan, S. Korea and Philippines, among others.

With the acquisition of Akaroa Salmon NZ, the company has added fresh salmon to its product line. These are delivered to major restaurants and hotels in New Zealand. In addition, Akaroa's smoked salmon has been an award winning product in the country and continues to set the benchmark in quality in New Zealand.

Fishmeal

Fishmeal is the by-product of the canning operation. The tuna loin is the portion of the fish that is packed in cans. All other parts of the fish are processed to produce fishmeal that is sold as additives or primary ingredients for animal feed.

Salmon By-Products

The Company also sells salmon by-products, either individually, or as part of other salmon products. The US subsidiary sells these by-products as part of various items like pate, torta, rings and trim. Other units sell belly, collars, fins and trims etc. to various clients to maximize revenue generation potential of the products.

REVENUE BREAKDOWN

The percentage contribution to the Group's revenues broken down into major markets for each of the three (3) years in the periods ended December 31, 2013, 2012 and 2011 are as follows:

	December 31, 2013	*December 31, 2012*	*December31, 2011*
Institutional Pack Can - Tuna			
North America	6.4%	6.0%	6.6%
Europe	35.5%	33.0%	47.9%
Non-Traditional Markets	1.8%	2.3%	1.3%
Total Institutional Pack Can	**43.7%**	**41.3%**	**55.8%**
Retail Pack Can - Tuna			
North America	0.5%	0.2%	0.4%
Europe	17.3%	26.7%	16.0%
Non-Traditional Markets	1.5%	1.1%	1.4%
Total Retail Pack Can	**19.3%**	**28.0%**	**17.8%**
Canned Tuna	**63.0%**	**69.3%**	**73.6%**
Fishmeal (Local)	**4.5%**	**4.3%**	**5.0%**
Salmon	**32.5%**	**26.4%**	**21.4%**
Total	**100.0%**	**100.0%**	**100.0%**

**Numbers might not add up due to rounding errors*

DISTRIBUTION METHODS, SALES AND MARKETING

The Parent Company is a private label manufacturer of canned tuna. Based on the specifications provided by the ASFI's customers, it processes tuna, packs these in the specified can size, and labels the canned tuna products using the labels of its end-customers. For customers who do not own a brand, ASFI offers its own house brand, Sea Harvest.

The Parent Company has positioned itself as a supplier of canned tuna to a wide range of buyers and agents. Most of the products that the ASFI ships out to customers are finished and labeled, and are ready for shipment to their respective end-destinations.

At present, ASFI exports its entire production of canned tuna. ASFI's primary markets include North America and Europe. Fishmeal, on the other hand, is mainly sold to the domestic market but it is also exported.

PT IAFI started exporting canned tuna to North America in 2009. Subsequently in 2010 & 2011 it expanded its market reach to Europe, South America & Asia.

PFNZ sells to supermarket companies. The company hired dedicated salesmen to market its products in New Zealand (NZ). Product is delivered anywhere in NZ within 24 hours of receiving the order. Foodservice clients include hotels, restaurants and food manufacturers. Promotional activity is mainly by way of weekly specials in retail, with some occasional print and radio media advertising.

For Spence the marketing effort was placed on retail sales with a special emphasis on brand name and innovation. Spence's sales efforts have been led by professionals with experience in the distribution industry, with previous employment in leading firms like Sysco and Whole Foods. Their efforts and contacts have enabled the firm to tap into a network of established and well known food distributors in the region.

In addition to using its own sales force, Spence also uses food brokers to market its products. A major food broker is authorized to act as Spence's exclusive agent for sales of all products sold under the name of the region's leading seafood restaurant group.

Spence has also been granted a license to produce and sell smoked salmon, whole whitefish, and whitefish salad under a major restaurant chain's trademark.

In addition, Spence has a relationship with another high-end restaurant whose celebrity chef has licensed Spence to produce and sell smoked salmon and other seafood products under his name.

BGB's products are sold through the company's own sales force. This team is led by an industry expert who had been selling, among others, Kiwi smoked salmon products to major supermarkets in the Asia-Pacific region for over a decade. With his extensive knowledge of the industry and contacts in the retail trade in the region BGB has been able to establish itself as a purveyor of quality smoked salmon products in the region. And with the introduction of a local salmon brand for the Philippines, the company has a dedicated team that caters only to the local market.

Akaroa's products are primarily sold directly by the company to its institutional and retail clients. The subsidiary's General Manager is in charge of all marketing activities and is tasked with, among others, drawing up and implementing all marketing plans.

COMPETITION

There are eight (7) companies engaged in tuna canning in the Philippines. Six are located in General Santos City and two (1) is located in Zamboanga.

The company's competitors for the export market are General Tuna Corporation, Phil. Best Canning Corporation, Ocean Canning Corporation, Celebes Canning Corporation, Permex Producer & Exporter Corporation and Seatrade Canning Corporation. One company dominates the local market thru its Parent Company.

Most Philippine canned tuna processors produce two (2) can sizes: the retail pack and the institutional pack can sizes. Three (3) firms pack tuna in pouches, and one (1) company produces canned tuna for pet food.

The US and EU markets account for approximately 75.00% of world tuna consumption. These two (2) major markets are the primary markets of Philippine canned tuna companies.

PFNZ, the company's subsidiary in New Zealand is the second largest processor of smoked salmon in the country with approximately 40% of the market share. Its main competitor is King Salmon Company, the largest smoked salmon processor in the country.

The smoked salmon industry in the US is highly fragmented with no national brand selling across all the regions in the country. Each region has a number of local smokers with sales to that particular region only. A majority of the smokers are the "mom and pop" variety with a small customer base and highly localized marketing effort.

According to estimates, Spence has the third largest market share in the North East region, where it is located. Spence's biggest competitor is a subsidiary of Marine Harvest Group, a publicly listed firm on the Oslo Bors. Another large seafood company in the region is the Brooklyn-based seafood company. It sells various smoked fish specialties in addition to side dishes like coleslaw salad etc.

The business model that BGB follows, i.e. importing King salmon from New Zealand and other countries, and using the competitively priced and highly efficient Filipino work force to export a premium product from the Philippines is unique, and no other processor follows the same strategy.

Akaroa has a number of competitors who also have their own marine farms in New Zealand. Its major competitor is also the country's largest salmon farmer who exports a large chunk of its output. In addition, there are some similar sized salmon farms, but unlike, Akaroa, they cannot supply fresh salmon to their clients year round.

Skipjack, Yellowfin and Salmon

Skipjack and Yellowfin tuna are the main raw fish inputs for canned tuna products.

The early fishers of Yellowfin and Skipjack were dominated by pole-and-line or "baitboat" vessels. The longline vessels primarily caught Big eye, and the larger Yellowfin species for the sashimi markets.

The introduction of the purse seine catching method in the 1950s changed the nature of the Skipjack and Yellowfin fishers. They were introduced into the Atlantic in the early-1960s, and into the Indian Ocean on a large scale in the mid-1980s. The increasing trend in total global catch goes hand-in-hand with the expanding scale of these purse seine fishers. By the end of 2012, the combined global catch of Skipjack and Yellowfin was about 3.8 million MT, or about 85% of global tuna catches.

More than 75% of the total catch was supplied by purse seine vessels. Tuna caught using longline and pole-and-line each account for 10% of global tuna catch.

ASFI and PT IAFI both purchase their fish from fish suppliers in their respective countries.

The company's subsidiary PFNZ & BGB source their salmon from fish farms in New Zealand. BGB also sourced fish from Chile in 2013. The company receives the salmon in H&G (headed and gutted) form. This is then processed into hot or cold smoked salmon. Akaroa's fresh chilled salmon and smoked products are sourced from its own farms.

ASFI's subsidiary in the US, Spence, processes and markets the Atlantic species of salmon. While some of the Atlantic salmon is caught in the wild, the overwhelming majority of the Atlantic salmon consumed in the world is produced through aquaculture. The fish are grown in commercial fish farms and the two leading nations for Atlantic salmon are Norway and Chile. Though Chile suffered an outbreak of a contagious disease that wiped out large portions of the salmon industry, the country has recovered and expects to reach its pre-disease highs in a couple of years.

Key Fishing Areas - Tuna

A key resource or catching area for tuna is the Pacific Ocean. According to the Western and Central Pacific Fisheries Commission's WCPFC Tuna Fisheries Yearbook 2012, world tuna catch from this fishing area accounted for almost 71.8% of global tuna catch. The Western Pacific Ocean accounted for 58.1% of the total while the Eastern Pacific Ocean accounted for another 13.7% of the global tuna catch. The Pacific Ocean is followed by the Indian Ocean and accounts for 18.3% of the catch with the Atlantic Pacific accounting for the balance 9.9%.

Key Sourcing Area – Salmon

Almost all of the salmon processed by PFNZ, BGB and Akaroa is sourced from fish farms in New Zealand. None of the fish is wild caught. This ensures a consistent supply of raw materials for our salmon subsidiaries.

Farmed Atlantic salmon, which the company's subsidiary, Spence produces, is sourced from local fish brokers in the North East region of USA. These brokers in turn buy their raw materials primarily from Norway, Scotland & Chile.

Tuna Catching Nations

The major tuna catching nations are concentrated in Asia, traditionally led by Japan and Taiwan. However, the last few years Indonesia, the Philippines, Korea and China have become significant players.

In the Western and Central Pacific Ocean, the main hunting ground for tuna, Indonesia is the largest tuna catching country with a steady increase in catch over last 3 years. In 2012, Indonesian tuna catch was 443,316 MT. This is higher than its catch of 390,279 MT in 2011 and 351,264 MT in 2010. Japan and Korean fleets were also major players in the area in 2012. Japan caught 342,527 MT in 2012 while the Korean fleet caught

290,123 MT that year. Other important players in the region in 2012 were USA, with a total catch of 272,806 MT, Taiwan with 243,194 MT, Papua New Guinea with another 240,055 MT. Philippines also made its presence felt with its fleet catching 211,689 MT which was slightly higher than the 192,956 MT of fish caught in 2011.

In Europe, Spain and France are major tuna catching countries that fish in the Indian Ocean.

Latin American countries, Ecuador, Mexico, and Venezuela are also tuna-catching countries. However, their competitiveness is undermined by the variability of tuna resources, reliance on imported tuna, declining canned tuna consumption in major importing countries, and unjustified barriers and other forms of protectionism in major markets.

CUSTOMERS

The Company has a client base spread over 60 countries. One customer accounted for 24% of export sales in 2013. ASFI does not have any major existing sales contracts.

The salmon products are mainly sold in New Zealand. In addition to New Zealand, PFNZ exports its products to Australia and the United Arab Emirates. The company does not have any major long-term sales contracts. Two of its client accounted for more than 20% each of sales in 2013. Spence sells its products to the U.S. One customer accounted for more than 20% of the unit's sales in 2013.

For BGB, one client accounted for more than 20% of sales in 2013. None of Akaroa's clients accounted for more than 20% of total sales.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

First Dominion Prime Holdings, Inc. (FDPHI), Maranaw Canning Corporation (MCC), Clearwater Tuna Corporation (CTC), Nautica Canning Corporation (NCC), or collectively referred to herein as the FDPHI Group of Companies.

Until January 23, 2011, MCC, a subsidiary of FDPHI, was directly leasing to ASFI the production facilities being operated by the latter as tuna processing plant, located at General Santos City ("Gensan Tuna Plant). The said production had been subject of a mortgage lien in favor of Asiatrust until the cancellation of said mortgage on May 11, 2011.

Upon expiration of the lease contract between ASFI and MCC on 23 January 2011, the latter leased the plant for one month or until January 23, 2011 to Alliance MHI Properties, Inc. (AMHI) which in turn sub-leased the Gensan Plant to ASFI. ASFI owns 40% of AMHI, the company that acquired the Gensan plant from MCC. The plant was mortgaged by AMHI to Landbank of the Philippines ("Land Bank") which took out the mortgage loan from Asiatrust.

With the ownership and title to the plant already transferred to AMHI, the Contact of lease between MCC and AMHI was terminated and a direct Contract of Lease was entered into by AMHI as lessor and ASFI as lessee, effective May 16, 2011 until May 15, 2014. On December 28, 2012, a Deed of Absolute Sale was executed between the ASFI and AMHI whereby the Group has acquired some of AMHI's building, plant machinery and equipment with an aggregate purchase price of $2,080,218.

On January 1, 2013, ASFI enters into a new operating lease with AMHI for the utilization of the Plant site located at Brgy. Tambler, General Santos City. Lease is negotiated for an average term of five (5) years renewable upon terms acceptable to both parties.

FDCP, another subsidiary of FDPHI which manufactures cans is 40.00% owned by ASFI. FDCP, Inc. is ASFI's major supplier of tin cans.

Common shareholders of ASFI and FDPHI group are Jonathan Dee, Alvin Dee, and Joanna Dee-Laurel. Jonathan Dee and Alvin Dee are also directors in both corporations.

ACCREDITATIONS, PATENTS & TRADEMARKS

The Company is accredited by a number of international rating and accrediting agencies, as well as domestic rating and inspection bodies.

ASFI's tuna operations in General Santos City and Bitung have passed various tests and standards for the quality of its products, adherence to HACCP standards, adherence to Kosher and Halal processing guidelines, and adherence to dolphin-safe practices.

The Company's various accreditations allow it access to most of the major markets for canned tuna products.

These accreditations are:

- United States of America – Food and Drug Administration
- European Union – issued through Bureau of Fisheries and Aquatic Resources (BFAR)
- Certificate of Conformity from British Retail Consortium Global Standard – Issued by European
- Food Safety Inspection Service (EFSIS)
- International Food Standard Certified
- Dolphin Safe Accredited
- Kosher Accredited
- Halal Certified
- HACCP Program Documentation and Implementation Certified
- Certificate of Good Manufacturing Facilities

In addition, the company also has registered patents and trademarks. The "Alliance Tuna International, Inc." name was registered with the SEC on September 2003 and is valid for 50 years. The name "Alliance Select Foods International, Inc." was registered with the SEC, and approved, on July 22, 2010. The name Prime Foods New Zealand has also been trademarked and the company has rights to the name until March 3, 2015. The company's farmed salmon subsidiary in New Zealand owns the "Akaroa Salmon" trademark.

Most of ASFI's clients have their own brand names. In the private label business, producing canned tuna for a client's label is the norm in the industry. The Company uses its house brand, Sea Harvest, for clients who either do not have their own brands or are looking for alternative brand names. The number of containers shipped under the Sea Harvest brand is small but serves as a useful alternative if clients want to use the name.

REGULATORY FRAMEWORK/GOVERNMENT APPROVAL-GENERAL SANTOS OPERATIONS

Industry-particular Governmental Laws and Approvals

The BFAR is a line bureau reconstituted under the Department of Agriculture, by virtue of Republic Act No. 8550 (Philippine Fisheries Code of 1998). This code provides for the development, improvement, management, and conservation of the country's fisheries and aquatic resources.

ASFI had received a certification from BFAR, on behalf of EU, authorizing the implementation of the HACCP System. The accreditation is valid until June 8, 2014. To secure a renewal in future, ASFI has to show that it manufactures the goods in compliance with the HACCP system for assuring food safety.

ASFI is registered with BFAD as a food manufacturer/exporter of fish and marine products. Its license to operate is valid until June 3, 2014.

BGB has received a certification of recognition for the implementation of Hazard Analysis Critical Control Point (HACCP) System from Bureau of Fisheries and Aquatic Resources (BFAR) and The certification is valid until August 8, 2014.

BGB is also registered with Food and Drug Administration (FDA) as a food manufacturer/exporter of processed seafood products. Its license to operate is valid until May 25, 2014.

Environment-particular Governmental Laws and Approvals – Environmental & Safety Issues

The Philippine Environmental Impact Statement System (Presidential Decree No. 1586, as amended) covers projects and undertakings that are classified as environmentally critical as well as projects situated in environmentally critical areas. These projects or undertakings are required to be covered by an Environmental Compliance Certificate (ECC). The Company's operation of its processing and production facilities is classified as an environmentally critical project.

ASFI obtained an Environmental Compliance Certificate on December 16, 2003 which is still valid. In addition to this, the company also has a Waste Water Discharge permit which is valid until October 28, 2017. A Permit to Operate (Boiler) was also issued on January 17, 2006 and allows the company to operate a boiler until October 12, 2016.

For its Bitung facility, the company was awarded the Certificate of Recommendation that states that the firm has complied with environment and safety regulations. In addition, the Ministry of Marine Affairs & Fisheries has awarded the HACCP certification on behalf of EU after they conducted tests in March 2014 which it passed with flying colors. They have also been certified with Good Management Practices and the certification will expire on August 27,2015. The International Food Service certification for the subsidiary is valid till July 19, 2014. In addition, the subsidiary also has Kosher certification will expire on June 30, 2014.

BGB obtained an Environmental Compliance Certificate on February 12, 2010 which is still valid. In addition to this, the company also has a Waste Water Discharge Permit which is valid until June 15, 2014. A Permit to Operate (Diesel Engine Generator) was also issued on October 10, 2011 which is valid till June 26, 2017. BGB is also registered with the United States Food and Administration (USFDA) on May 10, 2011.

Business-particular Governmental Laws and Approvals: Labor and Employment

The Department of Labor and Employment (DOLE) through the Labor Standard Enforcement Division of DOLE Region XII Office, conducts inspection of the Company to determine compliance with labor laws, particularly those relating to occupational health and safety. On October 5, 2011 the DOLE Region XII Office conducted an inspection of the Company and found the Company to be in compliance with labor laws and regulations.

The Indonesian subsidiary has to submit an annual report called Bentuk Laporan that the company has complied with all the relevant labor laws and regulation. The current certification will expire on February 17, 2015.

NUMBER OF EMPLOYEES

As of December 31, 2013, the Company had a total of 2,330 contractual/temporary and permanent employees. The company's canned tuna facilities in General Santos City, Philippines and its smoked salmon facility in the same city had a total of 1,134 people with the Indonesia accounting for another 1,047 employees. Alliance's two subsidiaries in New Zealand had 77 employees while the wholly owned US subsidiary employed another 72 people. Finally, the company's marketing office in Thailand consisted of 2 employees.

None of the employees, including contractual workers, are under any collective bargaining agreement. The company did not experience any work stoppage or strike and does not anticipate a significant increase in its workforce in the year 2014.

MAJOR RISK FACTORS

Risks relating to tuna supply

To ensure continued profitability the company's canned tuna operations need timely and adequate access to the primary raw material, tuna. Fish suppliers should be able to catch tuna where it is abundant without any unreasonable restrictions placed on their operations.

Traditionally, Filipino fishermen delivering frozen fish caught their tuna, in Philippine waters, Indonesia and international waters. These waters are extremely rich in skipjack and yellowfin tuna, the two species that Alliance produces.

However, in the last few years there has been a trend toward resource nationalization and environmental sustainability. Both these trends have made it challenging for Alliance's suppliers to deliver adequate quantities of tuna in a timely manner.

Indonesia, one of the leading tuna catching nations, closed its territorial waters to foreign flagged fishing boats. Alliance's Filipino suppliers thus lost access to lucrative fishing grounds and were forced to catch fish in either the international waters or in the Philippines thus increasing competition in the area. Revised catch rules in Indonesia now allow only Indonesian flagged boats to catch fish in their waters and deliver all the catch to local canneries. Without access to these resources, Alliance's Philippines' canned tuna operations had to depend on suppliers fishing in Philippine waters to fulfill its requirements. The company was only partially successful in making up this shortfall. However, the effects of this policy were mitigated by Alliance's investment in its Indonesian canned tuna subsidiary. The subsidiary can access tuna raw materials there and make up for lost production at the parent company's General Santos City operations.

Also, the Western & Central Pacific Fisheries Commission (WCPFC), the international body governing the management of fishing resources in the international waters in the region, put a moratorium on fishing in these waters in the hope of conserving the population of the big eye tuna, which scientists classified as overfished. As a result of this closure, Alliance's suppliers were forced to fish only in Philippine waters. Compounded with the closure of Indonesia's territorial waters, the area where our suppliers could fish was significantly reduced. However, just recently WCPFC approved the request of the Philippine government to open one of the pockets in the international waters for fishing by Filipino operators. As a result the company expects tuna deliveries from its suppliers to gather pace significantly in the coming months and return to levels at or near historical averages.

As a way to mitigate the effects of fish supply, Alliance decided to complement its current base of fish suppliers by starting its own fishing operations. The company established Pt Van De Zee in Indonesia to fish in Indonesian waters. This fishing company has been granted a license to fish up to 30,000 MT by 2016. In addition, the company entered into a fishing joint venture January 2013 with a fisherman based in General Santos City, to fish in local and international waters to supply fish to its cannery based in the Philippines. This joint venture is called Wild Catch Fisheries, Inc. and is expected to commence fishing operations sometime in the second quarter of 2014.

Risk Relating to Salmon supply

Prime Foods New Zealand and Big Glory Bay source all of its salmon from New Zealand and Chile. New Zealand forbids importation of salmon so the company depends on local suppliers for its raw material supply. However, there are a number of companies in the country that have salmon farms so PFNZ has a wide range of suppliers to choose from. Currently, the subsidiary purchases its raw materials from two suppliers and stocks a few months' worth of supply.

Alliance's other New Zealand based subsidiary, Akaroa Salmon New Zealand Ltd., has its own salmon farms and sources all of its salmon raw materials from its farms.

Spence, Alliance's US subsidiary, procures all of its salmon raw material from local fish brokers who in turn source the fish from farms in Chile, Norway or Scotland. Supplies from these farms fluctuate and may carry with them a risk of outbreak of contagious disease which may affect supply, and hence prices.

Risks relating to competition and tuna selling prices

Aside from market price of tuna, competition from Philippine and international tuna canners also affects the market price of canned tuna. Canned Tuna is a commodity.

The Company has been able to address this situation by ensuring that its primary product input, tuna, is matched with firm orders from its buyers.

Risks relating to competition and salmon selling prices

Prime Foods is the second largest smoked salmon processor in the country with a market share of about 40%. Their largest competitor is NZ King Salmon Company, a publicly listed firm with approximately 50% market share. In spite of stiff competition from its largest competitor, Prime Foods has held its own and won over clients with an appetizing product line. Over the last few years there is less competition in the market as the number of smoked salmon processors has decreased. The firm's main price risk comes from price promotions by the company's main competitor. The company mitigates the risk by having its own price promotions.

BGB, ASFI's smoked salmon subsidiary based in General Santos City, has started to establish itself as a producer of high quality smoked salmon. This subsidiary smokes salmon imported from New Zealand and Chile which is of premium quality and sells at price points higher than other species of salmon. However, the competitive labor costs in the Philippines have mitigated the cost factor to a large extent.

Spence also operates in a very competitive market and though price is not the only deciding factor in a consumers mind it does play a role. The company distinguishes itself from its competitors on the quality of products and innovation. The subsidiary's products are difficult to plagiarize and hence can command a premium price.

Akaroa's products are sold at the high end of the market too. High fish quality and excellent fish handling means that the company can command premium pricing. They are only of the two farms in the country that can provide fish year round from its farm so has become preferred vendor to a number of its clients.

Risks relating to quality assurance failure on processes

Canned tuna is for human consumption. As such, a high quality assurance standard for the product is required as product failure can affect human health. The presence of toxins, foreign materials, and the like in canned tuna products would necessitate the recall of an entire production batch. Product failures would also have an adverse negative effect on a canned tuna manufacturer's reputation.

The Company's Quality Assurance Department has experienced and trained personnel. The group is staffed by graduates of chemical engineering, microbiology, and fisheries. The Quality Assurance Department is responsible for the Company's HACCP plan, Good Manufacturing Practices (GMP) and hygiene compliance, and addressing customers' complaints.

The risks include underweight products, high bacteria counts and Listeria. The effects of these are mitigated by a production process that places a premium on good practices and training of personnel to spot problems before the goods are shipped.

Risks relating to the leasing of land and facilities

Some of the company's subsidiaries lease the land where their processing facilities are located. The land where the company's canned tuna and smoked salmon operations are located in the Philippines is currently being leased from AMHI. The company has long term lease contracts to mitigate this risk.

Land where ASFI's facilities in New Zealand, both Prime Foods and Akaroa Salmon, are located is being leased from their respective owners. This is true of Spence & Co as well. ASFI has mitigated this risk by entering into long term contracts with the land owners.

Risks relating to contractual arrangements

Due to the commodity nature of the canned tuna industry, buyers will go to the suppliers that provide quality products at the lowest possible price.

At present, the Company's contractual arrangement with its buyers is undertaken on a "per purchase order" basis, wherein the shipment period does not exceed three (3) months. Under no circumstances does the company enter into a long-term supply of canned products such as tuna prices are volatile.

Item 2 – PROPERTIES

Alliance Select Foods International, Inc. (ASFI)

ASFI's canned tuna subsidiary in the Philippines leases the land where its processing facilities are located. The Company pays a monthly fee of P2,322,290 and has a lease contract with the land owner, AMHI, effective from January 1, 2013 to December 31, 2017.

ASFI is likewise leasing from MCC its office spaces located at Suites 1206A, 1206B and 1406A, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City for a monthly rental of ₱147,150 for a period of two (2) years, beginning on January 1, 2012 and expiring on December 31, 2013, renewable upon mutual agreement of the parties.

ASFI leases from Dominion Property Holdings Corporation the portion of its office spaces located at Suite 1205 in the Philippine Stock Exchange Centre East Tower for a monthly rate of ₱92,140 and for a period of one (1) year, commencing on March 1, 2013 and expiring on February 28, 2014, renewable upon mutual agreement of the parties. The same contract was renewed to expire on February 28, 2015.

ASFI also leases another property from Dominion Property Holdings Corporation the portion of its office space located at Suite 1405 in the Philippine Stock Exchange Centre East Tower for a monthly rate of ₱105,125 and for a period of one (1) year, commencing on January 1, 2013 and expiring on December 31, 2013, renewable upon mutual agreement of the parties. The contract was renewed until December 31, 2014.

ASFI also leases another property from Dominion Property Holdings Corporation the portion of its office space located at Suite 1207A and additional area in 1405 in the Philippine Stock Exchange Centre East Tower for a monthly rate of ₱7,962.50 and ₱24,375, respectively, commencing on August 16, 2013 and expiring on December 31, 2013, renewable upon mutual agreement of the parties. The contract was renewed until December 31, 2014.

PT International Alliance Foods Indonesia (PTIAFI)

PTIAFI is located in the town of Bitung, North Sulawesi in Indonesia. The largest nearest town is Manado, which is about a two-hour drive from the company's processing facilities. The land area occupied by the factory complex is 14,200 sq.

The Company owns its production and processing facilities through its subsidiary, PTIAFI, in Bitung Indonesia. These include the land, production facilities, administration building, and all plant and office equipment. PTIAFI leases one (1) 603 and one (1) 307 filling machines from Luthi Machinery Company, Inc.

PTIAFI has no plans in purchasing any property in the next 12 months.

Prime Foods New Zealand, Ltd. (PFNZ)

PFNZ's processing facilities are located in Hororata, New Zealand. The plant is about a one hour drive from Christchurch in South Island.

The facilities owned by PFNZ are kept in good condition through regular and preventive maintenance and are located on a 6,436 sq. property that PFNZ also owns.

PFNZ has no plans to purchase additional properties in the next 12 months.

Big Glory Bay Salmon and Seafood Company, Inc. (BGB)

BGB's facilities are also located in the same compound where ASFII's canned tuna and can making facilities are located in General Santos City, Mindanao, Philippines.

BGB is leasing the land with an area of 985.88 sq. from AMHI. The rental cost is P80,775 per month and the lease agreement expires on December 31, 2017.

Spence & Co. (SPENCE)

Spence does not own any properties. The processing facilities are leased from Gael Land Realty LLC. The current lease payments are US$ 17,900/month. The lease will continue till May 31, 2020. There will be no increase in rent for the first four years; thereafter, the annual base rent for each year shall be equal to the fair market rental value of the property. Moreover, as part of the agreement, ASFI and Spence will have the option to purchase the property in the future or have a right of first refusal.

Akaroa Salmon NZ Ltd. (AKAROA)

Akaroa is leasing the plot of land from Baruch Estate where the company's processing facilities are located for a period of five (5) years from August 2012 to July 2017, renewable by mutual; agreement of both parties. The rental cost is $4,705 per month.

Item 3 – LEGAL PROCEEDINGS

As of December 31, 2013, the company or its affiliates are not subject to any pending legal proceedings.

Item 4 – SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

Part II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5 – MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The company's common stock equity, its only class of shareholders, is traded on the Philippine Stock Exchange under the ticker symbol FOOD. Quarterly High and Low prices for 2013, without stock adjustments, are as follows:

Quarter	High (In Peso)	Low (In Peso)
Quarter 1	2.14	1.06
Quarter 2	2.08	1.38
Quarter 3	1.49	1.10
Quarter 4	1.24	0.93

The opening stock price on April 10, 2014 was P 1.26 with a high of P 1.35 and a low of P 1.26. The average price on that day was P 1.32 and the closing price was P 1.30, 4.8% higher than the previous day's closing price of P 1.24.

The number of shareholders of record as of March 31, 2014 were 238 and the total number of shares outstanding on that date were 1,069,426,237 net of 287,537 treasury shares.

Public float as of March 31, 2014 was almost 55%.

Top 20 shareholders as of March 31, 2014 were:

Name	No. of Shares	% Ownership
1. PCD Nominee Corporation (Filipino)	628,573,661	58.78
2. Harvest All Investment Ltd.	177,261,165	16.58
3. Victory Fund Limited	138,474,015	12.95
4. PCD Nominee Corp. (Foreign).	39,763,918	3.72
5. Albert Hin Kay Hong	39,071,537	3.65
6. Bondeast Private Ltd.	13,023,411	1.22
7. Social Security System	8,271,483	0.77
8. Peter Kawsek, Jr.	4,538,646	0.42
9. FCF Fishery Co. Ltd.	3,975,370	0.37
10. S. Chandra Das	2,604,760	0.24
11. Oriental Tin Can & Metal Sheet Mfg.	2,210,385	0.21
12. FDCP, Inc	1,894,045	0.18
13. Washington Z. Sycip	1,562,500	0.15
14. Berck Yao Cheng	1,200,000	0.11
15. Tri-Marine Int'l Fisheries Pte Ltd	1,170,472	0.11
16. Jerry C. Angping	1,000,000	0.09
17. Damalerio Fishing Corp.	920,656	0.09
18. DFC Tuna Venture Corp.	617,248	0.06
19. Phil. Fisheries Development Authority	346,207	0.03
20. Amadeo Fishing Corp.	294,874	0.03

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATION

The following discussion should be read in conjunction with the accompanying consolidated financial statements of Alliance Select Foods International, Inc., and its Subsidiaries (the "Group") which comprise the consolidated statements of financial position as of December 31, 2013, 2012 and 2011 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended. The financial statements of the Group have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC. PFRS is an International Financial Reporting Standards equivalent.

The consolidated financial statements are presented in United States Dollar, the currency of the primary economic environment in which the Group operates.

CY 2013 COMPARED TO CY 2012

I. FINANCIAL HIGHLIGHTS

	Years Ended December 31		
Amount in US $'000	**2013**	**2012**	**% Change**
Revenue	**$84,328**	**$82,337**	**2%**
Gross profit	**6,950**	**10,555**	**-34%**
Gross margin	**8.2%**	**12.8%**	
Selling & Administrative Expenses	**9,636**	**6,790**	**42%**
Finance Cost	**1,761**	**2,083**	**-15%**
Profit (Loss) for the year	**(2,919)**	**767**	**-480%**
Non-controlling interest	**(338)**	**(545)**	**38%**
Profit(Loss) attributable to equity holders of the parent	**(2,581)**	**1,312**	**-297%**
Net Profit (Loss) Margin	**-3.1%**	**1.6%**	
EBITDA	**(248)**	**4,748**	**-105%**
***EBITDA* margin**	**-0.3%**	**5.8%**	
Return on equity (ROE)	**-8.8%**	**4.5%**	
Earnings (Loss) per share	**($0.0024)**	**$0.0013**	**-286%**
Book value per share	**$0.026**	**$0.029**	**-9%**

II. OPERATING PERFORMANCE

The year 2013 was a challenging year in many respects. The Group, whose two-thirds of total sales comprise of canned tuna, faced an unprecedented softness in the global canned tuna market. The raw material prices for tuna reached stratospheric levels without corresponding increases in prices to its customers because they baulked at paying these high prices. Thus,the Group's profit margins came under relentless pressure. The spread between buying and selling prices stayed within a very narrow band for most of the year and it was only towards the end of the year when there was an easing of raw material prices. Without the Group's past marketing investments and its excellent relationship with its key buyers, the Group would have suffered a larger setback.

Coupled with the Groups's strategic investments in fishing operations and backward integration, which will come to fruition in 2014, Alliance will be able to mitigate the effect of higher raw material prices for its canned tuna division. As this investment gathers pace and the Group begins to optimize its fishing resources in 2014

and 2015, Alliance and its subsidiaries is well poised to take advantage of fully integrated operations to improve its profit margins and decrease dependence on higher priced raw materials.

Meanwhile, the salmon division showed a considerable increase in total revenue for 2013. Sales increased from $21.8 million in 2012 to $27.4 million in 2013. This increase was across all the four salmon divisions during the year, though one division, Akaroa, had only three months of operation under Alliance in 2012 when it was acquired in October of the same year.

Consolidated Net revenue increased by 2% from $82.3 million in 2012 to $84.3 million in 2013.

Due to the low demand for canned tuna during the year, the Group's gross profit fell to $6.9 million in 2013, about $3.6 million lower from last year's Gross profit. This decline of 34% was mainly due to the lower margins in the canned tuna division. As a result, the consolidated Gross Profit Margin decreased from 12.8% in 2012 to 8.2% in 2013.

Other Income increased significantly from approximately $88 thousand to $1.1 million. This 1173% increase was due to gains on sale of property, plant, equipment and asset held for sale. Other significant contributor was foreign exchange gain of almost $476 thousand.

The Group experienced an increase of 42% in Selling & Administrative expenses (S & A). The $2.8 million increase was mainly due to expenses related to the Company's endeavor to seek a listing in Singapore Exchange Securities Trading Limited's Catalyst Board which totaled about $1.027 million. Another significant increase was due to the recognition of provision for doubtful accounts of $1.1 million in 2013.

Other operating expenses decreased by 64% from $438 thousand to $156 thousand. The Group did not incur any foreign exchange loss in 2013.

In spite of an increase in sales, the Group's Finance costs decreased by $322 thousand, or 15%, from $2.1 million to $1.8 million. There was a recognition of unrealized interest arising from the discounting of lease deposits of $379 thousand in 2012, which the company didn't incur in 2013.

CY 2012 COMPARED TO CY 2011

I. FINANCIAL HIGHLIGHTS

	Years Ended December 31		
Amount in US $'000	**2012**	**2011**	**% Change**
Revenue	**$82,337**	**$51,337**	**60%**
Gross profit	**10,555**	**6,210**	**70%**
Gross margin	**12.8%**	**12.1%**	
Selling & Administrative Expenses	**6,790**	**6,509**	**4%**
Finance Cost	**2,083**	**1,088**	**91%**
Profit (Loss) for the year	**767**	**(1,053)**	**173%**
Non-controlling interest	**(545)**	**(725)**	**25%**
Profit(Loss) attributable to equity holders of the parent	**1,312**	**(328)**	**500%**
Net Profit Margin	**1.6%**	**-0.6%**	
EBITDA	**4,748**	**886**	**436%**
***EBITDA* margin**	**5.8%**	**1.7%**	
Return on equity (ROE)	**4.5%**	**-1.3%**	
Earnings per share	**$0.0013**	**-$0.0003**	**360%**
Book value per share	**$0.029**	**$0.032**	**-12%**

II. OPERATING PERFORMANCE

In 2012, the Group returned to its historical growth rates. Investments made in the past, in both the canned tuna and smoked salmon operations, bore fruit as these divisions experienced a significant increase in sales and profits. A more consistent supply of tuna raw materials meant that the company's tuna operations showed an appreciable growth figures. This change in fortune is expected to accelerate in the coming quarters as the Group makes additional investments in fishing operations. This backward integration will give the Group greater control over raw material supply thus ensuring profitability. At the same time, the smoked salmon operations also saw a considerable uptick in growth. The Company's smoked salmon subsidiary in the US recorded its highest ever annual sales and profits. Coupled with an ever increasing marketing reach by the other salmon subsidiaries, the company is poised to become a significant player in the regional smoked salmon industry.

Group turnover for the year 2012 grew by 60% to a record $ 82.3 Million from $51.3 million. The increase in sales occurred both in the Tuna and Salmon Division. Sales of canned tuna comprised 74% of revenue while salmon business accounted for 26% of the total revenue.

On the other hand, the Salmon Division benefited from the full year impact in 2012 of acquisitions in 2011; that of Spence & BGB, where sales in 2011 commenced only in August of that year. In addition, the acquisition of Akaroa Salmon in October, 2012 likewise added to the gross revenues of the Salmon Division so that sales of $10.9 Million in 2011 increased by 100% to $21.8 Million in 2012.

Gross profit rose 70% to $10.6 Million from $6.2 Million though gross margin slightly increased from 12.1% to 12.8%. With the record sales and surged in gross profit the group posted a jump of 2972% in profit from operations this year from $121 thousand to $3.7 million that yielded an operating margin of 4.5%.

Other operating income decreased by 87% as the Group only realized a foreign exchange gain amounting to $38 thousand compared to last year of $204 thousand due to the appreciation of Peso

during the year. In 2011, the Group likewise recognized a one-time income from insurance settlement of $202 thousand and miscellaneous income of $326 thousand.

Selling & administrative expenses (S & A) as a percentage of sales improved to 8% in 2012 from 13% a year ago. In 2011, the Group incurred $1.2 million business development expense in the acquisition of salmon company, Spence & Co., Ltd. that resulted to higher S&A.

Other operating expenses increased by 155% from $ 172 thousand to $ 438 thousand. The increase mainly came from foreign exchange loss amounting to $162 thousand due to appreciation of Peso during the year. Bank charges also increased due to increase in export sales.

Finance costs increased to $2.1 million from $1.1 million last year. The 91% increase is owing to the acquisition of the existing plant using bank loans, availment of long-term loan of $4.5 million for the acquisition of Spence & Co., Ltd., and recognition of unrealized interest arising from the discounting of lease deposits.

III. FINANCIAL CONDITION

Balance Sheet Highlights	**Years Ended December 31**		
In US$'000	**2013**	**2012**	**% Change**
Cash & cash equivalent	$ 1,568	$ 4,192	-63%
Receivables	16,162	11,474	41%
Inventories	14,437	9,681	49%
Prepayments and CA	1,364	1,799	-24%
Assets Held for Sale	-	4,546	-100%
Total Current Assets	**34,563**	**33,306**	**4%**
Property & Equipment	21,127	23,013	-8%
Goodwill	9,503	9,503	0%
Other Non-current assets	1,832	2,022	-9%
Total Assets	**69,460**	**69,085**	**1%**
Trade and Other Payables	7,332	6,878	7%
Bank Loans	28,610	23,951	19%
Total Current Liabilities	**36,314**	**31,393**	**16%**
Loans Payable – net of current portion	4,565	5,175	-12%
Due to a Related Party	-	987	-100%
Total Liabilities	**41,773**	**38,565**	**8%**
Total Stockholders' Equity	**27,687**	**30,521**	**-9%**
Total Liabilities & SE	**$ 69,460**	**$ 69,085**	**1%**

The Groups' total assets as of December 31, 2013 increased to $ 69.5 million from $ 69.1 million as of December 31, 2012. Though the Cash and Cash Equivalents decreased from $4.2 million to $1.6 million, there was an appreciable increase of 41% to $16.2 million in Receivables in 2013 and another 49% increase in inventories to $14.4 million during the year. A significant amount of the inventory has been pre-sold already and was awaiting customer instructions for shipment as of December 31, 2013. Assets held for sale were reduced to nil as compared to about $4.5 million as of December 31, 2012. This reduction was due to the sale of fishing vessels. All these changes resulted in a 4% increase in total current assets to $34.6 million from $33.3 million in December 31, 2012.

For the year ended December 31, 2013 the Group posted a Current Ratio of 0.95:1

Property, plant and equipment decreased by about 8% due to the disposal of fishing vessels.

There was no impairment of Goodwill recognized during the year.

Other non-current assets decreased by 9% mainly due to restatement of long-term lease deposit to its present value.

Total liabilities increased by 8% from $41.8 million to $38.6 million. A major change was an increase of 19% in short term revolving credit lines from $24.0 million in 2012 to $28.6 million as of December 31, 2013 due to additional availments for working capital requirements. The other significant change was a reduction in long term loans from $5.2 million as of December 31, 2012 to $4.6 million as of December 31, 2013. This decrease was due to amortization of principal of long term loans.

Total Equity decreased by 9% as a result of the loss incurred by the company during 2013.

Debt to Equity Ratio as of December 31, 2013 posted at 1.51: 1.

SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

	Years Ended December 31	
	2013	**2012**
Operating Cash flows before working capital changes	$404,200	$4,610,686
Net cash from (used in) from operating activities	(2,092,980)	(1,904,776)
Net cash used in investing activities	(808,963)	(4,705,564)
Net cash flows from financing activities	1,418,937	9,566,285

Net cash flow from operations for the year was lower than the previous year mainly due to the loss incurred by the company during 2013.

Net cash used in investing activities included the following:

	Years Ended December 31	
	2013	**2012**
Additions to property, plant and equipment	($2,078,248)	($2,688,503)
Acquisition of investment in subsidiary	-	(2,050,639)
Proceeds from sale of property, plant and equipment	1,242,104	-

The additions to property, plant and equipment in 2013 represents the additional acquisition of fishing vessels, construction in progress of the vessels, and machinery and equipment amounting to $1.0 Million, $309 thousand, and $498 thousand, respectively.

Major components of cash flow provided by financing activities are as follows:

	Years Ended December 31	
	2013	**2012**
Proceeds from bank loans	$63,582,854	$$60,502,879
Payment of bank loans	(59,533,357)	(51,414,657)
Proceeds from issuance of capital stock	-	2,329,033
Finance costs paid	(1,761,475)	(1,704,409)
Proceeds from (Payment of) due to related parties	(869,085)	45,758

The company does not foresee any cash flow or liquidity problem over the next twelve (12) months. The company is in compliance with its loan covenant on debt-to-equity ratio. The Company is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationship of the Company with entities or other persons created during the reporting period that would have significant impact on the Company's operations and/or financial condition.

As of December 31, 2013, there were no material events or uncertainties known to management that had a material impact on past performance or that could have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Known trends, events, uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/ income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations; and
- Seasonal aspects that had a material effect on the financial condition or results of operations.

IV. MATERIAL CHANGES PER LINE OF ACCOUNT

Income Statement
Calendar Year Ended December 31, 2013 versus 2012

Net Revenues increased by 2% or almost $2.0 million due to the increase in sales volume mainly from the salmon businesses.

Cost of Goods Manufactured and Sold increased by 8% due to the increase in the tuna raw materials cost.

Other income increased by 1173% as the Group realized a gain of $546 thousand from the sale of fishing vessels. Another $476 thousand profit was due to foreign exchange gain recorded as a result of the Peso depreciation during the year.

Selling & Administrative expenses increased by 42% due to the provision for doubtful accounts of $1.1 million taken up in 2013 and the charging of expenses incurred on the Company's endeavor to seek a listing in Singapore Exchange Securities Trading Limited's Catalyst Board amounting to $1.027 million.

Other operating expenses decreased by 64% from $438 thousand to $156 thousand. The Group did not incur any foreign exchange loss in 2013.

Finance costs decreased by $322 thousand, or 15%. There was a recognition of unrealized interest arising from the discounting of lease deposits of $379 thousand in 2012, which the company didn't incur in 2013.

Share in Equity in Net Earnings of Associates decreased by 46%. This pertains to share in the profit of AMHI and Salmon Smolts NZ Ltd. during the period which the Group owns 40% and 20% stake, respectively.

Share in Equity in Net Earnings of a Joint Venture decreased by 167% due to the Group's equity share in net loss incurred by FDCP during the year. The Group owns 40% stake in FDCP, Inc.

Income Tax Expense (Benefit) decreased by 161% due to net operating loss of tuna operations.

Balance Sheet
Calendar Year Ended December 31, 2013 versus December 31, 2012

Cash and Cash Equivalents decreased by $2.6 million, or 63% mainly due to utilization of cash for working capital requirements.

Trade and other receivables increased by 41% mainly arising from the sale of fishing vessels to WCFI amounting to $6.4 million.

Due from related parties decreased by 43% or $600 thousand, as a result of recognition of provision for doubtful account.

Inventories grew by 49% or $5.7 million. A significant amount of the tuna inventory has been pre-sold already and was awaiting customer instructions for shipment as of December 31, 2013.

Biological Assets increased by 9%. This comprised solely of consumable female smolts. Female smolts are young salmons at the stages when it migrates from fresh water to the sea.

Prepayments and Other Current Assets decreased by 24% due to charging of professional fees incurred for the Group's preparation in connection with the project to seek a listing in Singapore Depository Shares in Singapore Exchange Securities Trading Limited's Catalyst Board.

Assets held pertains to the three out of seven fishing vessels that the Company acquired via "dacion en pago". These were sold during the year.

Investment in Associates pertains to investment in AMHI and Salmon Smolts NZ Ltd. in which the Group has a 40% and 20% stake, respectively. The increase of 46% was from the company's share in equity in net earnings of the associates during the period.

Investments in a Joint Venture decreased by 11% due to the Group's equity share in FDCP's net loss in 2013.

Property Plant and Equipment showed a decrease of 8% from $23.0 million in 2012 to $21.1 million in 2013. This was due to the sale of fishing vessel.

Deferred tax assets increased by 563%. This pertains to income tax benefit arising from the net operating loss of the tuna operations.

Intangible Assets pertains to the fishing license, salmon farming consent, and macrocystic consent. The increase of 18% came from currency translation difference from rupiah to US dollar and NZ dollar to US dollar.

Other Non-Current Assets decreased by 9% mainly due to restatement of the long-term lease deposit to its present value.

Trade and Other payables increased by 7% as the Company maximized its credit terms with its various trade suppliers.

Loans payable – current portion increased by 19% due to additional borrowings for working capital requirements of the Group.

Income Tax Payable decreased by 58% which pertain to payment of Spence's income tax for 2012.

Due to related parties – current portion pertains to the advances from a shareholder and this increased by 453% mainly brought about by the additional advances.

Loans Payable –net of current portion decreased by 12% due to the payment of scheduled amortization.

Due to Related Party – net of current portion decreased by 100% as full payment of advances from a related party was done in 2013.

Retirement benefit obligation decreased by 18% due to the additional contribution to ASFI Parent's retirement fund.

Deferred tax liabilities increased by 9% due to the timing difference of income tax computation which was applied in 2013.

Retained earnings decreased by 65% due to the loss incurred during the year.

Non-controlling interest decreased by 567% due to the share in the net losses in 2013 of the various units.

V. KEY PERFORMANCE INDICATORS

The Company uses the following key performance indicators to assess the Company's financial performance from period to period.

	Years Ended December 31	
	2013	**2012**
Revenue Growth Rate	2%	60%
Net Income Margin	-3.06%	1.60%
Current Ratio	0.95	1.06
Debt to equity Ratio	1.51	1.23
Return on Average Stockholders' Equity	-8.87%	4.45%

The following defines each ratio:

The revenue growth rate is the Group's increase in revenue for a given period. This growth rate is computed from the current revenue less revenue of the previous year, divided by the revenue of the previous year. The result is expressed in percentage.

The net income margin is the ratio of the Group's net income attributable to equity holders of the parent versus its revenue for a given period. This is computed by dividing net income after tax by revenue. The result is expressed in percentage.

The liquidity ratio is the ratio of the Group's current resources versus its current obligations. This is computed by dividing the current assets by the current liabilities. The result is expressed in number of times.

The total liabilities to equity ratio are used to measure debt exposure. It shows the relative proportions of all creditors' claims versus ownership claims. This is computed by dividing total liabilities by total stockholders' equity. The result is expressed in proportion.

The return on average equity ratio is the ratio of the Group's net income to stockholders' equity. This measures the Management's ability to generate returns on investments. This is computed by dividing net income attributable to equity holders of the parent by the average stockholders' equity. The result is expressed in percentage.

Item 7. FINANCIAL STATEMENTS

The Audited Financial Statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this form 17-A.

Item 8. CHANGES AND DISAGREEMENTS WITH ACCOUNTANT AND FINANCIAL DISCLOSURE

None.

Item 9. INDEPENDENT PUBLIC ACCOUNTANTS AND AUDIT RELATED FEES

Independent Public Accountants

The Company's external auditors since incorporation have been Manabat Delgado Amper & Co. formerly C .L. Manabat & Co., member of Deloitte Touche Tohmatsu. In compliance with SEC Memorandum Circular No. 8, series of 2003, changes were made in the assignment of Manabat, Delgado, Amper & Co.'s engagement partners.

Audit Related Fees

The following table sets out the aggregate fees billed for each of the last three fiscal years for professional services rendered by Manabat, Delgado, Amper & Co.

Audit and Audit-Related Fees	**2013**	**2012**	**2011**
Regular Audit	P 1,000,000	P 840,000	P 630,000
Review of proposed increase in ACS	-	-	-
Long Form Audit	-	-	-
Review of Forecast	-	-	-
All Other Fees	150,000	100,800	75,600
Total Audit and Audit-Related Fees	**P 1,150,000**	**P 940,800**	**P 705,600**

Part III – CONTROL AND COMPENSATION INFORMATION

Item 10– DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Board of Directors

Director	**Nationality**	**Position**	**Age**	**Year Position was Assumed**
George Sycip	American	Chairman; Independent Director	57	2009
Alvin Y. Dee	Filipino	Vice-Chairman	55	2003
Jonathan Y. Dee	Filipino	Director, President, and CEO	53	2003
Ibarra Malonzo	Filipino	Director	69	2012
Hong Hin Kay	Singaporean	Director	78	2011
Hedy Chua	Singaporean	Director	54	2009
S. Chandra Das	Singaporean	Independent Director	73	2011

GEORGE E. SYCIP, 57, American, Independent Director. Mr. Sycip is the Director and Principal of Galaxaco China Group, a project development and consultancy firm serving American, European, and Asian clients doing business in China, and Halanna Management Corp., a real estate investment and development company. Mr. Sycip currently serves on the Boards or Advisory Boards of several companies and institutions. In Asia, these include Macro Asia Corp., Beneficial-PNB Life Insurance, Medtecs Corporation, and Cityland Development Corporation. In the U.S., he is on the Board of the Bank of the Orient, Arasor International, the California Asia Business Council, and the International Institute for Rural Reconstruction, Give2Asia, and Stanford University's Institute for International Studies. Mr. Sycip received his BA 'With Distinction' in International Relations/Economics from Stanford University and his Master in Business Administration Degree from the Harvard Business School.

ALVIN Y. DEE, 55, Filipino, Vice Chairman. Mr. Alvin Y. Dee is concurrently the Executive Vice President and General Manager of Dee C. Chuan and Sons, Inc., an investment and holding company for certain Dee Family interests. Prior to his return to the Philippines in 1988, he was the Managing Director of First CBC, a subsidiary of the China Banking Corporation in Hong Kong. Mr. Dee has previously served in various positions with the American Express Bank and the Republic National Bank. He holds a Bachelor of Science Degree in Financial Management from La Salle University in Philadelphia, PA. USA.

JONATHAN Y. DEE, 53, Filipino, Director, President, and Chief Executive Officer. Mr. Jonathan Y. Dee has been involved in the food and canning business for approximately 20 years. Mr. Dee also holds various directorships in the investee companies of Dee C. Chuan & Sons, Inc. Prior to his return to the Philippines in 1984, Mr. Dee worked in Bechtel Corporation of San Francisco, California in the area of cost engineering management. He holds a Bachelor of Science Degree in Operations Management from La Salle University in Philadelphia, PA. USA.

IBARRA A. MALONZO, 69, Filipino, Director – Atty. Malonzo is the President and Board Member of Kasanyangan – Mindanao Foundation, Inc. (KFI) and Board Member of Technical Education & Skills Development Authority (TESDA). He is also the Vice Chairperson of the KFI Center for Community Development Foundation, Inc. (KCCDFI) since 2006. He also sits on the Boards of CO Multiversity, Quezon City and Corn Industry Development Board/Philippine National Corn Board under the aegis of the Department of Agriculture. His professional affiliations include membership in the Philippine Bar and Integrated Bar of the Philippines. Atty. Ibarra was awarded a Bachelor of Arts degree in English & Comparative Literature from the University of the Philippines and a Bachelor of Law also by the University of the Philippines.

HEDY S. C. YAP-CHUA, 54, Singaporean. Nominee as Regular Director. Obtained her BA from Pomona College, California, USA. She worked as an analyst and fund manager at the Chemical Bank, Singapore before she joined the various businesses of her family. Aside from her involvement in the operations of their shipping, chartering, and grains businesses, she sits in the board of directors of the investment and holding companies of the family. She is the Managing Director of Bondeast Private Limited, an investment company based in Singapore focusing on Middle Eastern and Asian investments.

HONG HIN KAY "ALBERT", 78, Singaporean, Director**.** Dr. Hong is currently the Chairman and Managing Director of RSP Architects Planners & Engineers (Pte) Ltd, a premier architectural and engineering company in Singapore, which is also one of the leading companies in the world in its field since 1992.. Previously, he acted as the Managing Partner of the same company from 1986 - 1992. Dr Albert Hong is a Fellow of the Singapore Institute of Architects and a Member of the Royal Institute of British Architects. He presently holds many distinguished appointments including Honorary Consul of Tunisia in Singapore since 1989, Chairman – Board of Trustees of the Singapore Institute of Architects Building Centre since 1975, Chairman – Advisory Committee, NTU-CIDB, Centre for Advanced Construction Studies since 1989, Honorary Advisor (Architectural) – Real Estate Developers' Association of Singapore since 1991 and Co-Chairman – Singapore-British Business Council since 1999. Dr Hong has also held numerous illustrious posts in the past including President – Singapore Institute of Architects, Chairman – Establishment Committee of Singapore Polytechnic, Chairman – Finance and Administrative Committees of the Singapore Institute of Standards & Industrial Research Member – Board of Management of the Ministry of National Development Centre for Architectural Studies, Deputy Chairman – the Construction Industry Development Board (CIDB) and Chairman – (CIDB) Establishment Committee, Member – Panel of Assessors to the Appeals Board (Land Acquisition), Ministry of Law and Member – Architectural Design Panel, Ministry of National Development. In the private sector, Dr. Hong a board member of Goodwood Park Hotel Ltd, Hotel Malaysia Ltd., and Guthrie GTS Ltd. In October 2008, Dr Hong was conferred the distinguished award "Panglima Negara Bintang Sarawak (PNBS)", which carried the title Dato Sri by Tuan Yang Terutama Yang Di-Pertua Negeri Sarawak. This award is a well-deserved recognition of his long and dedicated service and his contributions as an architect and entrepreneur to the development of Sarawak and Malaysia. On June 16, 2009, Dr Hong was conferred an Officer of the Order of the British Empire by Queen Elizabeth II in recognition for his contributions in forging strong links between Singapore and British communities. Dr. Hong studied at the Raffles Institution from 1950 – 1953 and obtained his Diploma in Architecture from the Birmingham School of Architecture in the United Kingdom and was awarded in 1999 an Honorary Degree of Doctor of the University, by the University of Central England, Birmingham.

S. CHANDRA DAS, 73, Singaporean, Independent Director. Mr. Das is the Managing Director of NUR Investment & Trading Pte. Ltd. and Director of several other companies involved in trading and manufacturing. He is also the Chairman of Southern Africa Investments Pte. Ltd., subsidiary of Temasek Holdings. He is a Director of Publicly Listed Companies – Nera Telecommunications Ltd. and Yeo Hiap Seng Ltd. Mr. Das was also appointed as the Non-Resident Ambassador of Turkey in 2006, Pro-Chancellor of Nanyang Technological University in 2007, Board Member of the Institute of South Asian Studies (ISAS) and Life Trustee, Singapore Indian Development Association (SINDA).

Principal Officers

Officer	Nationality	Position	Age	Year Position was Assumed
Jonathan Y. Dee	Filipino	President and CEO	53	2003
Joanna Dee-Laurel	Filipino	Treasurer	59	2003
Avelino M. Sebastian	Filipino	Corporate Secretary	60	2014
Teresita S. Ladanga	Filipino	EVP and COO	67	2003
Paulino M. Servado Jr.*	Filipino	SVP and Chief Financial Officer	56	2013
Grace S. Dogillo	Filipino	VP-Finance	56	2006
Herminia B. Narciso	Filipino	VP-Plant Operations	50	2006
Randolph H. Rodriguez	Filipino	VP-Marketing and Sales	42	2008
Rajat Balain	Indian	AVP – Corporate Planning	42	2007
Adinant Aphichatakorn	Thai	AVP – Marketing and Sales	42	2008
Agustin S. Fazon	Filipino	AVP – Purchasing	62	2008
Helen M. Herrera	Filipino	AVP – Internal Audit	55	2012
Nelsa A. Que	Filipino	AVP – Human Resources	56	2012
Grace A. Chua	Canadian	AVP – Financial Planning and Analysis	29	2013

* Mr. Servado Jr. resigned as a company SVP and CFO on February 5, 2014.

JOANNA DEE-LAUREL, 59, Filipino, Treasurer. Ms. Joanna Dee-Laurel was formerly with Sycip, Gorres, Velayo & Co.'s Project Development Services Division, from 1980 to 1987, and with Philadelphia National Bank from 1976 to 1977. Ms. Laurel holds a Bachelor of Science Degree in Economics from Wharton School of the University of Pennsylvania and a Master in Business Administration Degree from Amos Tuck School of Business Administration of Dartmouth College.

AVELINO M. SEBASTIAN, JR., 60, Filipino, Corporate Secretary. Mr. Sebastian is a partner of Sebastian Liganor Galinato & Alamis Law Offices. He is a Professorial Lecturer in Civil Law at the College of Law of de la Salle University and Lyceum of the Philippines University. Mr. Sebastian holds a degree of Bachelor of Arts in Economics (magna cum laude) from the University of Sto. Tomas (1974), a Bachelor of Law degree (second honors) from the Ateneo de Manila (1978), and a Master of Law in International Banking from Boston University (1990).

TERESITA S. LADANGA, 67, Filipino, Executive Vice President, and Chief Operating Officer. Ms. Ladanga was previously Vice President for Finance of the First Dominion Group of Companies from 1993. She started her career at SGV & Co. CPA's and from there moved on to various companies under the holding company, Trans-Philippines Investment Corporation, including AG&P and Royal Undergarments. She held various positions such as Controller, Treasurer, MIS Manager, Executive Assistant to the President, and General Manager. She is a Certified Public Accountant and a graduate of AIM's Management Development Program. She graduated with a Bachelor of Science Degree in Accounting from the University of the Philippines.

PAULINO M. SERVADO, 56, Filipino, Senior Vice President and Chief Financial Officer. He has worked, most recently, as CFO of Paxys Inc., a Philippine Stock Exchange listed company (PSE:PAX). He also has spent more than twenty years with The Gillette Company. He served in various senior operational and finance positions and was a key member of the team that led to successful acquisition of companies in the Czech Republic, Poland, India, Turkey and Indonesia. As a senior international executive with Gillette he has lived in Indonesia, Great Britain, India, Poland and the Czech Republic. In addition, he has held senior management positions at Ramcar Group of Companies, Baxter Healthcare Philippines Inc. and Ernst & Young/SGV & Co. CPAs. Mr. Servado graduated with a Bachelor of Science in Commerce degree from the University of San

Carlos. He also is a Certified Public Accountant, is a graduate of the Executive Management Program, The Gillette Company at Babson College, USA. He was also awarded a Certificate of Business Economics from the University of Asia & the Pacific and is a candidate in Master of Business Economics program of the University of Asia & the Pacific.

GRACE S. DOGILLO, 56, Filipino, Vice President for Finance. Ms. Dogillo was formerly Assistant Vice President for Finance of the First Dominion Group of Companies. Prior to joining the First Dominion Group, Ms. Dogillo's previous work experience was with Purefoods Corporation where she had been the Group Manager for Accounting of its Processed Meats Division. She graduated with a Bachelor of Science Degree in Business Administration from the University of the East and a Master in Business Administration from the Polytechnic University of the Philippines. She is also a Certified Public Accountant.

HERMINIA B. NARCISO, 50, Filipino, Vice President - Plant Operations. Prior to her employment in the Company, Ms. Narciso was Plant Manager of Maranaw Canning Corporations. She had previously worked for Ayala Corporation Machineries, Inc., Lig-Marine Products, Inc., and RFM Corporation. She obtained her Bachelor of Science Degree in Chemistry from the Western Mindanao State University.

RANDOLPH H. RODRIGUEZ, 42, Filipino, Vice President – Marketing & Sales. Mr. Rodriguez was formerly Group Manager of Sales & Marketing of Maranaw Canning Corporation. Prior to this, he held various positions in American President Lines from a customer service representative to the Cavite branch manager. Mr. Rodriguez graduated with a Bachelor of Arts Degree in Liberal Arts, major in Economics minor in Political Science from De La Salle University.

RAJAT BALAIN, 42, Indian, Vice President – Corporate Planning. Before joining Alliance Tuna International, Mr. Balain worked in Thailand and the United States for Jagtar & Company, a manufacturer and exporter of Thai silk fabrics. His work responsibilities included managing the company's US operations and heading the firm's export division. Mr. Balain graduated with a Master of Business Administration from the University of San Francisco. He also obtained a Master of Arts in Economics from the San Francisco State University.

ADINANT APHICHATAKORN, 42, Thai, Assistant Vice President - Marketing & Sales**.** Mr. Aphichatakorn joined Alliance Tuna International, Inc. (now Alliance Select Foods International, Inc.) in 2004. He started his professional career with Bank of Asia, Public Co., Ltd. as a System Development Officer and in 2000, as a Marketing Assistant of Baber.com in Irving, Texas, USA. He also worked at Semiconductor Ventures International, Public Co., Ltd., a full turnkey electronic manufacturing service company, as an Assistant Program Manager. He joined the tuna industry in 2002 through an invitation from Narong Canning Co., Ltd., one of Thailand's leading canned tuna manufacturers which is now operated under the Sea Value Group to hold a Marketing Manager post. Mr. Aphichatakorn graduated with the degree of Bachelor of Business Administration at Thammasat University in Bangkok, Thailand. He is also a Master of Business Administration degree holder from the University of Tennessee in USA.

AGUSTIN S. FAZON, 62, Filipino, Assistant Vice President - Purchasing. Mr. Fazon joined Alliance Tuna International, Inc. (now Alliance Select Foods International, Inc.) in 2004. Prior to this, he held various positions in the Dee Construction Corporation from Timekeeper/Warehouseman to Warehouse Manager. In 1998, he worked as a Purchasing Group Manager of the First Dominion Group of Companies. Mr. Fazon graduated with a Bachelor of Science in Commerce Major in Accounting from the Northeastern Mindanao Colleges in Surigao City.

HELEN M HERRERA, 55, Filipino, Assistant Vice President- Internal Audit . Ms. Herrera was formerly Accounting Manager of Clearwater Tuna Corporation. Prior to joining Clearwater Tuna, Ms. Herrera's previous work experience was with SGV and Company where she had been a technical staff for Management Services. She graduated with a degree of Bachelor of Science in Accountancy from the University of the Santo Tomas and has taken up units of Masters in Business Administration from the Letran College and Pamantasan ng Maynila. She is also a Certified Public Accountant and a Certified Internal Auditor.

NELSA A. QUE, 56, Filipino, Assistant Vice President for Human Resources. Ms. Que was formerly Manager for Human Resources of Maranaw Canning Corporation. Prior to joining the First Dominion Group, Ms. Que's previous work experience was with Purefoods Corporation - Tuna Division for 10 years. She graduated with a Bachelor of Science degree in Commerce Major in Accounting from the University of Mindanao and has obtained Diploma in Human Resource Management from Jose Rizal College.

GRACE A. CHUA, 29, Canadian, Assistant Vice President for Financial Planning & Analysis. Ms. Chua was formerly the Business Support Manager of Fresenius Kabi Philippines, Inc. She has extensive experience in Financial Planning and Analysis which she gained from being part of the Corporate Finance and Controllership management teams of Paxys Inc., Henkel Philippines Inc., and the Ramcar Battery Group. She graduated cum laude from the University of the Philippines, Diliman with a Bachelor of Science Degree in Business Administration. She is also a Certified Management Accountant.

Messrs. Alvin Y. Dee and Jonathan Y. Dee and Mrs. Joanna Dee-Laurel are siblings.

No single person is expected to make a significant contribution to the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance.

Except as otherwise discussed below and to the best of the Company's knowledge, as of December 31, 2013, there has been no occurrence during the past five (5) years to date of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or controlling person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;

- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Jonathan Y. Dee, Alvin Y. Dee, Joanna Dee-Laurel, and Teresita S. Ladanga were Directors and Officers of the FDPHI Group that filed a petition for rehabilitation in 2001, docketed as Civil Case No. 68343 of Branch 158 of the Pasig City Regional Trial Court.

The FDPHI Group was constrained to file the aforementioned petition due to the serious liquidity problem that it experienced in the aftermath of the Asian financial crisis. The sharp downturn in the Philippine economy in 1997 instantly created adverse market conditions, which frustrated the FDPHI Group's plan at that time for an IPO.

The Group's problem arose from the precipitous plunge of the Peso vis-à-vis the US Dollar resulting in a very significant upward adjustment of the Peso value of its dollar loans, which the FDPHI Group was intending to retire with IPO proceeds had the plan for public listing materialized.

The Group's petition for rehabilitation was granted and its Amended Rehabilitation Plan ("ARP") was approved by the rehabilitation court. The ARP is being implemented successfully and faithfully according to schedule and was completed by the end of 2013.

Item 11. EXECUTIVE COMPENSATION

Information on the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and four other most highly compensated executive officers follows:

	Year	Salaries Amounts in ₱'000	Bonuses/Other Income Amounts in ₱'000
CEO and the four most highly compensated officers named above	2012	P 14,513	P 811
	2013	P 19,348	P 933
	2014 (*est.)*	P 18,819	P 933
Aggregate compensation paid to all officers and directors as a group unnamed	2012	P 28,671	P 1,125
	2013	P 36,693	P 1,415
	2014 (*est.)*	P 34,136	P 1,415

The following are the Company's top five (5) compensated executive officers:

Jonathan Y. Dee	President and CEO/ Director
Teresita S. Ladanga	EVP and Chief Operating Officer
Paulino M. Servado Jr.	SVP – Chief Financial Officer
Joanna D. Laurel	Treasurer
Rajat Balain	VP – Corporate Planning

Compensation of Directors

Standard Arrangements

At present the Company directors receive standard per diems.

Under the amended By-Laws, as compensation, the Board shall receive and allocate an amount of not more than 10% of the Company's EBITDA during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders.

There are no arrangements for compensation either by way of payments for committee participation or special assignments.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

Item 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following are the number of Shares representing more than 5.00% of the Company's issued and outstanding capital stock as of March 31, 2014:

Title of Class	Name, Address of Record Owner, and Relationship With Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% of Class
Common	PCD Nominee Corporation 37th Fl., Tower One, Enterprise Center, Paseo de Roxas corner Ayala Avenue, Makati City	PCD Nominee Corporation	**Filipino**	**628,573,661**	**58.78**
Common	Harvest All Investment Ltd., SAR Room 904, Harvest Bldg, 29-35 Wing Kut St, Central, Hong Kong	Harvest All Investment Ltd.	**Hong Kong**	**177,261,165**	**16.58%**
Common	Victory Fund Ltd., 4304, 43/F, China Resources Bldg, 26 Harbour Road, Wanchai, Hong Kong	Victory Fund Ltd.	**Hong Kong**	**138,474,015**	**12.95**
	Total			**944,308,841**	**88.31%**

Security Ownership of Directors

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percentage of Class
Common	George Sycip, *Chairman & Independent Director*	2,314,943 (Direct)	American	0. 22%
Common	Alvin Y. Dee, *Vice-Chairman*	56,509 (Direct) 22,433 (Indirect)	Filipino	0.01%
Common	Jonathan Y. Dee, *Director, President & CEO*	1,428,629 (Direct) 22,433 (Indirect)	Filipino	0.09%
Common	S. Chandra Das *Independent Director*	2,604,761 (Direct)	Singaporean	0.24%-
Common	Dr. Hong Hin Kay "Albert", *Director*	39,071,537 (Direct) 157,867,589 (Indirect)	Singaporean	3.65% & 14.76%
Common	Hedy S. C. Yap-Chua *Director*	1 (Direct) 107,603,144 (Indirect)	Singaporean	-nil- & 10.06%
Common	Ibarra Malonzo *Director*	1 (Indirect)	Filipino	-nil-
	Total	**45,046,381 (Direct) 265,515,599 (Indirect)**		**4.21% & 24.83%**

Security Ownership of Management

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percentage of Class
Common	Joanna Dee Laurel *Treasurer*	1,545,858 (Direct) 22,433 (Indirect)	Filipino	0.14% & 0.002%
Common	Avelino M. Sebastian, *Corporate Secretary*	0	Filipino	-nil-
Common	Teresita S. Ladanga *Chief Operating Officer*	422,007 (Direct)	Filipino	0.04%
Common	Paulino M. Servado Jr. *SVP & CFO*	0	Filipino	-nil-
Common	Grace S. Dogillo *Vice President - Finance*	133,917 (Direct)	Filipino	0.01%
Common	Herminia B. Narciso *Vice President – Plant Operations*	25,935 (Direct)	Filipino	.003%
Common	Randolph H. Rodriguez *Vice President – Marketing & Sales*	32,418 (Direct)	Filipino	0.003%
Common	Rajat Balain, *Vice President – Corporate Planning*	3,938,335 (Direct)	Indian	0.37%
Common	Augustin Fazon *Assistant Vice President - Purchasing*	0	Filipino	-nil-
Common	Adinant Aphichatakorn – *Assistant Vice President, Marketing*	0	Thai	-nil-
Common	Helen M. Herrera *Assistant Vice President, Internal Audit*	0	Filipino	-nil-
Common	Nelsa A. Que *Assistant Vice President,Human Resources*	0	Filipino	-nil-
Common	Grace A. Chuan *Assistant Vice President, Finacial Planning & Analysis*	0	Filipino	-nil-
	Total	**6,098,470** **(Direct)** **22,433** **(Indirect)**		**0.57%** **& 0.002%**

Voting Trust

Four entities hold more than 5.00% of shares under a voting trust or similar agreement. Hong Kong based Victory Fund owns 138,474,015 shares, or 12.9% of the company's outstanding shares. Another Hong Kong based company, Harvest All, owns 177,261,165 shares, or 16.6% of the outstanding shares. The Social Security System owns 103,147,769 shares or 9.9% of the shares outstanding. Lastly, Mingjing Holdings own

112,168,596 shares for a 10.5% stake in the company. Mingjing Holdings' and part of Social Security Systems' shares are lodged under PCD Nominees (Filipino).

Changes in Control

There are no existing provisions in the amended Articles of Incorporation and amended By-Laws of the Company, which may cause delay, deferment, or in any manner prevent a change in control of the Company.

Item 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In the course of its regular business, the company entered into some related party transactions. For details please refer to Note 17 of the attached Notes to the Financial Statements.

Part IV – CORPORATE GOVERNANCE

Item 14 – CORPORATE GOVERNANCE

The Company stays faithful to the recommended and best practices as far as Corporate Governance standards are concerned. It participates and follows the standards prescribed by the Securities & Exchange Commission (SEC) and the Philippines Stock Exchange (PSE). With the issuance of SEC Memorandum Circular No. 5 Series of 2013, as amended, the Company submitted its Annual Corporate Governance Report (SEC Form ACGR) for 2012 on May 29, 2013.

In addition, the Company has been regularly submitting corporate governance surveys as required by the PSE Memorandum 2010-0574 dated November 26, 2010. Since this requirement came into force, the Company has been participating in these surveys and filing it with the Exchange in a timely manner. The latest submission was March 11, 2014 covering the CY 2013 period.

The attendance of the Board members during Board of Directors meetings held in CY 2013 was as follows:

	March 1, 2013	May 17, 2013	July 4, 2013	August 5, 2013	October 28, 2013
George Sycip	X^	√^^	√	√	X
Alvin Y. Dee	√	√	√	√	√
Jonathan Y. Dee	√	√	√	√	√
Albert Hong	X	X	√	√	√
Hedy Chua	√	√	√	√	√
Ibarra Malonzo	√	√	√	√	√
S. Chandra Das	√	√	√	√	√

^ - X Indicates the Members Absence at the Meeting
^^ - √ Indicates the Member's Presence at the Meeting

Per the Company's Manual on Corporate Governance the Board has taken the lead in following recommended standards of Corporate Governance. To reflect its commitment to set, and maintain, high standards of governance, the Board has set up various Board Committees to guide the attainment of corporate goals. These Committees are:

Audit Committee – The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the Company's corporate governance processes relating to:

(i) The quality and integrity of the company's financial statements and financial reporting process;

(ii) The adequacy and effectiveness of the Company's internal control systems;

(iii) Compliance with accounting standards, legal and regulatory requirements, including the Company's disclosure policies and procedures.

(iv) Independence and performance of the Company's internal and external auditors.

(v) Evaluation of risk management policies and process.

The Committee is accountable to the Board for its performance and shall prepare the report of the Committee required to be in the Company's annual report.

The Committee's duties and responsibilities include, among others, monitoring the integrity of the financial information provided by the Company, monitoring and assessing the role and effectiveness of the internal audit function, reviewing the external auditors scope of work, reviewing the effectiveness of the system for monitoring compliance with laws and regulations, overseeing interested party transactions, ensuring that the management establishes sound risk management policies and systems and performing any other activities consistent with the committees charter and Company By-Laws etc.
The Committee met twice during the year, on February 25, 2013 and again on July 4, 2013.

Executive Committee – The primary responsibility of the committee is to act on behalf of the Board on matters that require urgent and prompt action. In cases where the full Board cannot convene, but urgent matters need to be acted upon, the Committee exercises the power of the Board though it is subordinated to and responsible to the full Board at all times.

The committee can act on all matters except change the Company Articles of Incorporation and By-Laws, adopt an agreement on Mergers & Acquisitions, declare dividends or authorize issuance of stock, amend or rescind previous Board resolutions and recommend sale, lease or exchange of corporate property and assets.

The committee has to report all the actions is takes to the Board.

The committee met 4 times during the year, September 24, 2013, October 14, 2013, November 27, 2013 and December 6, 2013.

Nominations Committee – The committee's primary responsibility is to pre-screen and short-list all candidates nominated to become a member of the Board of Directors. It should also define, or re-define, as the case may be, the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.

Compensation & Remuneration Committee – Its responsibilities include establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment. Moreover, the committee is to designate amount of remuneration to attract and retain competent corporate officers. Also, the committee should establish a formal and transparent procedure for developing a policy on executive remuneration and fixing the remuneration packages of individual directors.

The Company's Acting Compliance Officer constantly monitors and evaluates compliance of the Directors and officers to its Manual on Corporate Governance. The company has fully complied with the requirements of the Manual on Corporate Governance and the company will continue to take steps, as needed, to improve its corporate governance.

Part V – EXHIBITS AND SCHEDULES

Item 15 – EXHIBITS AND REPORTS ON SEC FORM 17-C

(a) Exhibits

The exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

(b) Reports on SEC Form 17-C.

LIST OF REPORTS ON SEC FORM 17- C

Date Reported	Subject
January 25	Establishment of a wholly owned subsidiary, Alliance Select Foods Pte Ltd., in Singapore
February 1	Establishment of a joint venture agreement with CHL Fishing Industry, Inc. and CHL Construction & Development Enterprises to incorporate a joint venture fishing company to be named Wild Catch Fisheries, Inc.
February 5	Calling of a Special Meeting of the Stockholders on March 25, 2013
February 7	Announcement of the venue of the Special Meeting of the Stockholders set for March 25, 2013
February 19	Change in the venue for the Special Meeting of the Stockholders set for March 25, 2013
March 11	Deferment of the Special Meeting of the Stockholders set for March 25, 2013
March 12	Registration with the SEC of the company's fishing joint venture, Wild Catch Fisheries, Inc.
April 22	Announcing the appointment of Paulino M. Servado, Jr. as Chief Financial Officer
May 24	Announcing July 4, 2013 as the date of the Annual Stockholders' Meeting and June 5, 2013 as the record date
July 5	Approval of the proposed amendments in the Company By-Laws to provide for a position of a Chief Financial Officer and results of the Organizational meeting
August 7	Changes in the membership of two Board committees and setting up of an Executive Committee
August 14	Certification of Nominees identified as Independent Directors
October 2	Audit Committee disclosure
November 19	Increase in Authorized Capital from PHP 94 m to PHP 200 m of the Company's subsidiary, Big Glory Bay Salmon and Seafood, Inc (BGB); Amendment of the Articles of Incorporation of BGB to allow the subsidiary to undertake canning activities; Amendment of the By-Laws of BGB to enable it to conduct Board meetings via telephone or video conference

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of _____ on _____.

By:

JONATHAN Y. DEE **
Director, President & Chief Executive Officer

GRACE S. DOGILLO
Vice-President - Finance

ATTY. AVELINO M. SEBASTIAN JR.
Corporate Secretary

APR 11 2014

SUBSCRIBED AND SWORN to before me this _____ at QUEZON CITY affiants exhibiting to me their government issued identification cards, as follows:

NAMES	GOV'T. ISSUED ID NO.	DATE OF ISSUE	PLACE OF ISSUE	EXPIRATION
Jonathan Y. Dee	Passport-EB6894223	Dec. 6, 2012	DFA, Manila	Dec. 5, 2017
Grace S. Dogillo	Passport-EB8007108	April 30, 2013	DFA, Manila	April 29, 2018
Avelino M. Sebastian Jr.	Passport-EB6915396	Dec. 10, 2012	DFA, Manila	Dec. 9, 2017

ATTY. TOMAS F. DULAY JR.
NOTARY PUBLIC
Until December 31, 2014
ADM MATTER #. NP-061-2014-2015
PTR# 904238301-02 /01-07-14 Q.C.
IBP# 915073 CY-2014 Q.C.
Roll No. 16583/03/13-01
TIN# 410225916
Add. 92 Legaspi St. Proj. 4 Q.C.
MCLE EXEMPTED # 000838

Doc. No. 227
Page No. 46
Book No. 104
Series of 2014

*** Signed by Teresita S. Ladanga on behalf of Jonathan Y. Dee as approved by the Board of Directors on April 11, 2014 as per attached.*

SECRETARY'S CERTIFICATE

REPUBLIC OF THE PHILIPPINES
Pasig City s.s.

I, AVELINO M. SEBASTIAN, JR., of legal age, Filipino with business address at 1409 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, after being sworn to in accordance with law, hereby depose and say:

1. That I am the duly elected Corporate Secretary of Alliance Select Foods International, Inc. (the "Company"), a corporation duly organized under Philippine laws, with principal offices at Suite 1205 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City;

2. That in such capacity I have custody of the Minutes of the board meetings of the Company;

3. That at a special meeting of the Board of Directors of the Company on 11 April 2014 at which a quorum was present all throughout, a majority of the Directors resolved to authorize Ms. Teresita Ladanga to sign the Statement of Management Responsibility (in relation to the 2013 audited financial statements of the Company) on behalf of Mr. Jonathan Y. Dee who is currently out of the country.

4. That the aforesaid resolution has not been revoked or otherwise amended as of the date hereof and may be relied upon.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this 11th day of April 2014 at Pasig City.

AVELINO M. SEBASTIAN, JR.

SUBSCRIBED AND SWORN TO before me, a Notary Public for and in Pasig City, this 11th day of April 2014, Avelino M. Sebastian, Jr. exhibiting to me his Philippine Passport bearing serial number EB6915396 issued by the Department of Foreign Affairs in Manila on 10 December 2012.

WITNESS MY HAND AND SEAL.

CHRISTIAN PATRICK S. RODRIGUEZ
COMMISSION NO. 200
NOTARY PUBLIC FOR CITY OF PASIG
UNTIL 31 DECEMBER 2014
1409 EAST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE
EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY
ROLL NO. 59852
IBP OR NO. 934521; 1/13/14; RIZAL CHAPTER
PTR NO. 9833053; 1/7/14; PASIG CITY

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Page No. 70
Book No. III
Series of 2014

COVER SHEET

SEC COPY

C S 2 0 0 3 1 9 1 3 8

S.E.C. Registration Number

ALLIANCE SELECT FOODS
INTERNATIONAL, INC.
AND ITS SUBSIDIARIES

(Company's Full Name)

SUITES 1205, 1206 & 1405 EAST
TOWER PHILIPPINE STOCK EXCHANGE
CENTRE EXCHANGE ROAD, ORTIGAS
CENTER, PASIG CITY, PHILIPPINES

(Business Address: No. Street City/Town/Province)

Grace S. Dogillo
Contact Person

63 (2) 6355241 TO 44
Company Telephone Number

1 2 (Month) 3 1 (Day)
Fiscal Year

A A F S
FORM TYPE

0 6 (Month) 1 5 (Day)
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

224
Total No. of Stockholders

Domestic

Foreign

To be accomplish by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks=pls. use black ink for scanning purposes

ALLIANCE SELECT FOODS
INTERNATIONAL, INC.
A PUBLICLY LISTED COMPANY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Alliance Select Foods International, Inc. and its Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the additional component attached therein, for each of the three years ended December 31, 2013, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements including the additional component attached therein and submits the same to the stockholders or members.

Navarro Amper & Co., the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

GEORGE E. SYCIP
Chairman of the Board

JONATHAN Y DEE **
President and Chief Executive Officer

GRACE S. DOGILLO
Vice President-Finance

Signed this APR 11 2014 day of ____

*** Signed by Teresita S. Ladanga on behalf of Jonathan Y. Dee as approved by the Board of Directors on April 11, 2014 as per attached.*

SUITES 1206 & 1405 EAST TOWER,
PHILIPPINE STOCK EXCHANGE CENTRE,
EXCHANGE ROAD, ORTIGAS CENTER,
PASIG CITY, METRO MANILA,
PHILIPPINES 1600
TELEPHONE NO. (632) 635 5241 TO 44
FAX NO. (632) 635 5235

ATTY. TOMAS F. DULAY JR.
NOTARY PUBLIC
Until December 31, 2014
ADM MATTER #. NP-051-2014 3315
PTR# 9042383 01-02-2014-07-14 Q.C.
IBP# 915073 CY 2014 Q.C.
Roll No. 16583/03/23-01
TIN# 110725916
Adm. 32 Legaspi St. Proj. 4 Q.C.
MCLE EXEMPTED # 000838

WWW.ALLIANCESELECTFOODS.COM

DOC. NO. 200
PAGE NO. 40
BOOK NO. 106
SERIES OF 2014

SUBSCRIBED AND SWORN to before me this APR 11 2014 at QUEZON CITY affiants exhibiting to me their government issued identification cards, as follows:

NAMES	GOV'T. ISSUED ID NO.	DATE OF ISSUE	PLACE OF ISSUE	EXPIRATION
George E. Sycip	TIN No. 910-761-865	N/A	Philippines	N/A
Jonathan Y. Dee	Passport-EB6894223	Dec. 6, 2012	DFA, Manila	Dec. 5, 2017
Grace S. Dogillo	Passport EB8007108	Apr. 30, 2013	DFA, Manila	Apr. 29, 2018

Tomas F. Dulay Jr.
ATTY. TOMAS F. DULAY JR.
NOTARY PUBLIC
Until December 31, 2014
ADM MATTER # NP-051-2014-2015
PTR [illegible] 01-07-14 Q.C.
IBP [illegible]
Roll [illegible]
TIN [illegible]
Adm. [illegible] Prsi. # Q.C.
MCLE EXEMPTED # [illegible]

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Page No. 40
Book No. 106
Series of 2014

SECRETARY'S CERTIFICATE

REPUBLIC OF THE PHILIPPINES
Pasig City s.s.

I, AVELINO M. SEBASTIAN, JR., of legal age, Filipino with business address at 1409 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, after being sworn to in accordance with law, hereby depose and say:

1. That I am the duly elected Corporate Secretary of Alliance Select Foods International, Inc. (the "Company"), a corporation duly organized under Philippine laws, with principal offices at Suite 1205 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City;

2. That in such capacity I have custody of the Minutes of the board meetings of the Company;

3. That at a special meeting of the Board of Directors of the Company on 11 April 2014 at which a quorum was present all throughout, a majority of the Directors resolved to authorize Ms. Teresita Ladanga to sign the Statement of Management Responsibility (in relation to the 2013 audited financial statements of the Company) on behalf of Mr. Jonathan Y. Dee who is currently out of the country.

4. That the aforesaid resolution has not been revoked or otherwise amended as of the date hereof and may be relied upon.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this 11th day of April 2014 at Pasig City.

AVELINO M. SEBASTIAN, JR.

SUBSCRIBED AND SWORN TO before me, a Notary Public for and in Pasig City, this 11th day of April 2014, Avelino M. Sebastian, Jr. exhibiting to me his Philippine Passport bearing serial number EB6915396 issued by the Department of Foreign Affairs in Manila on 10 December 2012.

WITNESS MY HAND AND SEAL.

CHRISTIAN PATRICK S. RODRIGUEZ
COMMISSION NO. 290
NOTARY PUBLIC FOR CITY OF PASIG
UNTIL 31 DECEMBER 2014
1409 EAST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE
EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY
ROLL NO. 59852
IBP OR NO. 934521; 1/13/14; RIZAL CHAPTER
PTR NO. 9833053; 1/7/14; PASIG CITY

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Book No. III
Series of 2014

NavarroAmper&Co.

Navarro Amper & Co.
19th Floor Net Lima Plaza
5th Avenue corner 26th Street
Bonifacio Global City, Taguig 1634
Philippines

Tel: +63 2 581 9000
Fax: +63 2 869 3676
www.deloitte.com/ph

BOA/PRC Reg. No. 0004
SEC Accreditation No. 0001-FR-3

Securities and Exchange Commission
SEC Building, EDSA
Mandaluyong City

Gentlemen:

In connection with our audit of the consolidated statement of financial position of Alliance Select Foods International, Inc. and its Subsidiaries (formerly Alliance Tuna International, Inc.) as at December 31, 2013 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, we wish to state that the Company is listed with the Philippine Stock Exchange.

Navarro Amper & Co.
BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331

By:

Bonifacio F. Lumacang, Jr.
Partner
CPA License No. 0098090
SEC A.N. 0526-AR-2, issued on May 6, 2013; effective until May 5, 2016, Group A
TIN 170035681
BIR A.N. 08-002552-18-2012, issued on March 14, 2012; effective until March 13, 2015
PTR No. A-2015236, issued on January 6, 2014, Taguig City

Taguig City, Philippines
April 11, 2014

NavarroAmper&Co.

Navarro Amper & Co.
19th Floor Net Lima Plaza
5th Avenue corner 26th Street
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Philippines

Tel: +63 2 581 9000
Fax: +63 2 869 3676
www.deloitte.com/ph

BOA/PRC Reg. No. 0004
SEC Accreditation No. 0001-FR-3

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
(Formerly Alliance Tuna International, Inc.)
Suites 1205, 1206 & 1405 East Tower
Philippine Stock Exchange Centre, Exchange Road
Ortigas Center, Pasig City

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Alliance Select Foods International, Inc. and its Subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2013 and 2012, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alliance Select Foods International, Inc. and its Subsidiaries as at December 31, 2013 and 2012, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2013, in accordance with Philippine Financial Reporting Standards.

Navarro Amper & Co.
BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331

By:

Bonifacio F. Lumacang, Jr.
Partner
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SEC A.N. 0526-AR-2, issued on May 6, 2013; effective until May 5, 2016, Group A
TIN 170035681
BIR A.N. 08-002552-18-2012, issued on March 14, 2012; effective until March 13, 2015
PTR No. A-2015236, issued on January 6, 2014, Taguig City

Taguig City, Philippines
April 11, 2014

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In U.S. Dollar)

	Notes	December 31 2013	2012 (As Restated)	2011 (As Restated)
ASSETS				
Current Assets				
Cash and cash equivalents	7	$ 1,568,125	$ 4,191,826	$ 1,636,464
Trade and other receivables - net	8	16,162,372	11,474,299	10,855,267
Due from related parties	21	810,484	1,410,956	1,194,659
Inventories - net	9	14,436,955	9,681,337	5,741,495
Biological asset	10	220,498	201,521	-
Prepayments and other current assets	11	1,364,387	1,799,463	15,118,711
		34,562,821	28,759,402	34,546,596
Assets held-for-sale	17	-	4,546,406	-
Total Current Assets		34,562,821	33,305,808	34,546,596
Non-current Assets				
Investments in associates	12	336,838	231,397	-
Investments in joint ventures	13	471,996	529,539	425,684
Investment properties - net	14	-	-	4,704,626
Property, plant and equipment - net	15	21,126,781	23,013,498	9,779,935
Deferred tax assets	36	1,408,920	212,554	215,217
Goodwill	3	9,502,585	9,502,585	7,451,946
Intangible assets	16	218,631	267,637	-
Other non-current assets	18	1,831,649	2,022,418	2,376,562
Total Non-current Assets		34,897,400	35,779,628	24,953,970
		$69,460,221	$69,085,436	$59,500,566
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	19	$ 7,332,391	$ 6,877,989	$ 6,184,737
Loans payable	20	28,610,398	23,950,840	15,480,345
Income tax payable		227,283	537,775	156,260
Due to related parties	21	143,763	25,998	-
Total Current Liabilities		36,313,835	31,392,602	21,821,342
Non-current Liabilities				
Loans payable - net of current portion	20	4,565,481	5,175,542	8,036,106
Due to related parties	21	-	986,850	967,090
Retirement benefit obligation	22	634,958	772,913	434,547
Deferred tax liabilities	36	258,604	236,939	99,219
Total Non-current Liabilities		5,459,043	7,172,244	9,536,962
		41,772,878	38,564,846	31,358,304
Equity				
Share capital	23	22,575,922	22,575,922	17,861,369
Share dividends payable		-	-	3,258,912
Reserves	25	4,065,145	4,082,955	3,150,599
Retained earnings		1,330,601	3,807,862	3,601,756
		27,971,668	30,466,739	27,872,636
Treasury shares	23	(5,774)	(5,774)	(5,774)
Equity attributable to equity holders of the parent		27,965,894	30,460,965	27,866,862
Non-controlling interest	24	(278,551)	59,625	275,400
Total Equity		27,687,343	30,520,590	28,142,262
		$69,460,221	$69,085,436	$59,500,566

See Notes to Consolidated Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In U.S. Dollar)

		For the Years Ended December 31		
	Notes	2013	2012 (As Restated)	2011 (As Restated)
Revenue - net	27	$84,328,471	$82,337,301	$51,337,038
Cost of Goods Manufactured and Sold	29	77,378,682	71,782,397	45,126,732
Gross Profit		6,949,789	10,554,904	6,210,306
Other Income	28	1,118,499	87,879	702,930
		8,068,288	10,642,783	6,913,236
Selling and Administrative Expenses	30	9,636,484	6,789,785	6,509,443
Other Expenses	31	156,275	438,082	172,013
Finance Costs	35	1,761,475	2,083,109	1,088,022
		11,554,234	9,310,976	7,769,478
Share in Equity in Net Earnings of Associates	12	105,441	195,465	-
Share in Equity in Net Earnings (Loss) of Joint Ventures	13	(69,246)	106,525	(110,530)
		36,195	301,990	(110,530)
Profit (Loss) Before Tax		(3,449,751)	1,633,797	(966,772)
Income Tax Expense (Benefit)		(530,818)	866,368	86,357
Profit (Loss) for the Year		($ 2,918,933)	$ 767,429	($ 1,053,129)
Attributable to:				
Equity holders of the parent		($ 2,580,913)	$ 1,312,232	($ 327,958)
Non-controlling interest	24	(338,020)	(544,803)	(725,171)
		($ 2,918,933)	$ 767,429	($1,053,129)
Earnings (Loss) Per Share				
Basic and diluted earnings (loss) per share	37	($ 0.0024)	$ 0.0013	($ 0.0005)
Profit (Loss) for the Year		($ 2,918,933)	$ 767,429	($1,053,129)
Other Comprehensive Income (Loss)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		8,868	31,145	31,124
Share in other comprehensive loss of a joint venture	13	(27,576)	(2,670)	(15,872)
Revaluation increment		-	-	115,335
Item that may not be reclassified subsequently to profit or loss				
Remeasurement gain (loss) on retirement	22	104,394	(213,462)	(73,948)
		85,686	(184,987)	56,639
Total Comprehensive Income (Loss)		($ 2,833,247)	$ 582,441	($ 996,490)
Attributable to:				
Equity holders of the parent		($ 2,495,071)	$ 1,115,647	($ 334,798)
Non-controlling interest		(338,176)	(533,205)	(661,692)
		($ 2,833,247)	$ 582,442	($ 996,490)

See Notes to Consolidated Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In U.S. Dollar)

	Notes	Share Capital	Share Premium	Revaluation Increment	Share Dividends Payable	Fair value on Investment Revaluation Reserve	Cumulative Translation Adjustment	Retained Earnings	Treasury Shares	Non-controlling Interest	Total
Balance, January 1, 2011		$11,540,140	$2,198,790	$ -	$ -	$2,192	$114,402	$8,030,681	($5,774)	$937,092	$22,817,523
Additional subscription		6,321,229	-	-	-	-	-	-	-	-	6,321,229
Share dividends	26	-	749,550	-	3,258,912	-	-	(4,008,462)	-	-	-
		17,861,369	2,948,340	-	3,258,912	2,192	114,402	4,022,219	(5,774)	937,092	29,138,752
Other comprehensive income											
Exchange differences on translating foreign operations		-	-	-	-	-	25,312	-	-	5,812	31,124
Revaluation increment		-	-	57,668	-	-	-	-	-	57,667	115,335
Remeasurement loss on retirement pertaining to controlling interest		-	-	-	-	-	-	(73,948)	-	-	(73,948)
Share in other comprehensive income of a joint venture		-	-	-	-	2,685	-	(18,557)	-	-	(15,872)
Loss for the year, as restated		-	-	-	-	-	-	(327,958)	-	(725,171)	(1,053,129)
Total comprehensive income (loss), as restated		-	-	57,668	-	2,685	25,312	(420,463)	-	(661,692)	(996,490)
Balance, December 31, 2011, as restated		17,861,369	2,948,340	57,668	3,258,912	4,877	139,714	3,601,756	(5,774)	275,400	28,142,262
Additional subscription	23	4,714,553	873,392	-	(3,258,912)	-	-	-	-	-	2,329,033
Repurchase of shares issued to non-controlling interests	24							(7,563)		(492,437)	(500,000)
Acquisition of new partially-owned subsidiary		-	-	17,624	-	-	-	-	-	69,040	86,664
Noncontrolling interest in the subsidiary's investments	24	-	-	-	-	-	-	-	-	19,141	19,141
Effects on noncontrolling interest due to the loss of control over a subsidiary	24	-	-	-	-	-	-	(860,638)	-	721,686	(138,952)
		22,575,922	3,821,732	75,292	-	4,877	139,714	2,733,555	(5,774)	592,830	29,938,148
Other comprehensive income											
Exchange differences on translating foreign operations		-	-	(3,615)	-	-	23,162	-	-	11,598	31,145
Remeasurement loss on retirement								(213,462)		-	(213,462)
Share in other comprehensive income of a joint venture	13	-	-	-	-	21,793	-	(24,463)	-	-	(2,670)
Profit for the year, as restated	24	-	-	-	-	-	-	1,312,232	-	(544,803)	767,429
Total comprehensive income (loss), as restated		-	-	(3,615)	-	21,793	23,162	1,074,307	-	(533,205)	582,442
Balance, December 31, 2012, as restated		22,575,922	3,821,732	71,677	-	26,670	162,876	3,807,862	(5,774)	59,625	30,520,590
Other comprehensive income											
Exchange differences on translating foreign operations	24,25	-	-	-	-	-	8,860	-	-	8	8,868
Remeasurement gain (loss) on retirement				-				104,558		(164)	104,394
Share in other comprehensive income of a joint venture	13	-	-	-	-	(26,670)	-	(906)	-	-	(27,576)
Loss for the year	24	-	-	-	-	-	-	(2,580,913)	-	(338,020)	(2,918,933)
Total comprehensive income (loss)		-	-	-	-	(26,670)	8,860	(2,477,261)	-	(338,176)	(2,833,247)
Balance, December 31, 2013		**$22,575,922**	**$3,821,732**	**$71,677**	**$ -**	**$ -**	**$171,736**	**$1,330,601**	**($5,774)**	**($278,551)**	**$27,687,343**

See Notes to Consolidated Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In U.S. Dollar)

	Notes	For the Years Ended December 31		
		2013	2012 (As Restated)	2011 (As Restated)
Cash Flows from Operating Activities				
Profit (Loss) before tax		($ 3,449,751)	$ 1,633,797	($ 966,772)
Adjustments for:				
Finance costs	35	1,761,475	2,083,109	1,088,022
Depreciation and amortization	14,15,16,29,30	1,489,304	1,123,609	820,863
Provision for (Reversal of allowance for) doubtful accounts	8, 28, 30	1,125,627	(13,307)	9,379
Gain on sale of property, plant and equipment and assets held-for-sale	15, 17, 28	(546,031)	-	(7,215)
Retirement benefit	22,34	122,349	88,471	70,549
Unrealized foreign exchange gain (loss) - net		(75,464)	10,575	(35,591)
Provision for inventory obsolescence	9,29	40,067	20,000	-
Share in loss (profit) of associates and joint ventures	12,13	(36,195)	(301,990)	110,530
Interest income	7, 28	(27,181)	(33,578)	(14,061)
Operating cash flows before working capital changes		404,200	4,610,686	1,075,704
Decrease (Increase) in:				
Trade and other receivables		636,764	(605,725)	(404,994)
Due from related parties		600,472	(216,297)	(683,974)
Inventories		(4,814,662)	(4,161,363)	333,818
Prepayments and other current assets		435,076	(2,568,898)	(3,439,648)
Other-non current assets		190,769	354,144	49,792
Increase in trade and other payables		454,402	682,677	2,828,889
Cash used in operating activities		(2,092,979)	(1,904,776)	(240,413)
Income tax paid		(954,376)	(344,470)	(57,213)
Contribution to retirement fund		(103,708)	-	-
Net cash used in operating activities		(3,151,063)	(2,249,246)	(297,626)
Cash Flows from Investing Activities				
Additions to property, plant and equipment	15	(2,078,248)	(2,688,503)	(2,601,264)
Proceeds from sale of property, plant and equipment and assets held-for-sale	15, 17	1,242,104	-	138,957
Investments in subsidiaries		-	(2,050,639)	(7,451,946)
Interest income received		27,181	33,578	14,061
Acquisition of investment properties		-	-	(4,759,468)
Net cash used in investing activities		(808,963)	(4,705,564)	(14,659,660)
Cash Flows from Financing Activities				
Proceeds from bank loans		63,582,854	60,502,879	61,875,032
Payment of bank loans		(59,533,357)	(51,414,657)	(51,639,330)
Finance costs paid		(1,761,475)	(1,704,409)	(923,987)
Proceeds from (Payment of) due to related parties		(869,085)	45,758	495,356
Proceeds from issuance of capital stock		-	2,329,033	6,321,229
Proceeds from investment of non-controlling interest holders		-	(192,319)	-
Net cash from financing activities		1,418,937	9,566,285	16,128,300
Effects of Foreign Exchange Rate Changes		(82,612)	(56,113)	91,153
Net Increase (Decrease) in Cash and Cash Equivalents		(2,623,701)	2,555,362	1,262,167
Cash and Cash Equivalents, Beginning		4,191,826	1,636,464	374,297
Cash and Cash Equivalents, End	7	$ 1,568,125	$ 4,191,826	$ 1,636,464
Non-cash Investing Activities				
Conversion of receivable to equity investment	3	$ 257,000	$ -	$ -
Acquisition of fishing vessels through *dacion en pago*	15	$ -	($15,225,410)	($ 377,350)

See Notes to Consolidated Financial Statements.

1. CORPORATE INFORMATION

Alliance Select Foods International, Inc. (the "Parent Company") is a public corporation under Section 17.2 of the Securities Regulation Code (SRC) and was incorporated and registered in the Philippine Securities and Exchange Commission (SEC) on September 1, 2003. The Parent Company is primarily engaged in the business of manufacturing, canning, importing and exporting of food products such as marine, aquaculture and other processed seafoods. Its shares are listed in the Philippine Stock Exchange (PSE) since November 8, 2006.

Furthermore, the Parent Company was registered with the Board of Investments (BOI) on August 24, 2004 under the Omnibus Investments Code of 1987, otherwise known as Executive Order No. 226, on a non-pioneer status as new export producer of canned tuna and its by-product, fishmeal. As such, the Parent Company is entitled to certain incentives such as income tax holiday (ITH) for four years plus three bonus years from the date of registration and subject for approval of extension by the BOI; tax credit on raw materials and supplies used for export products; and additional deduction for labor expense, subject to certain requirements under the terms of its BOI registration. The Parent Company has been granted by the BOI three years extension of ITH that ended on August 23, 2011.

On July 1, 2010, the Board of Directors has resolved to change the corporate name from Alliance Tuna International, Inc. to Alliance Select Foods International, Inc. The change in corporate name was then approved by the SEC on July 22, 2010.

On November 25, 2011, SEC has approved the increase in the Parent Company's authorized share capital from P950,000,000 divided into 950,000,000 shares to P1,500,000,000 divided into 1,500,000,000 shares having a par value of P1 per share.

The financial position and results of operations of the Parent Company and its subsidiaries (the "Group") are consolidated in these financial statements.

The Parent Company's principal place of business is located at Suites 1205, 1206 & 1405 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City. It has plant facilities located in Barrio Tambler, General Santos City, Philippines.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial Reporting Standards Council (FRSC) and Board of Accountancy (BOA) and adopted by the SEC.

Basis of Preparation and Presentation

The consolidated financial statements of the Group have been prepared on the historical cost basis, except for:

- financial instruments measured at fair value;
- financial instruments carried at amortized cost;
- investments in associates and joint ventures accounted for using the equity method;
- inventories carried at the lower of cost or net realizable value;
- biological assets measured at fair value less costs to sell; and
- the retirement benefit obligation recognized as the net total of the present value of defined benefit obligation less the fair value plan assets.

Functional and Presentation Currency

These consolidated financial statements are presented in U.S. Dollar, the currency of the primary economic environment in which the Group operates. All amounts are recorded in the nearest dollar, except when otherwise indicated.

3. BASIS OF CONSOLIDATION AND COMPOSITION OF THE GROUP

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all subsidiaries it controls. Control is achieved when the Parent Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these three elements of control. When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Parent Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Parent Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Parent Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Composition of the Group

Details of the Parent Company's subsidiaries as at December 31 are as follows:

	Date Acquired/ Incorporated	Ownership Interests		
		2013	2012	2011
ASFI Thailand	May 12, 2004	100%	100%	100%
PT International Alliance Food Indonesia (PTIAFI)	May 28, 2008	99.98%	99.98%	89.98%
Prime Foods New Zealand Limited (PFNZ)	January 6, 2009	50.00% + 1 share	50.00% + 1 share	50.00% + 1 share
Big Glory Bay Salmon and Seafood Company Inc. (BGB)	October 29, 2009	50.00% + 1 share	50.00% + 1 share	50.00% + 1 share
ASFI Choice Foods, Inc. (ASFIC)	April 11, 2011	100%	100.00%	100.00%
Spence & Company Ltd. (Spence)	August 10, 2011	100%	100.00%	100.00%
Akaroa Salmon (NZ) Ltd. (Akaroa)	October 1, 2012	80%	80.00%	-
Alliance Select Foods Pte. Ltd. (ASF)	January 24, 2013	100%	100%	100%

The principal activities and other details of the subsidiaries are as follows:

ASFI Thailand

On March 12, 2004, the Parent Company established ASFI Thailand, a Thailand based wholly-owned subsidiary, the primary activity of which is that of a sales representative office. ASF Thailand's net assets as at December 31, 2013 and 2012 amounted to nil.

PTIAFI

PTIAFI was established under the Indonesian law within the framework of the Foreign Capital Investment Law No. 25 year 2007 based on Notarial Deed No. 101 dated May 21, 2001. The Deed of Establishment was approved by the Minister of Justice of the Republic of Indonesia in the Decision Letter No. AHU-24298.AH.01.01 dated May 28, 2008.

PTIAFI is primarily engaged in canned fish processing exclusively for international market. The plant is located at Jl. Raya Madidir Kelurahan Madidir Unet Ling. II Kecamatan Madidir, Bitung, Indonesia.

This investment in PTIAFI provides the Group with access to the rich Indonesian marine resources.

On February 10, 2012, the Parent Company purchased 500,000 shares of PT Wailan Pratama, a fishing company, at book value for $500,000 which has been approved by the Indonesia Investment Coordinating Board and the Department of Law and Human Rights in accordance to Indonesian Law. This event has increased Parent's stake in PTIAFI from 89.98% as at December 31, 2010 to 99.98% on February 10, 2012 and as at December 31, 2012.

The boost in stake by the Parent Company is being done at a time when the Group plans to aggressively increase its production and marketing efforts in Indonesia. Indonesia is extremely rich in marine resources and full control of PTIAFI will enable the Group to tap additional export markets around the globe.

On December 20, 2011, PTIAFI founded and established PT Van de Zee (VDZ) under the current Indonesian law with 80% percentage ownership and is considered a subsidiary of PTIAFI. VDZ will be operating in integration with the tuna processing activities of PTIAFI. VDZ's establishment as a foreign investment company has been approved by the Indonesian Investment Coordinating Board or Bedan Koordinasi Penanaman Modal and Ministry of Laws and Human Rights of the Republic of Indonesia.

Indonesia's Ministry of Fisheries and Marine Resources has accepted fees from VDZ for an initial allocation of 5,000 metric tons for 2012. Conditional on the fulfillment of its five-year vessel acquisition program, VDZ has a potential allocation of 30,000 metric tons by 2016. This means by that year, VDZ would be able to support a 100% capacity utilization of PTIAFI's processing plant which has a capacity of 90 metric tons per day.

On May 26, 2010 the Board of Directors authorized the Parent Company to increase its equity investment in PTIAFI from $825,600 to $4,499,000 by converting its outstanding cash advances in the amount of $3,673,400 into equity and applying the same as payment for the additional 3,673,400 shares at a par value of $1.00. The percentage ownership thus increased from 79.92% as at December 31, 2009 to 89.98% as at December 31, 2010. The Parent Company's joint venture partner in the subsidiary, PT Wailan Pratama, also converted part of its advances and increase its shareholdings from 206,400 shares as at December 31, 2009 to 500,001 shares as at December 31, 2010 with a par value of $1.00.

The significant information on the consolidated financial statements of PTIAFI as at and for the years ended December 31 are as follows:

	2013	2012
Total assets	**$13,137,787**	$11,613,087
Total liabilities	**(7,721,773)**	(6,013,054)
Net assets	**$ 5,416,014**	$ 5,600,033
Revenues	**$18,890,089**	$18,125,327
Cost and expenses	**(19,114,350)**	(17,608,609)
Profit (Loss) for the year	**(224,261)**	516,718
Other comprehensive income	**784**	-
Total comprehensive income (loss)	**($ 223,477)**	$ 516,718

The significant financial information of VDZ as at and for the years ended December 31 that have been part of the consolidated financial statements of PTIAFI are as follows:

	2013	2012
Total assets	**$1,964,497**	$541,845
Total liabilities	**(2,244,835)**	(532,480)
Net assets (liabilities)	**($ 280,338)**	$ 9,365
Revenues	**$ 143,538**	$ -
Cost and expenses	**(472,698)**	(86,347)
Loss for the year	**($ 329,160)**	($ 86,347)

PFNZ

PFNZ is a company domiciled in New Zealand and is registered under the Companies Act of 1993 on September 8, 1993. The Ministry of Economic Development assigned company number 625998 to PFNZ as part of its registration process.

PFNZ is primarily engaged in the business of processing, manufacturing and distributing smoked salmon and other seafoods under the Prime Smoke and Studholme brand for distribution in New Zealand and other countries. The investment in PFNZ is the first venture of the Parent Company in the salmon business. The plant is located in Hororata RD2 Darfield, New Zealand.

The significant information on the financial statements of PFNZ as at and for the years ended December 31 are as follows:

	2013	2012
Total assets	**$4,713,347**	$3,640,809
Total liabilities	**(4,216,872)**	(2,850,750)
Net assets	**$ 496,475**	$ 790,059
Revenues	**$7,783,188**	$5,349,947
Cost and expenses	**(8,074,164)**	(5,426,962)
Loss for the year	**($ 290,976)**	($ 77,015)

BGB

BGB is a joint venture between the Parent Company and its New Zealand-based subsidiary PFNZ. It was established primarily to engage in the business of manufacturing goods such as salmon and other processed seafoods. It was registered with the Philippine SEC on October 29, 2009 with registration number CS200916903. Its registered address is located at Suite 1205 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Philippines and its plant facilities is located at Barrio Tambler, General Santos City, Philippines.

The investment in salmon processing allows the Group to be the dominant player in the smoked salmon industry in the region and to continue on a path towards further product and resource diversification.

BGB started its commercial operation on August 1, 2011.

In 2013, the Parent Company and PFNZ converted their respective advances to BGB amounting to $257,000 each into equity ownership of 11,082,610 shares of BGB each with a par value of P1 per share. Ownership percentages of the Parent Company and PFNZ remain the same after the conversion.

The significant information on the financial statements of BGB as at and for the years ended December 31 are as follows:

	2013	2012
Total assets	**$4,863,600**	$3,262,326
Total liabilities	**(6,008,697)**	(3,713,746)
Net liabilities	**($1,145,097)**	($ 451,420)
Revenues	**$2,209,380**	$ 480,358
Cost and expenses	**(3,415,222)**	(1,300,163)
Loss for the year	**(1,205,842)**	(819,805)
Other comprehensive loss	**(659)**	-
Total comprehensive loss	**($1,206,501)**	($ 819,805)

ASFIC

On April 11, 2011, the Parent Company established ASFIC in Massachusetts, USA, to serve as the Parent Company's vehicle in making investments in, or acquisitions of other companies, as well as market and distribute the Group's products in the USA. ASFIC is a wholly-owned subsidiary of the Parent Company. ASFIC does not have any revenue nor expenses as the Parent Company used it solely to acquire investments. ASFIC's net assets as at December 31, 2013 and 2012 amounted to $10,000.

SPENCE

On August 10, 2011, the Parent Company acquired 100% of the issued share capital of Spence, located at No. 76 Campanelli Drive, Brockton MA 02301 USA, for a cash consideration of $9,240,946 resulting in recognition of goodwill amounting to $7,451,946. Spence specializes in the production of smoked salmon and other seafoods. Its processing facilities cover an area of 20,000 square meters with a rated capacity of 6 metric tons per day.

The investment in salmon processing allows the Group to diversify its product line to take advantage of the changing food consumption patterns around the globe, address the issue of sourcing raw materials and improve overall margins and profitability.

As at August 10, 2011, Spence's financial position was as follows:

ASSETS	
Current Assets	
Cash	$1,085,072
Accounts receivables - net	541,017
Inventories	416,488
Tax refund receivable	41,000
Prepaid expenses	5,261
Deferred tax assets	64,089
	2,152,927
Non-current Asset	
Property and equipment - net	359,496
	$2,512,423
LIABILITIES AND EQUITY	
Current Liabilities	
Accounts payable and accrued expenses	$ 613,070
Note payable	7,762
	620,832
Non-current Liability	
Deferred tax liability	102,591
	723,423
Equity	
Share capital	100
Retained earnings	1,788,900
	1,789,000
	$2,512,423

Goodwill arising from acquisition on August 10, 2011 amounted to $7,451,946, computed as follows:

Investment	$9,240,946
Net assets	(1,789,000)
Goodwill	$7,451,946

The significant information on the financial statements of Spence as at and for the years ended December 31 are as follows:

	2013	2012
Total assets	**$ 3,844,497**	$ 4,188,870
Total liabilities	**(1,236,146)**	(2,194,604)
Net assets	**$ 2,608,351**	$ 1,994,266
Revenues	**$16,023,396**	$15,166,489
Cost and expenses	**(15,409,309)**	(14,061,174)
Net income	**$ 614,087**	$ 1,105,315

For consolidation purposes, only the results of operations from the date of Group's acquisition up to the end of reporting period were included in the consolidated statements of comprehensive income for the years ended December 31, 2013, 2012 and 2011.

AKAROA

On October 1, 2012, the Parent Company acquired 80% of the issued shares of Akaroa with a fair value of $276,161 at a purchase price of $2,326,800, resulting in a goodwill amounting to $2,050,639, recognized in the consolidated financial statements. Akaroa is a company incorporated and domiciled in New Zealand and is registered under the Companies Act of 1993. Its principal office is located in 9 Pope Street Riccarton, Christchurch New Zealand. Akaroa is engaged in the business of sea cage salmon farming and operates two marine farms in Akaroa Harbor, South Island, New Zealand. It also processes fresh and smoked salmon.

Akaroa also holds 20% stake in Salmon Smolt NZ Ltd., a modern hatchery quarantining high quality and consistent supply of smolts (juvenile salmon) for its farm.

The Group financed this acquisition through a private placement of its authorized unissued shares. Management believes that the acquisition of Akaroa will enable the Group to stabilize its supplies of salmon and eventually strengthen its market share in the salmon industry.

As at October 1, 2012, Akaroa's financial position was as follows:

ASSETS	
Current Assets	
Cash	$ 40,060
Trade and other receivables	207,948
Other short term financial assets	25,799
Inventories and biological asset	106,333
Other current assets	1,314
	381,454
Non-current Asset	
Property, plant and equipment	276,416
Investment in associates	28,254
Intangible assets	96,390
Other non-current assets	1,761
	402,821
	$784,275
LIABILITIES AND EQUITY	
Current Liabilities	
Trade and other payables	$233,680
Loans payable - current	163,909
	397,589
Non-current Liability	
Loans payable - net of current portion	41,485
	439,074
Equity	
Share capital	13,275
Reserves	207,935
Retained earnings	123,991
	345,201
	$784,275

Goodwill arising from acquisition on October 1, 2012 amounted to $2,050,639, computed as follows:

Investment	$2,326,800
Net assets at 80%	(276,161)
Goodwill	$2,050,639

The significant information on the financial statements of Akaroa as at periods ended December 31 are as follows:

	2013	2012
Total assets	**$1,348,596**	$1,096,311
Total liabilities	**(907,723)**	(537,014)
Net assets	**$ 440,873**	$ 559,297
Revenues	**$2,704,225**	$ 845,978
Cost and expenses	**(2,820,474)**	(647,645)
Profit for the year	**($ 116,249)**	$ 198,333

For consolidation purposes, only the results of operations from the date of Group's acquisition up to the end of reporting period were included in the consolidated statements of comprehensive income for the period ended December 31, 2013 and 2012.

ASF

On January 24, 2013, the Parent Company established Alliance Select Foods Pte. Ltd. (ASF), a Singapore based wholly-owned subsidiary. The initial issued and paid up share capital of the subsidiary is SGD10 (Ten Singapore Dollars) with 10 ordinary shares worth SGD1 per share. ASF has not yet started its commercial operation. The Management intends to increase the paid up capital in the future as it becomes operational. The primary activity of the subsidiary will be that of general wholesaler and trader and an investment holding company. ASF's net assets as at December 31, 2013 and 2012 amounted to nil.

AMHI

AMHI was established primarily to engage as a property holding arm of the Group. It was registered with the Philippine SEC on June 18, 2010 with registration number CS201009131. Its registered address is located at Purok Salayda, Barangay Tambler, General Santos City, Philippines.

Initially, AMHI is a Special Purpose Entity (SPE) and considered as a subsidiary of the Parent Company. As an SPE, AMHI conducts its normal operations by exclusively allowing the members of the Group to make use of its properties under lease agreements.

On December 12, 2012, the Parent Company's officers who held key positions in AMHI resigned from AMHI. Moreover, on December 28, 2012, AMHI sold a substantial portion of its assets to the Parent Company to settle amounts due to the latter.

Effective December 28, 2012, the Parent Company ceased to exercise control over AMHI and had reduced financial interest, but continued to have significant influence over AMHI as disclosed in Note 6.

For consolidation purposes, only the result of operations from January 1, 2012 up to December 27, 2012 was included in the consolidated statements of comprehensive income.

The loss of control over AMHI resulted in the reduction of the beginning balance of the Group's retained earnings amounting to $860,638.

4. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Revised Accounting Standards Effective in 2013

The following new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and issued by the FRSC in the Philippines were adopted by the Group effective on January 1, 2013, unless otherwise indicated:

Amendments to PAS 1, *Presentation of Financial Statements*

The amendments require companies preparing financial statements in accordance with PFRS to group items of other comprehensive income into items that may or may not be reclassified to profit or loss in subsequent periods. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. The amendments also reaffirm existing requirements that items in other comprehensive income (OCI) and profit or loss should be presented as either in a single statement or two consecutive statements. The amendments are effective for annual periods beginning on or after July 1, 2012.

The adoption of these amendments resulted in the grouping of other comprehensive income items that will be and will not be reclassified to profit and loss in subsequent periods. The amendments have been applied retrospectively.

Amendments to PAS 19, *Employee Benefits* (2011)

The amendments change the accounting for defined benefit plans and termination benefits. These amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets as it occur, thus, resulting to the elimination of the "corridor approach" as previously permitted under the revised PAS 19. These also require acceleration in the recognition of past service costs and the immediate recognition of all actuarial gains and losses through other comprehensive income. In effect, the net pension asset or liability recognized in the statement of financial position shall be presented in its full value whether it is a plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of PAS 19 are replaced with a net interest amount under PAS 19, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, PAS 19 introduce certain changes in the presentation of the defined benefit cost including more extensive disclosures.

The adoption of these amendments resulted in the presentation of the third statement of financial position and more extensive disclosure on the Group's defined benefit costs and obligations.

PAS 27, *Separate Financial Statements* (as amended in 2011)

The standard (as amended in 2011) outlines the accounting and disclosure requirements for separate financial statements, which are the financial statements prepared by a parent, or an investor in a joint venture or associate, where those investments are accounted for either at cost or in accordance with PAS 39, *Financial Instruments: Recognition and Measurement* or PFRS 9, *Financial Instruments*. The standard (as amended in 2011) also outlines the accounting treatment and additional disclosure requirements for dividends.

The adoption of these amendments did not have a significant impact on the Group's consolidated financial statements.

PAS 28, *Investments in Associates and Joint Ventures* (as amended in 2011)

The standard (as amended in 2011) outlines the application, with certain limited exceptions, of the equity method to investments in associates and joint ventures. The standard (as amended in 2011) also defines an associate by reference to the concept of "significant influence", which requires power to participate in financial and operating policy decisions of an investee (but not joint control or control of those polices). The standard (as amended in 2011) is effective for annual periods beginning on or after January 1, 2013 with early application permitted.

The adoption of these amendments did not have a significant impact on the Group's consolidated financial statements.

Amendments to PFRS 7, *Financial Instruments: Disclosures on Asset and Liability Offsetting*

The amendments include new disclosure requirements that pertain to all recognized financial instruments that are set off in accordance with paragraph 42 of PAS 32, *Financial Instruments: Presentation.*

The adoption of these amendments did not have a significant impact on the Group's consolidated financial statements.

PFRS 10, *Consolidated Financial Statements*

The standard establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. This standard also includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure or rights to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in this standard to deal with complex scenarios.

The adoption of these amendments did not have a significant impact on the Group's consolidated financial statements.

PFRS 11, *Joint Arrangements*

The standard deals on how a joint arrangement be classified when two or more parties have joint control. Under this standard, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In addition, investments in joint ventures under this standard are required to be accounted for using the equity method of accounting.

The application of this standard is relevant in the initial recognition of the Group's investment in Wild Catch Fisheries, Inc. as a Joint Venture.

PFRS 12, *Disclosures of Interest in Other Entities*

The standard requires companies to disclose information about its interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. The disclosure requirements in this standard are more extensive than those in the current standards.

The application of this standard did not have a significant impact on the Group's consolidated financial statements.

PFRS 13, *Fair Value Measurement*

The standard establishes a single source of guidance and disclosure requirements for fair value measurements. The scope of PFRS 13 applies to both financial instrument and non-financial instrument items for which other PFRSs require or permit fair value measurements and disclosures, except in specified circumstances. The disclosure requirements in PFRS 13 are more extensive than those required in the current standards.

PFRS 13 requires the prospective application for January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the standard in comparative information provided for periods before the initial application of the standard. In accordance with these transitional provisions, the Group has not made any new disclosure required by PFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of PFRS 13 did not have any material impact on the amounts recognized in the financial statements.

Amendments to PFRS 10, PFRS 11 and PFRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*

The amendments clarify certain transitional guidance on the application of PFRS 10, PFRS 11 and PFRS 12. These amendments are effective for annual period beginning on or after January 1, 2014. The major clarifications are as follows:

- The amendments define the date of initial application of PFRS 10 as the beginning of the annual reporting period in which this standard is applied for the first time.
- The amendments clarify how a reporting entity should adjust comparative period(s) retrospectively if the consolidation conclusion reached at the date of initial application under PFRS 10 is different from that under PAS 27/SIC-12.
- When the control over an investee was lost during the comparative period (e.g., as a result of a disposal), the amendments state that there is no need to adjust the comparative figures retrospectively even though a different consolidation conclusion might have been reached under PAS 27/SIC-12 and PFRS 10.
- When a reporting entity concludes, on the basis of the requirements of PFRS 10, that it should consolidate an investee that was not previously consolidated, the entity should apply acquisition accounting in accordance with PFRS 3, Business Combinations, to measure assets, liabilities and non-controlling interests of the investee at the date when the entity obtained control of the investee. The amendments clarify which version of PFRS 3 should be used in different scenarios.
- The amendments provide additional relief by limiting the requirement to present adjusted comparative information to the period immediately before the date of initial application. These amendments also eliminate the requirements to present comparative information for disclosures related to unconsolidated structured entities for any period before the first annual period in which PFRS 12 is applied.

The adoption of these amendments did not have a significant impact on the Group's consolidated financial statements.

Annual Improvements to PFRSs 2009-2011 Cycle

The annual improvements, which were applied retrospectively, addressed the following issues:

Amendment to PAS 1, *Presentation of Financial Statements*

The amendment clarifies that:

- the minimum required comparative period is the preceding period;
- when an entity prepares financial statements and voluntarily includes more than the minimum comparative information, it shall include comparative information in related notes; and
- when an entity is required to present a third statement of financial position, it shall not be required to include the comparative information in related notes.

In the current year, the Group has applied the amendments to PAS 19, *Employee Benefits*, which require a retrospective application and presentation of the third financial statement. In accordance with PAS 1, the Group has presented a third statement of financial position without the related notes except for the disclosure requirements of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, as shown in Note 42.

Amendments to PAS 16, *Property, Plant and Equipment*

The amendments clarify that spare parts, stand-by or servicing equipment are required to be classified as property, plant and equipment when they meet the definition of property, plant and equipment, and shall only be classified as inventory when they do not meet the definition of property, plant and equipment.

The adoption of these amendments did not have a significant impact on the Group's consolidated financial statements.

Amendments to PAS 32, *Financial Instruments: Presentation*

The amendments clarify that income tax relating to distributions to holders of equity transactions are required to be accounted for in accordance with PAS 12, *Income Taxes*. This may result in items of income tax being recognized in equity or in profit or loss.

The adoption of these amendments did not have a significant impact on the Group's consolidated financial statements.

Amendments to PAS 34, *Interim Financial Reporting*

The amendments clarify that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets and liabilities for the segment from the amount disclosed in the last annual financial statements.

The adoption of these amendments did not have a significant impact on the Group's consolidated financial statements.

New Accounting Standards Effective after the Reporting Period Ended December 31, 2013

The Group will adopt the following PFRS when these become effective:

Amendments to PFRS 10, PFRS 12 and PAS 27 *Consolidated Financial Statements, Disclosure of Interests in Other Entities: Transition Guidance and Investment Entities and Separate Financial Statements*

The amendments to PFRS 10 introduce an exception from the requirement to consolidate subsidiaries for an investment entity. In terms of the exception, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. The exception does not apply to subsidiaries of investment entities that provide services that relate to the investment entity's investment activities. These amendments are effective for annual periods beginning on or after January 1, 2014.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- Obtains funds from one or more investors for the purpose of providing them with professional investment management services.
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.

- Measures and evaluates performance of substantially all of its investments on a fair value basis.

Consequential amendments to PFRS 12 and PAS 27 have been made to introduce new disclosure requirements for investment entities. In general, the amendments require retrospective application, with specific transitional provisions.

The adoption of these amendments will have no significant impact on the Group's consolidated financial statements.

Amendments to PAS 32, *Financial Instruments: Presentation*

The amendments provide clarifications on the application of the offsetting rules of financial assets and financial liabilities. These amendments are effective for annual periods beginning on or after January 1, 2014.

The adoption of these amendments will have no significant impact on the Group's consolidated financial statements.

Annual Improvements to PFRSs 2010-2012 Cycle

The annual improvements address the following issues:

Amendment to PFRS 2, *Share-based Payment*

The amendment provides new definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

Amendment to PFRS 3, *Business Combinations (with consequential amendments to other standards)*

This amendment clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

Amendments to PFRS 8, *Operating Segments*

The amendments require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments. These also clarify that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.

The adoption of these amendments will have no significant impact on the Group's consolidated financial statements.

Amendment to PFRS 13, *Fair Value Measurement (amendments to the basis of conclusions only, with consequential amendments to the bases of conclusions of other standards)*

This amendment states that issuing PFRS 13 and amending PFRS 9 and PAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

Amendment to PAS 16, *Property, Plant and Equipment*

The amendment requires that when an item of property, plant and equipment is revalued the gross carrying amount be adjusted in a manner that is consistent with the revaluation of the carrying amount.

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

Amendment to PAS 24, *Related Party Disclosures*

The amendment states that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

Amendment to PAS 38, *Intangible Assets*

The amendment requires that when an intangible asset is revalued the gross carrying amount be adjusted in a manner that is consistent with the revaluation of the carrying amount.

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

The above improvements are effective for annual periods beginning on or after July 1, 2014 and shall be applied retrospectively. However, early application of these improvements is permitted.

Annual Improvements to PFRSs 2011-2013 Cycle

These annual improvements address the following issues:

Amendment to PFRS 1, *First-time Adoption of International Financial Reporting Standards (changes to the Basis for Conclusions only)*

The amendment states that an entity, in its first PFRS financial statements, has the choice between applying an existing and currently effective PFRS or applying early a new or revised PFRS that is not yet mandatorily effective, provided that the new or revised PFRS permits early application. An entity is required to apply the same version of the PFRS throughout the periods covered by those first PFRS financial statements.

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

Amendment to PFRS 3, *Business Combinations*

The amendment clarifies that PFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

Amendment to PFRS 13, *Fair Value Measurement*

The amendment stresses that the scope of the portfolio exception defined in paragraph 52 of PFRS 13 includes all contracts accounted for within the scope of PAS 39 or PFRS 9, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32.

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

Amendment to PAS 40, *Investment Property*

The amendment clarifies that in determining whether a specific transaction meets the definition of both a business combination as defined in PFRS 3, *Business Combinations and Investment Property* as defined in PAS 40, *Investment Property* requires the separate application of both standards independently of each other.

The adoption of this amendment will have no significant impact on the Group's consolidated financial statements.

The above improvements are effective for annual periods beginning on or after July 1, 2014 and shall be applied retrospectively. However, early application of these improvements is permitted.

PFRS 9, *Financial Instruments*

The standard requires all recognized financial assets that are within the scope of PAS 39 to be subsequently measured at amortized cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely for payments of principal and interest on the outstanding balance are generally measured at amortized cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods.

For financial liabilities that are designated as at fair value through profit or loss (FVPTL), the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or increase an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. The standard is to be effective no earlier than the annual periods beginning January 1, 2017, with earlier application permitted.

Management believes that the adoption of this standard will not have a significant impact on the Group's consolidated financial statements, as such, no study has been conducted on the latest available financial statements.

IFRIC Interpretation 21, *Levies*

This interpretation provides guidance on how to account a liability to pay a levy that is within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation provides the following guidance on recognition of a liability to pay levies:

- The liability is recognized progressively if the obligating event occurs over a period of time
- If an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

  This interpretation is effective for annual periods beginning on or after January 1, 2014 and to be applied retrospectively.

The adoption of this interpretation will have no significant impact on the Group's consolidated financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

Business Combination

Acquisitions of businesses are accounted for using the equity method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with PAS 12 and PAS 19, respectively;
- liabilities and equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangement of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with PFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with PFRS 5 *Non-current assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognized immediately in profit or loss as bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value or, when applicable, on the basis specified in another PFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the changes in fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with PAS 39 or PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interest even if this results in the non-controlling interest having deficit.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealized gains and losses are eliminated.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable PFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. Subsequently, goodwill arising on an acquisition of a business is measured at cost less any accumulated impairment losses.

For purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statements of comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intragroup Transactions and Balances

The consolidated financial statements were prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intergroup balances and transactions, including inter group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring the accounting policies used in line with those used by the Parent Company. All intra-group transactions, balances, income and expenses are eliminated in the consolidation.

Financial Assets

Initial recognition of financial assets

Financial assets are recognized in the Group's financial statements when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of the Group's financial assets, except for investments classified at fair value through profit or loss (FVTPL).

Classification and subsequent measurement

Financial assets are classified into the following specified categories: financial assets FVTPL, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Currently, the Group's financial assets consist of loan and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment and are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The Group's financial assets classified under this category include cash and cash equivalents, trade and other receivables, due from related parties, and refundable lease deposit under other non-current assets.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment

For all financial assets carried at amortized cost, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial re-organization; or
- default or delinquency in interest or principal payments; or
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the financial asset's original effective interest rate, i.e., the effective interest rate computed at initial recognition.

The carrying amount of financial assets carried at amortized cost is reduced directly by the impairment loss with the exception of trade receivables, wherein the carrying amount is reduced through the use of an allowance account. When trade receivables are considered uncollectible, these are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in consolidated profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in consolidated profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or when the Group transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the carrying amount of the financial asset derecognized and the consideration received or receivable is recognized in consolidated profit or loss.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Inventories

Inventories are measured initially at cost. Costs comprise direct materials, direct labor costs and those overheads incurred in bringing the inventories to their present location and condition. Subsequently, inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distributing the goods.

When the net realizable value of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the consolidated statements of comprehensive income. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to consolidated profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the consolidated statements of financial position as current assets when the cost of goods or services related to the prepayments are expected to be incurred within one year or the Group's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in an associate is measured initially at cost. Subsequent to initial recognition, investment in an associate is carried in the Group's consolidated financial statements at cost less any accumulated impairment losses.

The results of operation and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held-for-sale. Investment in an associate is carried in the consolidated statements of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognized as goodwill. Goodwill is included within the carrying amount of the investments and is assessed for impairment as part of that investment. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition, i.e., discount on acquisition is immediately recognized in consolidated profit or loss in the period of acquisition.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

The Group's accounting policy for impairment of financial assets is applied to determine whether it is necessary to recognize any impairment loss with respect to its investment in an associate. When necessary, the entire carrying amount of the investment, including goodwill, is tested for impairment in accordance with the Group's accounting policy on impairment of tangible and intangible assets as a single asset by comparing its recoverable amount, higher of value in use and fair value less costs to sell, with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The investment in an associate is derecognized upon disposal or when no future economic benefits are expected to arise from the investment. Gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the investment in an associate and is recognized in profit or loss.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with PAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

Investments in Joint Ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using the equity method of accounting, except when the investment is classified as held-for-sale.

Investments in joint ventures are measured initially at cost. Subsequent to initial recognition, investments in joint ventures are carried in the Group's consolidated financial statements at cost less any accumulated impairment losses.

The Group's accounting policy for impairment of financial assets is applied to determine whether it is necessary to recognize any impairment loss with respect to its investments in joint ventures. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with the Group's accounting policy on impairment of tangible and intangible assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Under the equity method, investments in a joint venture is carried in the consolidated statements of financial position at cost as adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, which includes any long-term interests that, in substance, form part of the Group's net investment in a joint venture, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. From the date the Group disposes of its interest or when such external restrictions are placed on a jointly controlled entity that the Group no longer has joint control, the Group shall discontinue the use of equity method.

When the Group transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognized in the Group's consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

The investment in a joint venture is derecognized upon disposal or when no future economic benefits are expected to arise from the investment. Gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the investment in a joint venture and is recognized in consolidated profit or loss.

Biological Assets

Biological assets or agricultural produce are recognized only when the Group controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the Group and the fair value or cost of the assets can be measured reliably.

The Group measures its biological assets on initial recognition, and at the end of each reporting period, at fair value less estimated costs to sell. Estimated costs to sell include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties.

The Group, through Akaroa, was permitted by New Zealand Inland Revenue Department (IRD) to use the national average market values issued by IRD as a proxy for fair value of a class of livestock, provided that such values are applied consistent to a class of livestock. The cost of biological assets per IRD approval stated that the cost is same as its acquisition cost. IRD's approval gives Akaroa the permission to use national average market values as proxy to fair values or cost in accordance with PAS 41, *Agriculture* (par. 30).

Harvested agricultural produce are also carried at fair value less estimated costs to sell at harvest point.

The Group's classifies its biological assets as consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets.

Gains or losses arising on initial recognition of a biological asset at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs of a biological asset are included in the consolidated profit or loss for the period in which they arise.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At the end of each reporting period, items of property, plant and equipment are measured at cost less any subsequent accumulated depreciation, amortization and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Subsequent expenditures relating to an item of property, plant and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Major spare parts and stand-by equipment qualify as property and equipment when the Group expects to use them for more than one year. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant, and equipment.

Estimated future dismantlement costs of items of property and equipment arising from legal or constructive obligations are recognized as part of property, plant and equipment and are measured at present value at the time the obligation was incurred.

Land held for use in the production or supply of goods or services, or for administrative purposes, is stated in the consolidated statements of financial position at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional appraisers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from that which would be determined using fair values at the end of each reporting period.

The latest revaluation of the above land was made on February 1, 2011 by John J Ryan & Associates Ltd., a registered appraiser in New Zealand.

Any revaluation increase arising on the revaluation of such land is charged to other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is charged to consolidated profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising from the revaluation of such land is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation surplus relating to a previous revaluation of that asset.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Fishing vessels	40 years
Buildings	25 years
Machinery and equipment	15 years
Plant and office furniture, fixtures and equipment	5 years
Transportation equipment	5 years

Building and leasehold improvements are depreciated over the improvements' useful life of seven years or when shorter, the terms of the relevant lease.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences at the time the assets are ready for their intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated profit or loss.

Investment Properties

Investment properties are properties that are held to earn rentals or for capital appreciation or both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss.

Gains or losses arising from changes in the fair value of investment property are included in the consolidated profit or loss on the period in which they arise.

Depreciation of building is computed on the straight-line method based on the estimated useful life of 25 years.

Transfers to, or from, investment property shall be made only when there is a change in use.

Investment property is derecognized by the Group upon its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the consolidated profit or loss in the period in which the property is derecognized.

Intangible Assets

Acquired intangible assets

Intangible assets that are acquired by the Group with finite useful lives are initially measured at cost. At the end of each reporting period items of intangible assets acquired are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the intangible asset for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the consolidated profit or loss as incurred.

Amortization of intangible assets with definite useful lives

Amortization for salmon farming consent and fishing license with finite useful life is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in the consolidated profit or loss on a straight-line basis over the estimated useful life of salmon farming consent and fishing license, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of the salmon farming consent and fishing license for the current and comparative periods is 25 years.

Intangible assets with indefinite useful lives

Macrocystic consent with indefinite life are not amortized. However, these assets are reviewed annually to ensure the carrying value does not exceed the recoverable amount regardless of whether an indicator of impairment is present. The Group considers its macrocystic consent having an indefinite useful life for the following reasons:

- there have been no established legal or contractual expiration date;
- impracticability of the determination of the intangible assets' economic useful lives; and
- unforeseeable limit to the period over which the fishing license and mycrocystic consent are expected to generate net cash flows for the Group.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated profit or loss when the asset is derecognized.

Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group assesses whether there is any indication that any of its tangible and intangible assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit or group of units on a pro-rata basis.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

Non-current Assets Held-for-Sale

Non-current assets and disposal groups are classified as held-for-sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before classification as held-for-sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment properties and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognized in the consolidated profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

If the non-current assets no longer met the criteria to be classified as held-for-sale, the Group shall cease to classify the asset held-for-sale. The Group shall measure a non-current asset that ceases to be classified as held-for-sale at the lower of:

- its carrying amount before the asset was classified as held-for-sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset not been classified as held-for-sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

In general, the Group classifies assets as held-for-sale when the following conditions are met:

- Group Management is committed to a plan to sell;
- the asset is available for immediate sale;
- an active programme to locate a buyer is initiated;
- the sale is highly probable, within 12 months of classification as held-for-sale subject to limited exceptions;
- the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value; and
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

These assets are presented as assets held-for-sale in the statements of financial position.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Financial liabilities

Financial liabilities are recognized in the Group's consolidated financial statements when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognized at fair value. Transaction costs are included in the initial measurement of the Group's financial liabilities, except for debt instruments classified at FVTPL.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Since the Group does not have financial liabilities classified at FVTPL, all financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities are derecognized by the Group when the obligation under the liability is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in consolidated profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The costs of acquiring Group's own shares are shown as a deduction from equity attributable to the Group's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, are included in equity attributable to the Group's equity holders.

Stock dividend distributable

Share dividend payable is recognized at the date of declaration. Its measurement is dependent on the percentage of share dividends issue as compared to the total shares outstanding at date of declaration. If the percentage of declared share dividends is less than 20%, the Parent Company measures it at par value or fair market value at the date of declaration; whichever is higher and any excess of fair value over its par is considered to be share premium. If the percentage of the declared share dividends is 20% or more, the Parent Company measures it on par value.

Repurchase, disposal and reissue of shares capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which include directly attributable cost, net of any tax effects, is recognized as a reduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognized as increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Retained earnings

Retained earnings represent the accumulated income of the Group attributable to the Parent Company after deducting dividends declared by the latter.

Non-controlling interest

Non-controlling interest represents the accumulated income after dividends declared attributable to the non-controlling shareholders of the subsidiaries.

Provisions

Provisions are recognized when the Group has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation through an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

Employee Benefits

Short-term benefits

The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Post-employment benefits

The Group classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item Retirement benefit. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sale of goods

Sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and volume rebates. Sale of goods is recognized when all the following conditions are satisfied:

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

Sales return

Sales return is recognized at the time of actual return of goods. It is measured by the amount of the revenue previously recognized in which the return is associated. It is treated as a contra revenue account and represents a direct deduction from amounts receivable for goods provided in the normal course of business.

The Group does not offer to its customers a general right of return. However, the Group accepts returns of damaged and defective products that are shipped directly from the Group or for products that are already expired.

Sales allowance

Sales allowance is recognized if it is probable that discounts will be granted and the amount can be measured reliably. It is measured as a portion of the revenue previously recognized in which the allowance is associated. It is treated as a contra revenue account and represents a direct deduction from amounts receivable for goods provided in the normal course of business.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income

Dividend income from investments is recognized when the Group's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Other income

Other income is recognized when it is probable that the economic benefits will flow to the Group and it can be measured reliably. Other income includes all income generated outside the normal course of business.

Expense Recognition

Expenses are recognized in consolidated profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in consolidated profit or loss: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the consolidated statements of financial position as an asset.

Expenses in the statement of comprehensive income are presented using the function of expense method. Costs of sales are expenses incurred that are associated with the goods sold and includes Materials used, Direct labor and Manufacturing overhead. Operating expenses are costs attributable to administrative, marketing, selling and other business activities of the Group.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign Currency Transactions and Translations

Transactions in currencies other than the functional currency of the Group are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on retranslation are included in the consolidated profit or loss for the year.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the consolidated profit or loss in the period in which they are incurred.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Parent Company and a related party, regardless of whether a price is charged.

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that is a post-employment benefit plan for the employees of the Group and the key management personnel of the Group are also considered to be related parties.

Taxation

Income tax expense represents the sum of the current tax expense and deferred tax.

Current tax expense

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Parent Company's registered product was granted an ITH starting August 24, 2004 up to August 23, 2011 as disclosed in Note 1. After the ITH, the liability for current tax is calculated using a tax rate of 30% under the normal taxation or 2% of defined gross income under minimum corporate income tax (MCIT), whichever is higher.

The income tax rates of subsidiaries are as follows:

ASFIC	40%
Spence	40%
Akaroa	28%
PFNZ	28%
PTIAFI	25%
BGB	ITH

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in associate except when the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred taxes are recognized as an expense or income in consolidated profit or loss, except when they relate to items that are recognized outside consolidated profit or loss, whether in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized outside consolidated profit or loss.

Earnings per Share

The Group computes its basic earnings per share by dividing consolidated profit or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares issued and outstanding during the period.

For the purpose of calculating diluted earnings per share, profit or loss for the year attributable to ordinary equity holders of the Group and the weighted average number of shares outstanding are adjusted for the effects off all dilutive potential ordinary shares.

Events after the Reporting Period

The Group identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the consolidated financial statements are authorized for issue. The consolidated financial statements of the Group are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the consolidated financial statements when material.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Business Unit Head to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds:

- its reported revenue, including both sales to external customers and inter-segment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments, provided that;
- the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and
- its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if Management believes that information about the segment would be useful to users of the financial statements.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

6. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in consolidated financial statements.

Segment reporting

The Group's revenue is classified into sales of canned and processed seafoods and sales of fishmeal. Although the revenue can be identified separately, the Group uses the same assets and resources for its sales of canned and processed seafoods and sales from fishmeal activities. Segregation and/or identification/allocation of those resources for each activity are impracticable since sales from fishmeal activities are minimal and do not exceed the 10% threshold criteria set forth in PFRS 8.

For Management purposes, the Group is currently organized activities based on its products (i.e., sale of canned and processed seafoods; and sale of fishmeal) and considers each product as one segment. The core activity is the canned and processed seafoods which account for more than 98.3% of the Group's consolidated revenues, consolidated profit for the year, and consolidated total assets. Thus, Management believes that the Group's only reportable segment is the Group's activities taken as a whole.

Leases

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfillment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

Classification of lease as operating lease

Based on Management evaluation, the lease arrangements entered into by Group as a lessor and as a lessee are accounted for as operating leases because the Group has determined that the lessor will not transfer the ownership of the leased assets to the Group upon termination of the lease.

The lease contracts entered into by the Group are classified as operating leases as discussed in Note 32.

Functional currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be the US Dollar. The US Dollar is the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences the Group in determining the costs and selling price of its inventories.

Determination of control

Management exercises its judgment in determining whether the Parent Company has control over another entity by evaluating the substance of relationship that indicates the control of Parent Company over its subsidiaries and special purpose entity. The recognition and measurement of the Parent Company's investments over these entities will depend on the result of the judgment made.

Based on the assessment made by the Management, the Parent Company has control over its subsidiaries PT International Alliance Foods Indonesia (PTIAFI), Prime Foods NZ Ltd. (PFNZ), Big Glory Bay Salmon and Seafood, Inc. (BGB), Spence & Company, Ltd. (Spence) and Akaroa Salmon New Zealand Limited (Akaroa) as at December 31, 2013 and 2012, and special purpose entities ASFI Choice Foods, Inc. (ASFIC), ASFI Thailand and Alliance Select Foods Pte. Ltd. (ASF) as at December 31, 2013 and 2012. Accordingly, the financial statements of these entities are included in the consolidated financial statements of the Parent Company.

Determination of joint control

Management exercises its judgment in reassessing whether the Group has joint control over FDCP Inc. (FDCP) and Wild Catch Fisheries, Inc. (WCFI) or mere significant influence by evaluating the substance of relationship that may exist between the Group over FDCP and WCFI. The recognition and measurement of the Group's investments over FDCP and WCFI will depend on the result of the judgment made.

Based on the assessment made by the Management, the Parent Company has classified its joint arrangements as joint ventures because of its rights over the net assets of FDCP, Inc. (FDCP) and Wild Catch Fisheries, Inc. (WCFI) as discussed in Note 13.

Loss of control

Based on the reassessment made by the Management due to the changes in circumstances arising from the restructuring of AMHI disclosed in Note 3, the Parent Company ceased to exercise control over AMHI effective December 28, 2012. As a result of the loss of control, the Group accounts for its 40% ownership in AMHI as an investment in an associate from the time the control is lost.

Determination of significant influence

Management exercises its judgment in determining whether the Group has control over another entity by evaluating the substance of relationship that indicates the significant influence of the Group over its associates. The recognition and measurement of the Group's investments over these entities will depend on the result of the judgment made.

Based on the assessment made by the Management, the Group has significant influence over AMHI and Salmon Smolt NZ Limited (SSNZ) as at December 31, 2013 and 2012.

Biological assets

Biological assets are required to be measured on initial recognition and at the end of each reporting period at fair value less costs to sell, unless fair value cannot be measured reliably. Accordingly, the Management shall exercise its judgment in determining the best estimate of fair value.

After exerting its best effort in determining the fair value of the Group's biological assets, Management believes that the fair value of its biological assets cannot be measured reliably since the market determined prices or values are not available and other methods of reasonably estimating fair value are determined to be clearly unreliable. Accordingly, the Group's biological assets are measured at cost less accumulated depreciation and any accumulated impairment loss.

Classification of assets as held-for-sale

As disclosed in Notes 15 and 17, Management classified the amount of the three fishing vessels as non-current assets held-for-sale and presented as current assets on the basis of a written serious intent from a buyer to purchase the assets. The Management is committed to sell these assets and expects these assets to be sold within 12 months. Accordingly, these assets are classified as assets as held-for-sale as at December 31, 2012.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimating useful lives of assets

The useful lives of the Group's assets with definite lives are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant, and equipment, and intangibles assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Group's assets. In addition, the estimation of the useful lives is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant, and equipment, and intangibles assets would increase the recognized operating expenses and decrease non-current assets.

As at December 31, 2013 and 2012, the carrying amounts and accumulated depreciation and amortization of the Group's property, plant and equipment, and intangible assets as disclosed in Notes 15, and 16, respectively, are as follows:

	Carrying Amounts	Accumulated Depreciation and Amortization
December 31, 2013		
Property, plant and equipment	**$19,532,483**	**$ 4,486,313**
Intangible assets*	**194,172**	**50,435**
	$19,726,655	**$ 4,536,748**
December 31, 2012		
Property, plant and equipment*	$21,414,391	$3,216,742
Intangible assets**	243,049	1,429
	$21,657,440	$3,218,171

** The above amounts for property, plant and equipment do not include carrying amount of land which is not subject to depreciation.*

*** The above amounts for intangible assets do not include carrying amount of intangible assets with indefinite useful lives which is not subject to amortization.*

Asset impairment

The Group performs an impairment review when certain indicators are present.

Determining the recoverable amounts of investment properties, property, plant and equipment, intangible assets, and assets held-for-sale which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Any resulting impairment loss could have a material adverse impact on the Group's consolidated financial position and result of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges.

Total carrying amounts of investments in associates, investment in joint ventures, property, plant and equipment, intangible assets and assets held-for-sale as at December 31, 2013 and 2012 are disclosed in Notes 12, 13, 15, 16 and 17, respectively.

As at December 31, 2013 and 2012, Management believes that the recoverable amounts of the Group's investments in associates, investment in joint ventures, property, plant and equipment, intangible assets and assets held-for-sale exceed their carrying amounts. Accordingly, no impairment loss was recognized in both years.

Revaluation of assets

Land

The Group has adopted the fair value approach in determining the carrying value of its land. While the Group has opted to rely on independent appraisers to determine the fair value of its investment properties, such fair value was determined based on recent prices of similar properties, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair value for any period would differ if the Group made different judgments and estimates or utilized different basis for determining fair value.

The carrying amounts of land carried at fair value as at December 31, 2013 and 2012 amounted to $1,594,298 and $1,599,107, respectively, as disclosed in Note 15. Revaluation increment in other comprehensive income amounted to $115,335 in 2011 based on the latest revaluation date.

Estimating the fair value of refundable lease deposit at initial recognition and disclosure

In the determination of the fair value of the refundable lease deposits, the Group applies discounted cash flow method using the effective interest rates of similar type of instruments which considers the following factors:

- expected future cash flows;
- time value of money, represented by the rate on risk-free monetary assets that have maturity dates or durations that coincide with the period covered by the cash flows;
- price for bearing the uncertainty inherent in the cash flows (i.e., a risk premium); and
- non-performance risk relating to that liability, including the obligor's own credit risk.

The carrying amounts of refundable lease deposit, as disclosed in Note 18, would be affected by changes in these factors and circumstances.

The fair values of refundable lease deposit as at December 31, 2013 and 2012 calculated using the discounted cash flow method are disclosed in Notes 21 and 38.

Deferred tax assets

The Group reviews the carrying amounts at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

Total deferred tax assets recognized in the consolidated statements of financial position as at December 31, 2013 and 2012, amounted to $1,408,920 and $212,554, respectively, as disclosed in Note 36.

Estimating allowances for doubtful accounts

The Group estimates the allowance for doubtful accounts related to its receivables based on the assessment of specific accounts when the Group has information that certain counterparties are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the counterparty and the counterparty's current credit status based on credit reports and known market factors. The Group used judgment to record specific reserves for counterparties against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

The amounts and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. An increase in the allowance for doubtful accounts would increase the recognized operating expenses and decrease current assets.

Total trade and other receivables recognized in the consolidated statements of financial position amounted to $16,162,372 and $11,474,299, which is net of the related allowances for doubtful accounts amounting to $1,175,280 and $22,667 as at December 31, 2013 and 2012, respectively, as disclosed in Note 8.

Estimating net realizable value of inventories

The net realizable value of inventories represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The Group determines the estimated selling price based on recent sale transactions of similar goods with adjustments to reflect any changes in economic conditions since the date the transactions occurred. The Group records provision for excess of cost over net realizable value of inventories. While the Group believes that the estimates are reasonable and appropriate, significant differences in the actual experience or significant changes in estimates may materially affect the consolidated profit or loss and consolidated equity.

Total inventories recognized in the consolidated statements of financial position amounted to $14,436,955 and $9,681,337, net of the related allowance for raw materials obsolescence of $67,745 and $27,678 as at December 31, 2013 and 2012, respectively, as disclosed in Note 9.

Revenue recognition

The Group's revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result in material adjustments in future periods.

Total revenue recognized in 2013, 2012, and 2011 amounted to $84,328,471, $82,337,301, $51,337,038, respectively, as disclosed in Note 27.

Post-employment and other employee benefits

The determination of the retirement obligation cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, expected returns on plan assets and rates of compensation increase. In accordance with PFRS, actual results that differ from the assumptions are recognized as expense and recorded as obligation in the current period. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

Retirement expense amounted to $122,349, $88,741 and $70,549 in 2013, 2012, and 2011, respectively, and accrued retirement obligation recognized in the consolidated statements of financial position amounted to $634,958 and $772,913 as at December 31, 2013 and 2012, respectively, as disclosed in Note 22.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of each reporting period as shown in the consolidated statements of cash flows can be reconciled to the related items in the consolidated statements of financial position as follows:

	2013	2012
Cash on hand and in banks	**$1,568,125**	$3,390,695
Cash equivalents	-	801,131
	$1,568,125	$4,191,826

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Group classifies an investment as cash equivalent if that investment has a maturity of three months or less from the date of acquisition. This includes cash deposit in bank maturing in less than 30 days after December 31, 2012.

Cash in banks earned an average interest ranging from 0.10% to 0.25% per annum in 2013 and 2012 while cash equivalents earned an average interest rate of 0.80% per annum in 2012. Cash in banks are unrestricted and immediately available for use in the current operations of the Group.

Interest income earned from cash in banks amounted to $27,181, $33,578 and $14,061 in 2013, 2012 and 2011, respectively, as disclosed in Note 28.

8. TRADE AND OTHER RECEIVABLES - net

The Group's trade and other receivables consist of:

	Note	2013	2012
Trade		**$ 8,851,560**	$11,092,827
Others:			
Related parties	21	**7,317,107**	-
Claims receivable		**177,413**	219,693
Advances to employees		**78,687**	42,689
Others		**912,885**	141,757
		17,337,652	11,496,966
Less: Allowance for doubtful accounts		**1,175,280**	22,667
		$16,162,372	$11,474,299

Receivables from related parties include the sale of three fishing vessels to WCFI amounting to $6,375,000.

Claims receivable includes insurance claims and refunds from government agencies.

Others include to claims from suppliers.

The average credit period taken on sale of goods is 43 days. No interest is charged on the outstanding trade receivables even beyond their credit terms.

Trade and other receivables amounting to $5,808,960 and $9,170,217 as at December 31, 2013 and 2012, respectively, have been pledged as security for the Group's short-term loans from a foreign bank and local bank with an aggregate outstanding balance of $7,261,369 and $9,173,267 as at December 31, 2013 and 2012, respectively, as disclosed in Note 20.

Movements in the allowance for doubtful accounts follow:

	Notes	2013	2012
Balance, January 1		**$ 22,667**	$23,175
Doubtful accounts expense	30	**1,125,627**	-
Reversal of allowance for doubtful accounts	28	**-**	(13,307)
Currency translation adjustment		**26,986**	12,799
		$1,175,280	$22,667

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

In 2013, the Group provided full allowance for doubtful accounts on its receivable from PT Wailan Pratama and from a certain supplier amounting to $942,107 and $183,520, respectively, as the probability of collection as at December 31, 2013 is doubtful.

Management believes that the carrying amounts of trade and other receivables approximate their fair values as of December 31, 2013 and 2012.

9. INVENTORIES - net

Details of the Group's inventories are as follows:

	Note	2013	2012
Finished goods	29	**$10,764,205**	$7,093,854
Raw and packaging materials		**3,337,783**	2,215,632
Parts and supplies		**273,280**	319,116
Work-in-process		**129,432**	80,413
		14,504,700	9,709,015
Less allowance for inventory obsolescence - Raw and packaging materials		**67,745**	27,678
		$14,436,955	$9,681,337

The amount of inventories recognized as expense in 2013, 2012 and 2011 amounted to $77,378,682, $71,782,397 and $45,126,732, respectively, as disclosed in Note 29.

The carrying amount of raw and packaging materials amounted to $2,727,324 and $2,187,954, as at December 31, 2013 and 2012, respectively. Movements in the allowance for inventory obsolescence are as follows:

	Note	2013	2012
Balance, January 1		**$27,678**	$ 7,678
Loss on inventory obsolescence	29	**40,067**	20,000
Balance, December 31		**$67,745**	$27,678

Inventories with a carrying amount of $3,929,321 and $1,473,822 as at December 31, 2013 and 2012, respectively, have been pledged as security for the Group's short-term loans from a foreign bank with a carrying amount of $3,800,000 and $3,350,000 as at December 31, 2013 and 2012, respectively, as disclosed in Note 20.

10. BIOLOGICAL ASSETS

Biological assets of the Group comprised solely of consumable female smolts. Female smolts are young salmons at the stage when it migrates from fresh water to the sea.

Smolts arrive at the farm annually around October to December. They are cultured during its developmental phase which lasts around the average period of 12-18 months from the date of arrival. At this phase, water temperature is being strictly monitored not to exceed 11°C. When the water temperature exceeds 11°C, smolts are taken out from the water and will undergo the grading process. Grading process usually happens around July or August of each year. The survival rate of fish from grading to harvesting is about 85%.

Point of harvest is usually around February of each year and continues over a 12-month period. Daily harvest ranges from 200 - 300 salmons or double the amount depending on the season.

As at December 31, 2013 and 2012, the carrying amount of the Group's biological assets amounted to $220,498 and $201,521, respectively, which have been valued at its proxy market value of NZ$0.90 per smolt or approximately US$0.73 per smolt using the average foreign exchange rate in 2013 and 2012, respectively, less cost to sell.

Though PAS 41 requires the biological assets to be valued at fair value less cost to sell, Akaroa met the following criteria for differential reporting concessions under NZ Financial Reporting Act 1993:

a. Akaroa is not publicly accountable; and

b. Akaroa is 'not large' as defined by the Institute of Chartered Accountants of New Zealand.

Akaroa is allowed to value the smolts at average market values of 0.90 NZD as issued by the New Zealand Inland Revenue Department (IRD). The average market value issued by the IRD is considered to be the proxy for fair value of the smolts.

The fair value less estimated point-of-sale costs cannot be determined and improbable due to the following factors that affect the determination of the growth of the biological assets:

a. inclement weather, such as raging storms can cause havoc to the farm and lead to significant fish loss;

b. the quality of smolts which is a crucial factor in the achievement of the desired weight of fish; and

c. the risk of salmon disease outbreak that cannot be discounted.

The Group's biological assets are measured at fair value less estimated costs to sell.

11. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Group's prepayments and other current assets are shown below.

	Note	2013	2012
Deposits		$ 466,773	$ 917,873
Prepaid importation		353,094	21,734
Prepaid taxes and licenses		106,798	52,916
Input value-added tax (VAT)		80,953	148,794
Prepaid insurance		46,511	42,261
Prepaid rent	32	13,746	12,436
Prepaid professional fees		-	495,883
Prepaid freight		-	41,631
Others		296,512	65,935
		$1,364,387	$1,799,463

As at December 31, 2013 and 2012, deposits represent advance payments for raw materials, fish meal equipment, rental of office spaces and advances to WCFI in accordance with the provision of the Joint Venture Agreement to be liquidated against fish purchases.

Prepaid professional fees in 2012 relate to the Group's on-going preparations to seek a listing of Singapore Depositary Shares in Singapore Exchange Securities Trading Limited's Catalyst Board.

Prepaid importation pertains to the Group's advance payments of costs relating to the importation of raw materials from its foreign suppliers based on an agreed price and quantity.

12. INVESTMENTS IN ASSOCIATES

Details and movements of the Group's investments in associates are as follows:

	2013			2012		
	AMHI	SSNZ	Total	AMHI	SSNZ	Total
Acquisition cost	$ 8,613	$27,319	$ 35,932	$ 8,613	$27,319	$35,932
Accumulated Equity in Profit						
Balance, beginning of year	163,713	31,752	195,465	-	-	-
Equity in profit for the year	96,481	8,960	105,441	163,713	31,752	195,465
Balance, End of Year	260,194	40,712	300,906	163,713	31,752	195,465
	$268,807	$68,031	$336,838	$172,326	$59,071	$231,397

AMHI

As disclosed in Note 3, AMHI was previously classified as a subsidiary of the Parent Company. However, effective December 28, 2012, the Parent Company ceased to exercise control over AMHI due to changes in circumstances, and consequently made AMHI its associate.

The Group has 40% interest over AMHI as at December 31, 2013 and 2012.

Significant financial information on the financial statements of AMHI as at and for the years ended December 31, 2013 and 2012 are as follows:

	2013	2012
Total assets	$4,999,910	$5,684,132
Total liabilities	(4,243,390)	(5,116,982)
Net assets	$ 756,520	$ 567,150
Revenues	$ 826,192	$1,808,849
Cost and expenses	(584,991)	(1,209,556)
Profit for the year	$ 241,201	$ 599,293

The reconciliation of the above summarized financial information to the carrying amount of the interest in AMHI recognized in the consolidated financial statements is shown below:

	2013	2012
Net assets of the associate	$756,520	$567,150
Ownership interest in AMHI	40%	40%
Proportion of the Group's ownership interest in AMHI	302,608	226,860
Effect of cumulative foreign exchange loss-net	(33,801)	(54,534)
	$268,807	$172,326

SSNZ

The Group has 20% interest over SSNZ through Akaroa. SSNZ engages in the farming of salmon in South Island of New Zealand and is incorporated in 2008.

Significant financial information on the financial statements of SSNZ as at and for the years ended December 31, 2013 and 2012 are as follows:

	2013	2012
Total assets	**$498,932**	$598,741
Total liabilities	**(159,782)**	(99,419)
Net assets	**$339,150**	$499,322
Revenues	**$648,006**	$269,228
Cost and expenses	**(592,011)**	(110,468)
Profit for the year	**$ 55,995**	$158,760

The reconciliation of the above summarized financial information to the carrying amount of the interest in SSNZ recognized in the consolidated financial statements is shown below:

	2013	2012
Net assets of the associate	**$339,150**	$499,322
Ownership interest in SSNZ	**16%**	16%
Proportion of the Group's ownership interest in SSNZ	**54,264**	79,892
Effect of cumulative foreign exchange loss-net	**13,767**	(20,821)
	$ 68,031	$59,071

The Group's Management believes that there are no indications of impairment on its investments in associates.

13. INVESTMENTS IN JOINT VENTURES

Details and movements of the Group's investments in joint ventures are as follows:

	2013			2012 (As Restated)		
	FDCP	WCFI	Total	FDCP	WCFI	Total
Acquisition Cost	$240,964	$39,279	$280,243	$240,964	$ -	$240,964
Accumulated Equity in Profit (Loss)						
Balance, beginning	349,132	-	349,132	242,607	-	242,607
Equity in profit (loss) for the year	(29,967)	(39,279)	(69,246)	106,525	-	106,525
	319,165	(39,279)	279,886	349,132	-	349,132
Share in Other Comprehensive Income from						
Accumulated equity in fair value gain on available-for-sale investments						
Balance, beginning	26,670	-	26,670	4,877	-	4,877
Equity share for the year	(26,670)	-	(26,670)	21,793	-	21,793
	-	-	-	26,670	-	26,670
Remeasurement loss on retirement						
Balance, beginning	(87,227)	-	(87,227)	(62,764)	-	(62,764)
Equity share for the year	(906)	-	(906)	(24,463)	-	(24,463)
	(88,133)	-	(86,133)	(87,227)	-	(87,227)
	(88,133)	-	(88,133)	(60,557)	-	(60,557)
	$471,996	$ -	$471,966	$529,539	$ -	$529,539

FDCP

FDCP is engaged in the manufacturing and wholesale of tin cans. The Group's ownership interest in FDCP is 40% as at December 31, 2013 and 2012.

Significant financial information on the financial statements of FDCP as at and for the years ended December 31, 2013 and 2012 are as follows:

	2013	2012 (As Restated)
Total assets	**$2,218,633**	$ 2,165,214
Total liabilities	**(2,473,788)**	(2,276,510)
Net liabilities	**($ 255,155)**	($ 111,296)
Revenues	**$3,142,294**	$4,665,074
Cost and expenses	**(3,217,212)**	(4,400,265)
Profit (Loss) for the year	**(74,918)**	264,809
Other comprehensive loss	**(68,941)**	(5,172)
Total comprehensive income (loss)	**($ 143,859)**	$ 259,637

WCFI

On January 31, 2013, the Parent Company, CHL Fishing Industry, Inc. (CFII) and CHL Construction & Development Enterprises, Inc. (CCDEI), entered into a joint arrangement agreement to establish WCFI, an entity primarily engaged in commercial fishing within and without the Philippine waters and in the High Seas.

The Parent Company's ownership interest in WCFI, Inc. is 40% as at December 31, 2013.

The significant financial information of the WCFI in 2013 follows:

Total assets	**$7,858,868**
Total liabilities	**(8,015,597)**
Net assets	**($ 156,729)**
Revenues	**$ -**
Cost and expenses	**(258,231)**
Loss for the year	**($ 258,231)**

The Parent Company recognized its share in losses in 2013 only to the extent of its investment in WCFI amounting to $39,279. The Parent Company's unrecognized share in losses as of and for the year ended December 31, 2013 amounted to $64,013.

The Management believes that there is no indication of impairment on its investments in joint ventures as at December 31, 2013 and 2012.

14. INVESTMENT PROPERTIES - net

Movement of this account follows:

	Note	Land	Building	Total
Cost				
January 1, 2012		$3,443,268	$1,316,200	$4,759,468
Derecognition due to the loss of control over AMHI		(3,443,268)	(1,316,200)	(4,759,468)
Balance, December 31, 2012		-	-	-
Accumulated Depreciation				
Balance, January 1, 2012		-	54,842	54,842
Depreciation	30	-	91,277	91,277
Derecognition due to the loss of control over AMHI		-	(146,119)	(146,119)
Carrying Amounts December 31, 2012		$ -	$ -	$ -

This account pertains to land and building recognized in the consolidated financial statements through the consolidation of AMIHI in 2011. Subsequently, the land and building is derecognized in 2012 due to the change in circumstances resulting in the loss of control of the Parent Company over AMHI, as disclosed in Notes 3 and 6.

On December 28, 2012, the above building was acquired and accounted by the Parent Company as property, plant and equipment, as disclosed in Note 15.

15. PROPERTY, PLANT AND EQUIPMENT - net

Movements in the carrying amounts of the Group's property, plant and equipment are as follows:

	Land	Building and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture Fixtures and Equipment	Fishing Vessels	Construction in Progress	Total
Cost									
Balance, January 1, 2012	$1,553,030	$3,481,565	$5,525,733	$564,684	$302,523	$77,038	$ 377,350	$418,194	$12,300,117
Additions	-	1,787,992	1,927,242	211,040	41,969	3,269	15,554,046	-	19,525,558
Reclassification	-	430,763	(141,160)	(81,451)	(12,511)	-	(4,575,000)	(418,194)	(4,797,553)
Disposals	-	(648,249)	(273,321)	-	-	(43,046)	-	-	(964,616)
Translation adjustment	46,077	63,257	49,436	4,722	3,242	-	-	-	166,734
Balance, December 31, 2012	1,599,107	5,115,328	7,087,930	698,995	335,223	37,261	11,356,396	-	26,230,240
Additions	-	19,536	497,560	170,944	33,111	10,414	1,037,698	308,985	2,078,248
Reclassification	-	-	7,862	(36,148)	(403)	102	-	(253)	(28,840)
Disposals	-	(534)	(60,563)	(22,701)	(37,182)	-	(2,530,000)	-	(2,650,980)
Translation adjustment	(4,941)	(2,466)	(7,243)	(638)	(418)	-	-	-	(15,706)
Balance, December 31, 2013	1,594,166	5,131,864	7,525,546	810,452	330,331	47,777	9,864,094	308,732	25,612,962
Accumulated Depreciation and Amortization									
Balance, January 1, 2012	-	545,658	1,412,502	314,310	204,242	43,470	-	-	2,520,182
Depreciation and Amortization	-	237,616	591,666	58,359	33,764	5,806	103,708	-	1,030,919
Reclassification	-	812	(82,441)	(17,999)	(812)	-	(28,594)	-	(129,034)
Disposals	-	(82,951)	(137,242)	-	-	(27,255)	-	-	(247,448)
Translation adjustment	-	15,741	19,573	3,941	2,868	-	-	-	42,123
Balance, December 31, 2012	-	716,876	1,804,058	358,611	240,062	22,021	75,114	-	3,216,742
Depreciation and Amortization	-	326,169	722,115	87,291	35,365	13,052	256,773	-	1,440,765
Reclassification	-	-	(937)		(54)		(90)	-	(1,081)
Disposals	-	-	(34,590)	(40,453)	(38,531)	(2,546)	(47,437)	-	(163,557)
Translation adjustment	(132)	(1,364)	(4,408)	(451)	(335)	2	-	-	(6,688)
Balance, December 31, 2013	(132)	1,041,681	2,486,238	404,998	236,507	32,529	284,360	-	4,486,181
Carrying Amounts December 31, 2013	**$1,594,298**	**$4,090,183**	**$5,039,308**	**$405,454**	**$ 93,824**	**$15,248**	**$ 9,579,734**	**$ 308,732**	**$21,126,781**
Carrying Amounts December 31, 2012	$1,599,107	$4,398,452	$5,283,872	$340,384	$ 95,161	$15,240	$11,281,282	$ -	$ 23,013,498

The Group has pledged certain property, plant and equipment having a total carrying amount of $4,086,266 and $4,270,618 as at December 31, 2013 and 2012, respectively, to secure short-term loans granted to the Group as disclosed in Note 20, summarized as follows:

	2013	2012
Building and leasehold improvements	**$1,650,624**	$1,721,154
Machinery and equipment	**1,552,603**	1,657,165
Land	**854,100**	854,100
Office furniture, fixtures and equipment	**14,964**	21,297
Plant furniture, fixtures and equipment	**12,073**	11,965
Transportation equipment	**1,902**	4,937
	$4,086,266	$4,270,618

In addition to the above, certain property, plant and equipment of the Group have been used as securities for the long-term loans obtained from various banks and financial institutions to finance the acquisition of machinery and equipment as disclosed in Note 20. As at December 31, 2013 and 2012, respectively, the carrying amounts of the property, plant and equipment used as securities are as follows:

	2013	2012
Machinery and equipment	**$1,520,749**	$ 953,343
Land	**939,040**	745,007
Building and leasehold improvements	**859,182**	934,059
Transportation equipment	**326,888**	231,606
	$3,645,859	$2,864,015

On December 29, 2011, the Parent Company received a fishing vessel with a fair market value of $377,350 from BSJ as a partial settlement of its obligation (via "dacion en pago") to the Parent Company of the same amount.

On September 7, 2012, the Parent Company received additional six commercial tuna fishing vessels from BSJ by virtue of "dacion en pago" with an aggregate fair value amounting to $15,225,410 as a full settlement of its obligation to the Parent Company of the same amount.

Included in the additions to building and machinery and equipment in 2012 are purchased properties from AMHI amounting to $1,321,127 and $759,091, respectively, as disclosed in Note 21.

In December 2012, three out of seven fishing vessels were reclassified to assets held-for-sale with an aggregate carrying amount of $4,546,406, as disclosed in Note 17.

The disposals in 2012 are due to the change in circumstances resulting in the loss of control of the Parent Company over AMHI, as disclosed in Notes 3 and 6.

On July 16, 2013, one fishing vessel with a carrying amount of $2,482,563 was sold to WCFI for a selling price of $2,530,000, resulting in a gain of $47,437.

Gains on disposals of the property and equipment amounted to $47,437, nil, and $7,215 in 2013, 2012 and 2011, respectively, as disclosed in Note 28.

A parcel of land located in New Zealand owned by the Group, through PFNZ, was revalued on the basis of market value. The fair values as of December 31, 2013 and 2012 amounting to $1,594,298 and $1,599,107, respectively, as disclosed in Note 25, were determined based on the valuations carried out at February 1, 2011 by John J Ryan & Associates. The fair value hierarchy of this property is considered under Level 3 as it was derived from valuation techniques that include inputs for the asset that are not based on observable market data. The valuation was arrived at by reference to market evidence of transaction prices for similar properties located near the underlying parcel of land.

Had the land of the Group been carried at cost, its carrying amount as at December 31, 2013 and 2012 would be $1,478,831 and $1,483,772, respectively. The revaluation surplus is disclosed in Note 25.

Management believes that there is no indication that an impairment loss has occurred on its property, plant and equipment.

The total carrying value of property, plant and equipment held by the Group as at December 31, 2013 and 2012 amounted to $21,126,781 and $23,013,498, respectively.

16. INTANGIBLE ASSETS - net

Intangible assets pertain to mycrocystic consent, salmon farming consent and fishing license. The carrying amounts of the Group's intangible assets follow:

	Mycrocystic Consent	Salmon Farming Consent	Fishing License	Total
Cost	$24,588	$70,627	$173,851	$269,066
Accumulated Amortization				
Balance, January 1, 2012	-	-	-	-
Amortization	-	1,413	-	1,413
Net foreign currency exchange differences	-	16	-	16
Balance, December 31, 2012	-	1,429	-	1,429
Amortization	-	5,715	8,036	13,751
Net foreign currency exchange differences	129	338	34,788	35,255
Balance, December 31, 2013	129	7,482	42,824	50,435
Carrying Amount, December 31, 2013	**$24,459**	**$63,145**	**$131,027**	**$218,631**
Carrying Amount, December 31, 2012	$24,588	$69,198	$173,851	$267,637

Macrocystic consent is a resource consent granted by the New Zealand government to the Group in relation to its salmon farming activities.

Salmon farming consent is a marine farming license to grow, among other fish, salmon in the ocean. The Group has obtained two salmon farming consents. The consents allow the Group to have fish farms in two places in Akaroa harbor. The first consent was given on May 2, 1991 for salmon farming in Lucas Bay covering almost 1.8 hectares. The second consent was given on November 27, 2000 for salmon farming in Titoki Bay where the Group can culture green and blue mussels, rock lobster, snapper, paua and other salmon species. The licenses allow the Group to utilize a total area of approximately 2.9 hectares.

Fishing license is granted by Indonesian government to the Group to do fishing activities within the Indonesian sea region.

Management believes that there is no indication that an impairment loss has occurred on its intangible assets with definite useful lives. The Group has determined, based on annual impairment testing, that the carrying amounts of intangible assets with indefinite useful life are not in excess of their net recoverable amounts.

17. ASSETS HELD-FOR-SALE

This pertains to three out of seven fishing vessels of the Group acquired from BSJ with a total carrying amount of nil and $4,546,406 as at December 31, 2013 and 2012, respectively, as disclosed in Note 15.

In 2013, the Group subsequently sold the two fishing vessels with a total carrying amount of $3,820,968 to WCFI for total selling price of $3,845,000, while the remaining vessel with a carrying amount of $725,438 was sold to a third party for a total selling price of $1,200,000. These asset disposals resulted in gains aggregating to $498,594, as disclosed in Note 28.

18. OTHER NON-CURRENT ASSETS

Details of the other non-current assets are shown below:

	Note	2013	2012
Refundable lease deposit	21	**$1,624,953**	$1,650,879
Input VAT		**204,802**	369,307
Others		**1,894**	2,232
		$1,831,649	$2,022,418

Refundable lease deposit pertains to lease deposit made to AMHI as at December 31, 2013 and 2012, as disclosed in Note 21.

19. TRADE AND OTHER PAYABLES

The details of the outstanding trade and other payables are as follows:

	2013	2012
Trade	**$5,261,446**	$4,645,321
Accrued expenses	**1,417,111**	1,397,308
Taxes payables	**410,741**	187,450
Customers' deposits	**112,099**	169,764
Others	**130,994**	478,146
	$7,332,391	$6,877,989

The average credit period on purchases of certain goods from suppliers is 15 to 45 days. No interest is charged on the outstanding payables even beyond their credit terms.

Details of accrued expenses are as follows:

	2013	2012
Salaries, wages, and other employee benefits	**$ 541,211**	$ 149,462
Interest	**164,815**	167,873
Employee benefits	**56,550**	406,467
Freight	**44,962**	39,765
Professional fees	**34,319**	23,451
Management fees	**31,778**	33,644
Utilities	**23,731**	9,624
Due to government agencies	**-**	170,070
Others	**519,745**	396,952
	$1,417,111	$1,397,308

20. LOANS PAYABLE

The details of the total outstanding loans of the Group are as follows:

Short-term Loans

Terms and conditions of outstanding short-term loans and borrowings are as follows:

Creditor	Original Currency	Nominal Interest Rate %	Years of Maturity	2013	2012
Local bank	USD	4.25 to 4.5%	2014	**$ 7,807,416**	$ 4,441,271
Investment bank	PHP	4.60%	2014	**4,784,527**	4,673,238
Local bank	USD	3.7%	2014	**4,028,116**	5,878,927
Foreign bank	USD	6.50%	2014	**3,800,000**	3,350,000
Investment bank	USD	4.25% to 4.5%	2014	**2,700,000**	2,700,000
Foreign bank	USD	4.80%	2014	**1,250,000**	1,250,000
Local bank	USD	4.80%	2014	**1,029,443**	544,877
Local bank	USD	3.00%	2014	**812,730**	-
Private lender	USD	6.00%	2014	**640,000**	-
Foreign bank	USD	10%	2014	**162,148**	-
Foreign bank	USD	10%	2014	**451,719**	-
				27,466,099	22,838,313
Add: Current portion of long-term loans				**1,144,299**	1,112,527
				$28,610,398	$23,950,840

Loans from local banks aggregating to $13,677,705 and $10,865,075 as at December 31, 2013 and 2012, respectively, and loans from a foreign bank with an outstanding balance of $451,719 as at December 31, 2013 are revolving facilities in the form of export packing credit, export bills purchase, receivable financing, and import letters of credit and trust receipts. These are secured by the receivables and inventories.

Loans from a foreign bank, with an outstanding balance of $3,800,000 and $3,350,000 as at December 31, 2013 and 2012, respectively, is secured by the Group's assets with a carrying amount of $9,497,836 and $8,260,575, respectively, with break down as follows:

	Notes	2013	2012
Trade and other receivables	8	**$1,482,249**	$2,516,135
Inventories	9	**3,929,321**	1,473,822
Property, plant and equipment	15	**4,086,266**	4,270,618
		$9,497,836	$8,260,575

The Group received loan of $640,000 from a non-financial institution to finance the acquisition and upgrade of the fishing vessels. This facility is secured with the fishing vessels financed by the loan and corporate guarantee from PTIAFI.

All other loans from an investment bank and a foreign bank are clean short term facilities through the issuance of promisory notes to finance the Comapany's working capital requirements. The term ranges from 30 to 180 days payable upon maturity. The amount includes the current portion of long-term debt.

Long-term Loans

Creditor	Original Currency	Nominal Interest Rate %	Years of Maturity	**2013**	2012
Local bank	USD	6-Mos Libor + 3.75%	2016	**$2,142,858**	$2,500,000
Local bank	USD	90Day PDSTF + 5%	2016	**1,571,429**	1,857,143
Foreign bank	USD	7.22%	2016	**635,166**	276,480
Foreign bank	NZD	10.2%-11.1%	2024	**559,792**	596,630
Local bank	USD	4.31%	2016	**433,125**	625,625
Local bank	USD	9.18%	2015	**160,947**	182,577
HC Studholme	NZD	7.50%		**115,773**	116,382
Foreign Finance Corporation	NZD	9.90%	2016	**49,924**	92,252
Individual	NZD	Non-interest bearing	2016	**40,766**	40,980
				5,709,780	6,288,069
Less: Current portion of long-term loans				**1,144,299**	1,112,827
				$4,565,481	$5,175,542

The long-term loans with an outstanding balance of $2,142,858 and $1,571,429 as at December 31, 2013 and $2,500,000 and $1,857,143 as at December 31, 2012, are secured by a guarantee up to 90% of the principal amount by Philippine Export Import Credit Agency (PHILEXIM) and assignment of Spence shares of stocks. The proceeds of the loan was utilized to partially finance the acquisition of 100% stake in Spence.

The outstanding mortgage loan of $84,365 and $113,483, net of current portion of $76,582 and $69,095, as at December 31, 2013 and 2012, respectively, pertains to loans availed by the Group from a certain local bank to finance the acquisition of the Group's transportation equipment, as disclosed in Note 15. Transportation equipment under mortgage has a carrying amount of $163,362 and $213,150 as at December 31, 2013 and 2012, respectively. Interest rate is 9.18% per annum, payable on a monthly basis and maturing in June 2016.

The Group entered into a five-year loan facility with a local bank in the principal amount of $770,000 drawn on February 9, 2011 to partially finance the construction of the salmon processing plant and acquisition of plant machinery and equipment. This is secured by a chattel on the Group's machinery and equipment and building and leasehold improvements with a carrying value of $1,667,647. Moreover, the Parent Company executed a guarantee agreement in favor of Land Bank of the Philippines as part of the security for the credit facilities obtained by BGB.

On April 23, 2012, the Group entered into a Facility Agreement with a foreign bank. This facility has a maximum amount of $300,000. The outstanding loans drawn from this facility are due within three years with eight months grace period from the date of agreement.

On September 5, 2013, the Group entered loan facility from PT Rabobank International Indonesia to finance the capital expenditure requirement for the purchase of fishing vessels and fishing gears. The loan has maximum amount of $720,000 or 80% of the purchase price of the fishing vessels and gear (whichever is the lower) and subject to annual interest equal to the lender's cost of funding plus 3.75%. The outstanding amount drawn from this facility is due within 3 years with 6 months grace period. This facility is secured with the Group's vessels.

The Group obtained loans from various banks and financial institutions to finance the acquisition of machinery and equipment. An existing long-term loan is secured by a mortgage on land, with certificate of title nos. 217835 and 217836 as disclosed in Note 15. In addition, some of these loans are secured by the Group's machinery and equipment and transportation equipment as disclosed in Note 15.

Total finance costs arising from loans amounted to $1,522,843, $1,518,406, and $1,058,992 in 2013, 2012, and 2011, respectively, as disclosed in Note 35.

Loan Covenants

The guarantee agreement with PHILEXIM, and credit line agreement with a local bank requires the Group to give prior notice with respect to disposition of all or a materially significant portion of its property or assets, material changes in its ownership structure and management, acquisition of stocks, encumbrance of any of its assets, incurrence of any major capital expenditures and extending loan to others except in the ordinary course of business for as long as the Group is within the prescribed financial ratios. However, in case the Group goes beyond the stipulated financial ratios, requests, to do any of the actions enumerated above shall require the prior approval of PHILEXIM and a local bank, which shall be acted upon within a reasonable time. As at December 31, 2013 and 2012, the Group was in compliance with its loan covenant on debt-to-equity ratio. On the other hand, current ratio and interest coverage ratio fell below the specified level imposed by PHILEXIM and a local bank. These circumstances did not have any adverse effect on the Group's borrowing capacity and overall operation.

21. RELATED PARTY TRANSACTIONS

The summary of the Group's transactions and outstanding balances with related parties as at and for the year ended December 31, 2013 is as follows:

Nature of Transactions	Amounts	Outstanding Balances Receivable	Outstanding Balances Payable	Terms	Condition	Notes
Associates						
Advances Granted						
AMHI	$ 17,560	$ 594,905	$ -	5.6% interest; Payable on demand	Unsecured, no impairment	21.a
SSNZ	-	25,351	-	0% to 5.6% Interest; Payable on demand	Unsecured, no impairment	
Refundable Lease Deposit						
AMHI	-	1,624,953	-	Payable after 5 years	Unsecured, no impairment	21.b
Lease						
AMHI	753,983	-	-	n.a	n.a.	21.b
Joint Ventures						
Advances Granted						
WCFI	177,141	177,141	-	0% interest; Payable on demand	Unsecured, no impairment	21.d
Sale of Asset						
WCFI	6,375,000	6,375,000	-	0% interest; Payable on Dec.31, 2014	n.a.	21.e
Sublease						
WCFI	412	-	-		n.a.	
Advances as Fish Deposit						
WCFI	376,008	376,008	-	0% interest; per JV agreement	n.a.	21.d
Purchases						
FDCP	3,152,326	-	-	n.a.	n.a.	
Venturer						
Advances Granted						
FDPHI	-	13,088	-	0% interest; Payable on demand	Unsecured, no impairment	
Subsidiary of Venturer						
Advances Paid						
MCC	986,850	-	-	10% per annum on the 1st P50M and 8% on excess; Payable after one year	Unsecured, no impairment	
Lease						
MCC	41,738	-	-		-	21.f
Shareholder of Subsidiaries with Significant Influence						
Advances Obtained						
Duncan Bates	117,765	-	143,763	0% interest; Payable on demand	Unsecured, no impairment	21.g
Provision for Doubtful Accounts						
PT. Wailan Pratama	(942,107)	-	-	0% interest; Payable on demand	Unsecured, Impaired	21.h
Retirement Fund						
Contribution	99,113	-	-		n.a.	
Other Receivable		$6,375,000	$ -			
Due from Related Parties		$ 810,484	$ -			
Due to Related Parties		$ -	$143,763			
Refundable Lease Deposit		$1,624,953	$ -			
Prepayment and Other Current Assets		$ 376,008	$ -			

The summary of the Company's transactions and outstanding balances with related parties as at and for the year ended December 31, 2012 are as follows:

		Outstanding Balances				
Nature of Transactions	Amounts	Receivable	Payable	Terms	Condition	Notes
Associates						
Advances Granted						
AMHI	$ 100,570	$ 593,076	$ -	0% to 5.6% Interest; Payable on demand	Unsecured, no impairment	21.a
SSNZ	-	25,484	-	0% to 5.6% Interest; Payable on demand	Unsecured, no impairment	
Refundable Lease Deposit						
AMHI	1,650,879	1,650,879	-	Payable after 5 years; Discounted at 4.2169%	n.a.	21.b
Lease						
AMHI	744,243	-	-	3-5 years	n.a.	21.b
Purchase of Fixed Asset						
AMHI	2,080,218	-	-	n.a	n.a.	21.c
Joint Venture						
Advances Granted						
FDCP	370,761	9	-	0% interest; Payable on demand	Unsecured, no impairment	
Purchases						
FDCP	4,222,602	-	-	n.a.	n.a.	
Venturer						
Advances Granted						
FDPHI	-	16,425	-	0% interest; Payable on demand	Unsecured, no impairment	
Subsidiary of Venturer						
Advances Obtained						
MCC	3,000	-	986,850	10% per annum on the 1st P50M and 8% on excess; Payable after one year	Unsecured, no impairment	
Lease						
MCC	41,815	-	-	n.a.	n.a.	21.f
Shareholder of Subsidiaries with Significant Influence						
Advances Obtained						
Duncan Bates	25,998	-	25,998	0% interest; Payable on demand	Unsecured, no impairment	21.g
Advances Granted						
PT. Wailan Patrama	-	775,961	-	0% interest; Payable on demand	Unsecured, Impaired	21.h
Retirement Fund						
Contribution	-	-	-	n.a	n.a.	
Due from related parties		$1,410,956	$ -			
Due to related parties		$ -	$1,012,848			
Refundable lease deposit		$1,650,879	$ -			

The summary of the Company's transactions and outstanding balances with related parties as at and for the year ended December 31, 2011 are as follows:

Nature of Transactions	Amounts	Outstanding Balances Receivable	Outstanding Balances Payable	Terms	Condition	Notes
Associates						
Advances granted						
AMHI	$154,032	$2,414,345	$ -	0% to 5.6% Interest; Payable on demand	Unsecured, no impairment	21.a
Lease						
AMHI	738,832	-	-	3-5 years	n.a.	21.b
Joint Venture						
Advances granted						
FDCP	503,891	151,697	-	0% interest; Payable on demand	Unsecured, no impairment	
Purchases						
FDCP	3,170,874	-	-	n.a.	n.a.	
Venturer						
Advances granted						
FDPHI	-	17,228	-	0% interest; Payable on demand	Unsecured, no impairment	
Subsidiary of Venturer						
Advances obtained						
MCC	863,810	-	967,090	10% per annum on the 1st P50M and 8% on excess; Payable after one year	Unsecured, no impairment	
Refundable lease deposit						
MCC	-	2,170,815	-			21.f
Lease						
MCC	40,768	-	-	n.a	n.a	21.f
Shareholder of Subsidiaries with Significant Influence						
Advances granted						
PT. Wailan Patrama	1,025,734	1,025,734	-	0% interest; Payable on demand	Unsecured, Impaired	21.h
Retirement Fund						
Contribution	-	-	-	n.a	n.a.	
Due from related parties		$1,194,659	$ -			
Due to related parties		$ -	$967,090			
Refundable lease deposit		$2,170,815	$ -			

Significant Contract Agreements

a. The Group extended cash advances to AMHI which the latter used as down payment to purchase from MCC the plant facilities located at General Santos City.

b. The Group entered into a contract with MCC for the operating lease of the latter's land, plant, machinery and equipment in Barrio Tambler, General Santos City (Gensan Plant). The lease term started from March 1, 2004 and expired on December 23, 2010.

   Upon expiration of the lease contract between the Group and MCC, the latter leased the Gensan Plant for one month or until January 23, 2011 to AMHI which in turn sub-leased the Gensan Plant to the Group.

   The lease contract between MCC and AMHI was extended to a much longer term effective January 24, 2011 to December 23, 2013; thus, enabling AMHI to sublease the Gensan Plant to the Group for the same period.

   Following the acquisition of MCC's property by AMHI, the contract of lease between MCC and AMHI was likewise terminated on May 16, 2011. On the same date, ASFII directly leased the property from AMHI for a term of 3 years until May 15, 2014.

A Memorandum of Understanding with Deed of Assignment (MOU-DA) was executed between the Group and AMHI on December 28, 2012. Under the MOU-DA, the parties intend to enter into a long-term lease contract in order to secure long-term possession of the land. The contemplated long-term lease will require the Parent Company to pay AMHI a security deposit in an amount equivalent to 36 months of the first year's monthly rental or equivalent to $2,029,579. In order to pay the security deposits contemplated by the proposed long-term lease agreement, the Group assigned, endorsed and transferred its refundable lease deposits from MCC to AMHI with a revalued amount of $2,020,456 on December 31, 2012, and the Group shall pay AMHI an additional amount of $9,123 to complete the amount of the required security deposit.

The Group's refundable lease deposit receivable from AMHI was discounted at 4.2169% over five years resulting in a present value amounting to $1,650,879 as disclosed in Note 18. The difference between its fair value and present value amounting to $378,700 is recognized as finance cost as disclosed in Note 35. In 2013, the related interest accretion of the discounted lease deposit resulted in interest income amounting to $67,559 included as part of miscellaneous income as disclosed in Note 28. As at December 31, 2013, the present value of the refundable lease deposit amounted to $1,624,953, as disclosed in Note 18.

On January 2013, a long term contract was executed between the Group and AMHI, superseding the lease contract made on May 16, 2011. The new term shall be for a period of five (5) years commencing on January 1, 2013 and expiring on December 31, 2017, unless sooner terminated by any party for cause. The lease shall be renewable every five (5) years, upon such terms and conditions mutually agreeable to the parties. Based on the contract, the rental fee shall be P2,403,065 with US dollar equivalent of $58,540, based on foreign exchange rate of January 1, 2013, subject to an annual escalation rate of 5% or the national inflation rate as published by the National Statistics Office, whichever is higher. The lease is classified as operating lease as disclosed in Note 32.

c. On December 28, 2012, a Deed of Absolute Sale was executed between the ASFII and AMHI whereby the Company acquired some of AMHI's property, plant and equipment with an aggregate purchase price of $2,080,218, as disclosed in Note 15.

d. The Parent Company extended advances to WCFI which were used to finance WCFI's pre-operating expenses and working capital requirements. In addition, the Parent Company paid WCFI deposits for the purchase of tuna catch. The terms and application of these deposits against purchase price shall be subject to Joint Venture agreement between the parties. The outstanding balance is presented as deposits under Prepayments and Other current assets.

e. In 2013, the Parent Company sold three (3) fishing vessels with total carrying amount of $6,303,531 to WCFI for total selling price of $6,375,000, resulting in a gain of $71,469 as disclosed in Note 28.

f. The Group leases from MCC an office condominium unit where its head office is located for a period of two years from January 1, 2010 to December 31, 2011, renewable by mutual agreement of both parties. The lease contract was renewed on December 29, 2011 with the term of two years commencing from January 1, 2012 until December 31, 2013, with a monthly rental fee of $3,485. The lease is classified as operating lease as disclosed in Note 32.

g. Duncan D. Bates extended a non-interest bearing cash advance to Akaroa as part of the Share Purchase Agreement for its working capital requirements. As at December 31, 2013, the balance of the Group due to Duncan D. Bates amounted to $143,763.

h. In 2013, the Group provided full allowance for doubtful accounts on its receivable from PT Wailan Pratama amounting to $942,107 as the probability of collection as at December 31, 2013 is doubtful as disclosed in Note 8.

Intra-group Amounts and Balances

Upon consolidation, significant intra-group amounts and balances are eliminated to reflect the Group's consolidated financial position and performance as a single entity.

Intra-group receivables as at December 31, 2013 and 2012 that are eliminated upon consolidation are as follows:

	2013	2012
Parent Company's receivable from:		
BGB	**$3,422,532**	$2,355,804
PTIAFI	**1,356,420**	855,118
PFNZ	**512,016**	396,441
Akaroa	**248,405**	106,642
Spence	**25,000**	641,923
	5,564,373	4,355,928
BGB's receivable from PFNZ	**1,295,138**	131,701
Spence's receivable from Parent Company	**566,667**	250,000
PFNZ's receivable from BGB	**103,617**	179,657
PTIAFI's receivable from Parent Company	**5,236**	-
	$7,535,031	$4,917,286

Intra-group payables as at December 31, 2013 and 2012 eliminated upon consolidation are as follows:

	2013	2012
Payable to Parent Company:		
BGB	**$3,422,532**	$2,355,804
PTIAFI	**1,356,420**	855,118
PFNZ	**515,019**	397,649
Akaroa	**248,496**	104,130
Spence	**25,000**	641,923
	5,567,467	4,354,624
PFNZ's payable to BGB	**1,284,335**	129,129
Parent Company's payable to Spence	**566,667**	250,000
BGB's payable to PFNZ	**103,621**	188,909
Parent Company's payable to PTIAFI	**5,236**	-
	$7,527,326	$4,922,662

Other intra-group income and expense balances for the years ended December 31, 2013, 2012 and 2011 that are eliminated upon consolidation are as follows:

	2013	2012	2011
Sales	**$1,271,538**	$ -	$ -
Commission income	**517,840**	506,599	-
Management fee	**300,000**	300,000	-
Interest expense	**16,977**	10,486	-
Rental income	-	737,648	723,232
Dividend income	-	600,000	600,000
Gain on intragroup sale of fixed assets	-	1,142	-

As a result of the above intra-group accounts eliminations, the Group recognized net currency translation adjustments of $7,705, $5,376 and $7,338 in 2013, 2012 and 2011, respectively.

Remuneration of Key Management Personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in PAS 24, *Related Party Disclosures.*

	Notes	**2013**	2012	2011
Short-term employee benefits	29, 30	**$897,796**	$708,764	$578,948
Post-employment benefits	22, 30	**68,502**	57,613	32,653
		$966,298	$766,377	$611,601

22. RETIREMENT BENEFIT

The Group values its defined benefit obligation using Projected Unit Credit Method by the service of an independent actuary and accrues retirement benefit expense for its qualified employees based on the minimum retirement benefit provided under Republic Act No. 7641 equivalent to one-half month salary per year of service, a fraction of at least six months being considered as one whole year. One-half month salary is defined as 15 days plus 1/12 of the 13th month pay and the cash equivalent of not more than five days of service incentive leaves. The benefit shall be payable to employees who retire from service who are at least sixty years old and with at least five years of continuous service.

The Parent Company executed a Trust Agreement with Land Bank of the Philippines on January 13, 2011, establishing the Parent Company's Retirement Plan. As of December 31, 2013 and 2012, only the Parent Company's retirement obligation is funded.

The plan typically exposes the Parent Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in cash and cash equivalents and debt instruments. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in fixed income securities.

Interest risk

A decrease in the government bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to the Group's employees.

The most recent actuarial valuation was carried out at December 31, 2013 by independent actuaries.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2013	2012	2011
Discount rate	**4.30%**	5.10%	5.80%
Expected rate of salary increases	**3.00%**	5.00%	5.00%

Amounts recognized in comprehensive income in respect of these defined benefit plans follow:

	2013	2012 (As Restated)	2011 (As Restated)
Service cost			
Current service cost	**$ 84,089**	$61,571	$46,852
Net interest expense	**38,260**	26,900	23,697
Components of defined benefit costs recognized in profit or loss	**122,349**	88,471	70,549
Return on plan assets (excluding amounts included in net interest expense)	**1,380**	55	(23,768)
Remeasurement on the net defined benefit asset:			
Actuarial losses (gains) from:			
Changes in demographic assumptions	**(989)**	-	-
Changes in financial assumptions	**(70,384)**	10,529	79,284
Experience adjustments	**(34,401)**	202,878	18,432
Components of defined benefit costs recognized in other comprehensive income	**(104,394)**	213,462	73,948
Unrealized foreign exchange loss (gain)	**(52,202)**	39,580	(2,310)
Total	**($ 34,247)**	$341,513	$142,187

Total retirement expense recognized as part of selling and administrative expenses amounted to $122,349 $88,471 and $70,549 in 2013, 2012 and 2011, respectively, as disclosed in Note 30.

The amounts included in the statements of financial position arising from the Group's obligations in respect of its retirement benefit obligation are as follows:

	December 31	
	2013	2012 (As Restated)
Present value of defined benefit obligations	**$757,789**	$798,598
Fair value of plan assets	**122,831**	25,685
Net liability arising from defined benefit obligation	**$634,958**	$772,913

Movements in the present value of defined benefit obligations are as follows:

	2013	2012 (As Restated)
Balance, January 1	**$798,598**	$457,982
Current service cost	**84,089**	61,571
Interest cost	**39,531**	27,632
Remeasurement losses (gains):	**-**	-
Actuarial gains arising from changes in demographic assumptions	**(989)**	-
Actuarial losses (gains)arising from changes in financial assumptions	**(70,384)**	10,529
Actuarial losses (gains) arising from experience adjustments	**(34,401)**	202,878
Unrealized foreign exchange loss (gain)	**(58,655)**	38,006
Balance, December 31	**$757,789**	$798,598

Movements in the fair value of plan assets are as follows:

	2013	2012
Balance, January 1	**$25,685**	$23,436
Interest income	**1,271**	732
Remeasurement losses:		
Return on plan assets (excluding amounts included in net interest expense)	**(1,380)**	(55)
Employer contribution	**99,810**	-
Unrealized foreign exchange gain (loss)	**(2,555)**	1,572
Balance, December 31	**$122,831**	$25,685

The analysis of the fair value of plan assets at the reporting dates is as follows:

	Fair Value	
	2013	2012
Cash and cash equivalents	**$100,239**	$25,736
Debt instruments	**22,668**	-
Fees payables	**(56)**	(49)
Withholding taxes payable	**(20)**	(2)
	$122,831	$25,685

Cash and cash equivalents include High Yield Deposits (HYD) and Time Deposits (TD) and Savings Deposit maintained in local banks with an interest rate of 0.375%. Debt instruments pertain to investments in government securities, with a term of 5.9 to 9.63 years and yield-to-maturity ranging from 2.953% to 3.25%.

The overall plan assets assumed in 2013 and 2012 were based on management's estimate of indicative yield rate of deposits similar to that of the fund with consideration to the funds' past performance.

The significant information of the Fund as at December 31, 2013 and 2012 are as follows:

	2013		2012	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Total assets	**$122,907**	**$122,907**	$25,736	$25,736
Total liabilities	**76**	**76**	51	51
Net assets	**$122,831**	**$122,831**	$25,685	$25,685

The Fund incurred a loss amounting to $109 in 2013 and earned a return amounting to $676 in 2012.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	2013	
	Change in Assumption	**Increase (Decrease) on Retirement Benefit Obligation**
Discount rate	1.00%	$ 53,884
Expected salary growth rate	1.00%	55,540
Life expectancy	10.00%	3,685

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statements of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities as of December 31, 2013 and 2012.

The average duration of the benefit obligation on December 31, 2013 and 2012 is 17 and 16 years, respectively. These numbers pertain to active employees.

The Group expects to make a contribution of $161,015 to the defined benefit plan during the next financial year.

23. SHARE CAPITAL

	Shares	2013	Shares	2012
Authorized:				
Ordinary shares of P1 par value each	**1,500,000,000**	**P1,500,000,000**	1,500,000,000	P1,500,000,000
Issued, fully paid and outstanding				
Beginning	**1,069,713,774**	**$ 22,575,922**	871,545,024	$ 17,861,369
Additional issuance	-	-	198,168,750	4,714,553
Total issued and fully paid	**1,069,713,774**	**22,575,922**	1,069,713,774	22,575,922
Treasury shares	**(287,537)**	**(5,774)**	(287,537)	(5,774)
	1,069,426,237	**$ 22,570,148**	1,069,426,237	$ 22,570,148

The Parent Company has one class of ordinary shares which have a par value of P1, carry one vote per share but do not carry a right to fixed income.

The history of shares issuances from the initial public offering (IPO) of the Parent Company is as follows:

Transaction	Subscriber	Registration/ Issue Date	Number of Shares Issued
Listing of common shares	Various	November 8, 2006	401,099,610
IPO	Various	November 8, 2006	134,000,000
Stock dividend	Various	December 17, 2007	64,177,449
Stock rights offer (SRO)	Various	July 25,2011	272,267,965
Stock dividend	Various	January 25, 2012	137,500,000
Sale of shares	Various	December 14, 2012	60,668,750
			1,069,713,774

On October 23, 2006, the Parent Company launched an Initial Public Offering (IPO) of 134,000,000 common shares at an offer price of P1.35. The offered shares represented 25.04% of the Parent Company's issued and outstanding capital stock. The Parent Company raised net proceeds of $3,304,556 from the IPO. On November 8, 2006, the Parent Company's shares of stocks totaling 535,099,610 shares were listed with the Philippine Stock Exchange (PSE).

On June 26, 2007, the Parent Company declared 12% stock dividends corresponding to 64,177,449 shares with a value of $3,000,070 to all stockholders of record as of November 20, 2007, where stocks were subsequently issued on December 17, 2007.

On July 25, 2011, the Parent Company issued an additional 272,267,965 shares arising from its stock rights offer, which entitled each eligible investor to one rights share for every two and two-tenths (2.2) existing common shares held as at June 13, 2011 record date.

In its meeting on August 1, 2011, the Board of Directors approved the increase in the Parent Company's authorized capital stock from P950,000,000 divided into 950,000,000 shares to P1,500,000,000 divided into 1,500,000,000 shares with a par value of P1 per share. The same resolution was approved by the stockholders in their meeting on August 1, 2011. The increase in capital stock was approved by the SEC on November 25, 2011.

On January 25, 2012, the Parent Company issued the 15.78% stock dividend declared on August 1, 2011, as discussed in Note 26.

On October 1, 2012, the Parent Company received additional subscription from certain shareholders for private placement purposes amounting to US$2,329,033. The transaction resulted in a share premium amounting to $873,392. The fund raised from the said private placement was used to finance the Parent Company's acquisition of 80% stake in Akaroa. On November 28, 2012, the PSE approved the application of the Parent Company to list additional 60,668,750 common shares (the "Private Placement Shares"), with a par value of P1.00 per share, to cover its private placement transactions with various subscribers. The Private Placement Shares were issued to the subscribers at a subscription price of P1.60 per share with an aggregate transaction value of P97,070,000.

As at December 31, 2013 and 2012, the number of holders of securities issued is 238 and 231, respectively.

24. NON-CONTROLLING INTEREST

	Note	2013	2012 (As Restated)
Balance, beginning		**$ 59,625**	$275,400
Share in loss for the year		**(338,020)**	(544,803)
Remeasurement loss		**(164)**	-
Translation adjustment		**8**	11,598
Effects of loss of control over AMHI	3	-	721,686
Non-controlling interest in Akaroa		-	69,040
Non-controlling interest in PT Van Da Zee		-	19,141
Effects of the acquisition of NCI shares in PTIAFI		-	(492,437)
		($278,551)	$ 59,625

25. RESERVES

This account consists of:

	Notes	2013	2012
Additional paid-in capital	23, 26	**$3,821,732**	$3,821,732
Cumulative currency translation adjustments		**171,736**	162,876
Revaluation increment	15	**71,677**	71,677
Fair value on investment revaluation reserve	13	-	26,670
		$4,065,145	$4,082,955

The revaluation increment amounting to $71,677 arose from the share of the Group in the excess of revalued amounts over its cost. There has been no revaluation made since the latest revaluation as disclosed in Note 15.

As at December 31, 2013 and 2012, land has been carried at its revalued amounts of $1,594,298 and $1,599,107, respectively, as discussed in Note 15.

Fair value on investment revaluation reserve arises from the accumulated share in other comprehensive income of a joint venture, FDCP. The share in other comprehensive income of a joint venture arises from the accumulated fair value gain on the joint venture's available-for-sale investments and remeasurement gains or losses on retirement obligation.

Translation reserve comprises all foreign currency differences arising from the translation of the separate financial statements of the Group's foreign subsidiaries whose functional currencies differ from the Group's functional currency.

26. DIVIDENDS DECLARED

On August 1, 2011, the Parent Company declared a 15.78% share dividends corresponding to 137,500,000 shares with a par value of $3,258,912 to all shareholders of record as at January 25, 2012. On the date of dividend declaration, these share dividends are recorded at fair market value of $4,008,462 and the excess of $749,550 is recorded as part of share premium. These shares of stock were issued on January 25, 2012.

27. REVENUE - net

An analysis of the Group's net revenue is as follows:

	2013	2012	2011
Sales of goods	**$84,361,266**	$82,499,672	$52,062,566
Less: Sales discounts	**32,624**	24,517	377,240
Sales returns	**171**	137,854	348,288
	$84,328,471	$82,337,301	$51,337,038

28. OTHER INCOME

An analysis of the Group's other income is as follows:

	Notes	2013	2012	2011
Gains on sale of property, plant and equipment and asset held-for-sale	15, 17	**$ 546,031**	$ -	$ 7,215
Foreign exchange gain		**475,758**	25,134	204,167
Interest income from cash in banks	7	**27,181**	33,578	14,061
Reversal of allowance for doubtful accounts	8	-	13,307	-
Rental income		-	10,710	7,165
Income from insurance settlement		-	-	201,725
Miscellaneous		**69,529**	5,150	268,597
		$1,118,499	$87,879	$702,930

In 2011, portion of miscellaneous income amounting to $246,881 represents the appraised value of equipment transferred to the Group by the lessor upon full compliance with the terms and conditions of the lease contract.

29. COST OF GOODS MANUFACTURED AND SOLD

	Notes	2013	2012	2011
Materials used		**$61,480,133**	$58,915,915	$33,581,730
Direct labor	34	**7,627,648**	6,251,394	4,572,472
Manufacturing overhead:				
Fuel		**1,759,643**	1,666,967	1,253,656
Fishmeal		**1,411,075**	1,412,513	1,184,643
Depreciation and amortization	15	**1,054,294**	707,372	585,337
Rental	21, 32	**980,896**	423,630	267,253
Indirect labor	34	**779,346**	704,673	524,001
Light and water		**743,666**	608,686	408,287
Consumables		**609,186**	422,854	284,336
Repairs and maintenance		**561,240**	533,155	444,370
Warehousing		**787,036**	651,777	462,708
Laboratory		**311,087**	539,139	345,453
Freight and handling		**288,204**	657,779	376,789
Outside services		**182,666**	242,248	132,366
Insurance		**167,198**	36,812	113,200
Taxes and Licenses		**147,219**	108,544	58,202
Security fees		**105,102**	114,193	102,924
Representation and entertainment		**100,651**	93,607	60,770
Travel and communication		**84,304**	52,127	62,593
Loss on inventory obsolescence	9	**40,067**	20,000	-
Professional fees		**20,829**	16,273	12,479
Amortization of prepayments		**20,427**	46,128	28,950
Others		**1,787,116**	983,120	328,620
Total manufacturing costs		**81,049,033**	75,208,906	45,191,139
Finished goods, beginning	9	**7,093,854**	3,667,345	3,602,938
Total cost of goods manufactured		**88,142,887**	78,876,251	48,794,077
Finished goods, ending	9	**10,764,205**	7,093,854	3,667,345
Cost of goods manufactured and sold		**$77,378,682**	$71,782,397	$45,126,732

Other manufacturing overhead includes loss on inventory writedown amounting to $338,391. It also includes cooperative labor services, office supplies and corporate social responsibility expenses.

30. SELLING AND ADMINISTRATIVE EXPENSES

	Notes	2013	2012	2011
Salaries, wages and other short-term benefits	34	**$2,491,014**	$2,476,928	$1,496,350
Doubtful accounts expense	8	**1,125,627**	-	9,379
Outside services		**1,563,997**	320,532	256,604
Transportation and travel		**748,429**	762,954	559,214
Advertising and marketing		**557,119**	306,621	335,278
Freight and handling		**515,602**	41,070	32,558
Depreciation and amortization	14, 15,16	**400,222**	416,237	235,526
Business development		**330,945**	333,047	1,432,313
Taxes and licenses		**304,379**	495,066	270,917
Representation and entertainment		**201,091**	135,775	91,949
Insurance		**155,368**	192,145	45,670
Utilities and communication		**154,548**	163,754	142,847
Rental	21, 32	**147,762**	142,477	349,184
Repairs and maintenance		**126,069**	25,104	30,285
Retirement benefit	22, 34	**122,349**	88,471	70,549
Materials and supplies		**94,060**	125,911	80,563
Commission		**74,482**	29,540	20,113
Fuel and oil		**62,192**	31,138	29,957
Fringe benefit tax	34	**25,569**	23,442	26,149
Management fees		**23,844**	38,144	113,823
Other personnel expenses		**23,469**	180,311	20,595
Membership dues		**22,527**	19,251	20,216
Condominium dues		**17,298**	10,492	9,654
Liquidated damages		**-**	-	207,790
Others		**348,522**	431,375	621,960
		$9,636,484	$6,789,785	$6,509,443

Outside services in 2013 consist mainly of professional fees incurred for the Group's preparation in connection with the project to seek a listing in Singapore Depository Shares in Singapore Exchange Securities Trading Limited's Catalyst Board.

Business development represents one-time charges during the year consisting of financial advisory, due diligence, success and legal fees, incurred in relation to the purchase of new businesses.

Others include buyer's claim, documentary stamps, postage and export documentation expenses.

31. OTHER EXPENSES

	2013	2012	2011
Bank charges	**$150,951**	$188,168	$140,660
Foreign exchange loss	**-**	162,322	3,974
Others	**5,324**	87,592	27,379
	$156,275	$438,082	$172,013

32. OPERATING LEASE AGREEMENTS

The Group as Lessee

The Group entered into a number of lease agreements classified as operating leases summarized as follows:

a. On January 25, 2013, a long term contract was executed between the Group and AMHI. The term shall be for a period of five (5) years commencing on January 1, 2013 and expiring on December 31, 2017, unless sooner terminated by any party for cause. The lease shall be renewable every five (5) years, upon such terms and conditions mutually agreeable to the parties. Based on the contract, the rental fee shall be P2,403,065 with US dollar equivalent of $58,540, based on foreign exchange rate of January 1, 2013, subject to an annual escalation rate of 5% or the national inflation rate as published by the National Statistics Office, whichever is higher. Pursuant to the lease contract, the Group required to pay AMHI a total security deposit equivalent to 36 months of the first year's monthly rental as disclosed in Note 21.

b. The Group leases from MCC an office condominium unit where its head office is located for a period of two years from January 1, 2010 to December 31, 2011, renewable by mutual agreement of both parties. The lease contract was renewed on December 29, 2011 with the term of two years commencing from January 1, 2012 until December 31, 2013, with a monthly rental fee of $3,485. The lease is classified as operating lease.

c. On April 1, 2009 and July 1, 2010, the Group leases from Luthi Machinery Company, Inc. the two Solid Pack canning machines, serial No. SPD8-93 and SP156-95 for a period of five (5) years with an annual minimum rental of $36,000 and $58,000, respectively. Lessee agrees to pay an overage rental of $0.137 and $0.131, respectively, per case packed of filled by Lessee during each year when production from the machine during each year of the Lease term exceeds 275,000 and 300,000 cases, respectively. The lease term is renewable by mutual agreement of both parties.

d. The Group leases from Gael Land the manufacturing, warehouse and office space, in United States, for a period of nine (9) years from January 1, 2012 to May 31, 2020, renewable by mutual agreement of both parties. In consideration of the use of the leased premises, the Group pays a monthly rental of $17,900. The long-term lease will require the Group to pay the Lessor a refundable security deposit in an amount equivalent to two months rental or equivalent to $35,800.

e. In August 2012, the Group leases from Baruch Estate the manufacturing and office space, in New Zealand, for a period of five (5) years from August 2012 to July 2017, renewable by mutual agreement of both parties. Lessee agrees to pay a monthly rental of $4,705.

Total rental expense charged in profit and loss in relation to these lease agreements amounted to $1,128,658, $566,107 and $616,437 in 2013, 2012 and 2011, respectively, as disclosed in Notes 29 and 30.

Total rental deposits recognized in the consolidated statements of financial position, as part of other non-current assets, amounted to $1,624,953 and $1,650,879 as at December 31, 2013 and 2012, respectively as disclosed in Notes 18 and 21. Outstanding prepaid rentals presented in the consolidated statements of financial position, as part of prepayments and other current assets, amounted to $13,746 and $12,436 as at December 31, 2013 and 2012, respectively, as disclosed in Note 11.

At the end of each reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2013	2012
Not later than one year	**$1,016,902**	$1,107,136
Later than one year but not later than five years	**3,225,281**	3,957,739
Later than five years	**471,184**	842,016
	$4,713,367	$5,906,891

33. CORPORATE SOCIAL RESPONSIBILITY

The Group is on its 6th year of giving back to the community by means of a Feeding Program which aims to sustainably feed underweight high school students in an attempt to combat frequent absences and poor academic performance.

The Feeding Program is conducted on a daily basis. The food preparation and service is a collaboration of labor of volunteer parents and teachers. Weight and Performance Progress Monitoring is conducted by the company nurses of Alliance Select Foods International, Inc. For the year 2013, a total of 139 underweight students benefited from the Feeding Program conducted in Banisil High School, 105 and 34 participants from Grades 7 and 8 respectively. Within the same year, the Company has donated a Weighing Scale to the school as an aid in gauging the improvement in the weights of the participants to the program. Bawing National High School was also chosen by the company to be the recipient of canned tuna products per month for their own feeding program which benefited 16 undernourished students.

The Group also provided aid to the typhoon-stricken areas in Tacloban and the rest of Leyte during the aftermath of Typhoon Yolanda (Haiyan). Tuna donations were given to the victims through the Philippine Red Cross.

Total expenses related to the corporate social responsibility programs of the Group amounted to $7,223, $10,198, and $22,203 in 2013, 2012, 2011, respectively.

34. EMPLOYEE BENEFITS

Aggregate employee benefits expense consists of:

	Notes	2013	2012	2011
Short-term employee benefits	29, 30	**$10,923,577**	$9,456,437	$6,618,972
Post-employee benefits	22, 30	**122,349**	88,471	70,549
		$11,045,926	$9,544,908	$6,689,521

35. FINANCE COSTS

The composition of finance costs based on its source is as follows:

	Notes	2013	2012	2011
Short-term loans	20	**$1,193,974**	$ 860,166	$ 922,794
Long-term loans	20	**328,869**	658,240	136,198
Advances from a related party	21	**238,632**	186,003	29,030
Discounting of lease deposit	21	**-**	378,700	-
		$1,761,475	$ 2,083,109	$1,088,022

36. INCOME TAXES

Income tax expense (benefit)

	2013	2012	2011
Current tax expense	$ 662,824	$725,985	$203,856
Deferred tax expense (benefit)	(1,193,642)	140,383	(117,499)
	($ 530,818)	$866,368	$ 86,357

A reconciliation between income tax expense (benefit) and the product of accounting profit (loss) follows:

	2013	2012	2011
Accounting profit (loss)	($3,449,571)	$1,633,797	($ 966,772)
Tax expense (benefit) at 30%	($1,034,871)	$ 490,139	($ 290,032)
Tax effect of tax rate differences	142,300	485,328	498,535
Tax effect of expenses that are non-deductible:			
Expenses exempt from tax	1,028,524	174,832	5,105,628
Tax effect of income exempt from taxation	(666,771)	(283,931)	(5,227,774)
	($ 530,818)	$ 866,368	$ 86,357

Deferred tax assets

Deferred tax assets as at December 31, 2013 and 2012 amounted to $1,408,920 and $212,554, respectively, arising from net operating loss carry-over (NOLCO), minimum corporate income tax (MCIT), allowance for doubtful accounts, excess of retirement expense over contribution and accrued expenses.

Deferred tax liabilities

Deferred tax liabilities as at December 31, 2013 and 2012 amounted to $258,604 and $236,939 arising from unrealized foreign exchange gain and excess of accelerated depreciation used for income tax purposes over the depreciation used for financial reporting purposes.

37. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Earnings (Loss)		
	2013	2012 (As Restated)	2011 (As Restated)
Profit (Loss) for the year	($ 2,580,913)	$ 1,312,232	($ 327,958)
Weighted average number of shares Outstanding	1,069,426,237	1,014,299,096	717,593,923
Earnings (Loss) per share	($ 0.0024)	$ 0.0013	($ 0.0005)

The Group has no dilutive potential shares in 2013, 2012 and 2011; hence, basic earnings per share are equal to the diluted earnings per share.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the Group's financial assets and financial liabilities are shown below:

	2013		2012	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	**$ 1,568,125**	**$ 1,568,125**	$ 4,191,826	$ 4,191,826
Trade and other receivables	**16,162,372**	**16,162,372**	11,474,299	11,474,299
Due from related parties	**810,484**	**810,484**	1,410,956	1,410,956
Refundable lease deposit	**1,624,953**	**1,624,953**	1,650,879	1,650,879
	$20,165,934	**$20,165,934**	$18,727,960	$ 18,727,960
Financial Liabilities				
Trade and other payables*	**$ 6,921,650**	**$ 6,921,650**	$ 6,506,436	$ 6,506,436
Loans payable	**33,175,879**	**33,175,879**	29,126,382	29,126,382
Due to related parties	**143,763**	**143,763**	1,012,848	1,012,848
	$ 40,241,292	**$40,241,292**	$36,645,666	$36,645,666

**The amount does not include government liabilities which are not considered as financial liabilities.*

The fair values of the Group's financial assets and liabilities are determined as follows:

Due to the short-term maturities of cash and cash equivalents, trade and other receivables, due from related parties, trade and other payables, short-term loans, and due to related parties, their carrying amounts approximate their fair values.

The fair values of refundable lease deposit, long-term loans payable, and long-term due to related parties, are determined based on the discounted cash flow analysis using effective interest rates for similar types of instruments.

The fair value hierarchies of the above financial instruments are considered level 2 as they are derived from valuation techniques that include inputs other than quoted prices in active market but are observable for the asset or liability, either directly or indirectly.

39. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Group's activities are exposed to a variety of financial risks: market risk relating to foreign exchange risk and interest rate risk, credit risk and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The policies for managing specific risks are summarized below:

Market risk

Market risk refers to the possibility that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

There has been no change on the Group's exposure to market risks or the manner in which it manages and measures the risk.

Foreign exchange risk

Foreign exchange risk relates to the possibility that an investment's value changing due to changes in currency exchange rate. The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in foreign currencies. Foreign exchange risk arises from future commercial transactions when recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Significant fluctuation in the exchange rates could significantly affect the Group's financial position.

The Group seeks to mitigate its transactional currency exposures by maintaining its costs at consistent levels, regardless of any upward or downward movements in the foreign currency exchange rates.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

	2013	2012	2011
Cash and cash equivalents	**$ 694,610**	$1,139,006	$ 251,074
Trade and other receivables	**2,359,001**	1,302,368	1,455,371
Due from related parties	**810,484**	634,985	1,194,659
Trade and other payables	**(5,538,197)**	(471,910)	(3,794,690)
Loans payable	**(6,295,207)**	(4,194,077)	(609,495)
Due to related parties	**(143,763)**	(430,434)	(967,090)
	($8,113,072)	($2,020,062)	($2,470,171)

The following table details the Group's sensitivity to a 10% increase and decrease in the functional currency of the Group against the relevant foreign currencies. The sensitivity rate used in reporting foreign currency risk is 10% and it represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% increase or decrease foreign currency rates. The sensitivity analysis includes all of the Group's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in profit for the year when the functional currency of the Group strengthens 1% against the relevant currency. For a 10% weakening of the functional currency of the Group against the relevant currency, there would be an equal and opposite impact on the profit for the year and the balances below would be negative.

	Effect on Profit (Loss) for the year		
	2013	2012	2011
Cash and cash equivalents	**($ 69,461)**	($113,901)	($ 25,107)
Trade and other receivables	**(235,900)**	(130,237)	(145,537)
Due from related parties	**(81,048)**	(63,499)	(119,466)
Trade and other payables	**553,820**	47,191	379,469
Loans payable	**629,521**	419,408	60,949
Due to related parties	**14,375**	43,044	96,709
	$811,307	$202,006	$247,017

Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Group's interest rate risk relates to debt instruments such as bank and mortgage loans. The interest rates on these liabilities are disclosed in Note 20.
The Group has no established policy on managing interest rate risk. Management believes that any variation in the interest will not have a material impact on the net profit of the Group.

Bank and mortgage loans amounting to $33,175,879 and $29,126,382 as at December 31, 2013 and 2012, respectively, agreed at interest rates ranging from approximately 4% to 11% for bank loans and 9.2% per annum for mortgage loans; expose the Group to fair value interest rate risk.

An estimate of 50 basis points increase or decrease is used in reporting interest rate changes and represents Management's assessment of the reasonably possible change in interest rates.

The effects of a 50 basis points change in interest rate on net profit for the years ended December 31, 2013 and 2012 is an increase or a decrease of $155,756 and $131,607, respectively.

This is mainly attributable to the Group's exposure to interest rates on its borrowings.

Credit risk

Credit risk refers to the possibility that counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's credit risk is primarily attributable to cash, trade and other receivables, due from related parties, and refundable lease deposit.

The Group has adopted a policy of extending sufficient credit terms to customers such as, letters of credit and documents against payment as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade. The Group uses publicly available financial information and its own trading records to rate its major customers.

Based on the prior years' experiences of the Group and based on the assessment of the current economic environment and creditworthiness of its debtors, Management believes receivables are neither impaired nor uncollectible, as disclosed in Note 8.

The carrying amounts of financial assets recorded in the consolidated financial statements, represent the Group's maximum exposure to credit risk without taking account the value of any collateral obtained:

	2013	2012
Cash and cash equivalents	**$ 1,568,125**	$ 4,191,826
Trade and other receivables	**16,162,372**	11,474,299
Due from related parties	**810,484**	1,410,956
Refundable lease deposit	**1,624,953**	1,650,879
	$20,165,934	$18,727,960

Included in the Group's trade and other receivables are debtor's accounts which are past due with carrying amounts of $2,505,356 and $4,274,043 as at December 31, 2013 and 2012, respectively, while the related allowance for doubtful accounts amounted to $1,175,280 and $22,667 as at December 31, 2013 and 2012, respectively.

As at December 31, 2013 and 2012, the aging analysis of the Group's financial assets is as follows:

	Neither Past Due nor Impaired	Past Due Account but Not Impaired			Impaired Financial Assets	Total
		1-30 Days Past Due	31-60 Days Past Due	Over 60 days		
2013						
Cash and cash equivalents	$ 1,568,125	$ -	$ -	$ -	$ -	$ 1,568,125
Trade and other receivables	12,531,389	1,783,329	359,449	362,578	1,125,627	16,162,372
Due from related parties	810,484	-	-	-	-	810,484
Refundable lease deposit	1,624,953	-	-	-	-	1,624,953
	$16,534,951	$1,783,329	$359,449	$362,578	$1,125,627	$20,165,934
2012						
Cash in banks	$ 4,191,826	$ -	$ -	$ -	$ -	$ 4,191,826
Trade and other receivables	7,200,256	3,399,419	749,671	124,953	-	11,474,299
Due from related parties	1,410,956	-	-	-	-	1,410,956
Refundable lease deposit	1,650,879	-	-	-	-	1,650,879
	$14,453,917	$3,399,419	$749,671	$124,953	$ -	$18,727,960

The carrying amounts of financial assets that are neither past due nor impaired are rated as high grade.

The Group uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below:

High Grade – applies to highly rated financial obligors, strong corporate counterparties and personal borrowers with whom the Group has excellent repayment experience.

Satisfactory Grade – applies to financial assets that are performing as expected, including loans and advances to small and medium-sized entities and recently established businesses.

Liquidity risk

Liquidity risk refers to the possibility that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves in cash in bank, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal.

	Weighted Average Effective Interest Rate	Within One Year	More than One Year	Total
2013				
Trade and other payables*		$ 6,921,650	$ -	$ 6,921,650
Loans payable	6%	30,132,523	4,930,616	35,063,139
Due to related parties		143,763	-	143,763
		$37,197,936	$4,930,616	$42,128,552
2012				
Trade and other payables*		$ 6,506,436	$ -	$ 6,506,436
Loans payable	7%	25,668,115	6,616,091	32,284,206
Due to related parties		1,012,848	-	1,012,848
		$33,187,399	$6,616,091	$39,803,490

**The amount does not include government liabilities which are not considered as financial liabilities.*

40. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the profits of the shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes loans, and advances received from related parties as offset by cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The debt to equity ratio of the Group at each reporting period is within the acceptable range as follows:

	2013	2012
Debt	$33,319,642	$30,139,230
Less: Cash and cash equivalents	1,568,125	4,191,826
Net debt	31,751,517	25,947,404
Equity	27,965,894	30,460,965
Debt to equity ratio	1.14:1	0.85:1

Debt is composed of loans payable, and due to related parties as discussed in Notes 20 and 21, respectively, while equity includes share capital and reserves and retained earnings of the Group, less treasury shares.

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. As at December 31, 2013 and 2012, the public ownership is 55.33% and 54%, respectively.

The Group reviews its capital structure on an annual basis. As part of this review, the Group considers the cost of capital and the risks associated with it.

As at December 31, 2013 and 2012, the Group was generally in compliance with its loan covenants except for its current and interest coverage ratios, as disclosed in Note 20.

41. EVENTS AFTER THE REPORTING PERIOD

On January 27, 2014, the Parent Company subscribed 4,800,000 common shares to the unissued shares and 33,600,000 common shares to the increased authorized capital stock of WCFI with a par value of P1.00 per share. In payment and exclusively in exchange for its total subscription of 38,400,000 common shares in WCFI, subject to SEC's approval, the Parent Company executed a Deed of Assignment, assigning and conveying unto WCFI, its successor-in-interest, the ownership of its vessel named as "FV BUENA SUERTE J-168" with an appraised value of P40,548,000 or approximately $915,325. As stipulated in the joint venture agreement, the difference between the subscription price of the share and the approved appraised value shall be treated as advances by the Parent Company, for future fish deliveries of WCFI.

42. CHANGE IN ACCOUNTING POLICY

As discussed in Note 4, the Company adopted Amendments to PAS 19, *Employee Benefits* (2011), requiring the changes in defined benefit obligation and in fair value of plan of plan assets as it occurs.

The table below summarizes the impact on profit or loss and on OCI of the application of PAS 19, *Employee Benefits*, effective January 1, 2013 for the years ended December 31:

	2013	2012
Profit or Loss		
Decrease in other income	**($ 13,815)**	($ 57,620)
Decrease in selling and administrative expenses	**4,756**	2,213
Increase in the share in equity net earnings (losses) of a joint venture	**2,453**	(46,059)
Decrease in profit for the year	**($ 6,606)**	($101,466)
OCI		
Decrease in share in other comprehensive income of a joint venture	**($ 24,462)**	($ 18,557)
Increase in remeasurement loss on retirement	**(213,463)**	(73,948)
Decrease in OCI	**(237,925)**	(92,505)
Decrease in total comprehensive income	**($244,531)**	($193,971)

The table below summarizes the impact on assets, liabilities and equity as at January 1, 2012:

	January 1, 2012 (As Previously Reported)	Transition Adjustments	January 1, 2012 (As Restated)
Investment in a joint venture	$ 490,300	($ 64,616)	$ 425,684
Retirement benefit obligation	305,192	129,355	434,547
Retained earnings	$3,795,727	($193,971)	$3,601,756

The table below summarizes the impact on assets, liabilities and equity as at December 31, 2012:

	December 31, 2012 (As Previously Reported)	Transition Adjustments	December 31, 2012 (As Restated)
Investment in a joint venture	$ 616,165	($ 86,626)	$ 529,539
Retirement benefit obligation	421,037	351,876	772,913
Retained earnings	4,246,070	(438,208)	3,807,862
Non-controlling interest	$ 59,919	($ 294)	$ 59,625

The change in accounting policy has no impact on the Company's cash flows as at December 31, 2013 and 2012.

43. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group were approved and authorized for issuance by the Board of Directors on April 11, 2014.

* * *

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BOA/PRC Reg. No. 0004
SEC Accreditation No. 0001-FR-3

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Shareholders
ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
(Formerly Alliance Tuna International, Inc.)
Suites 1205, 1206 & 1405 East Tower
Philippine Stock Exchange Centre, Exchange Road
Ortigas Center, Pasig City

We have audited the consolidated financial statements of Alliance Select Foods International, Inc. and its Subsidiaries as at December 31, 2013 and 2012 and for each of the three years in the period ended December 31, 2013 in accordance with Philippine Standards on Auditing, on which we have rendered an unqualified opinion dated April 11, 2014.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information on the attached schedules showing the reconciliation of the retained earnings available for dividend declaration, the list of all effective accounting standards and interpretations, the map showing the relationships between and among the Company and its related parties, and the other supplementary information shown in Schedules A to H as at and for the year ended December 31, 2013, as required by the Securities and Exchange Commission under SRC Rule 68, as amended, are presented for purposes of additional analysis and are not required part of the basic consolidated financial statements. These information are the responsibility of Management and have been subjected to the auditing procedures applied in our audits, except for the map which we have audited only to the extent disclosed in the consolidated financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Navarro Amper & Co.
BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331

By:

Bonifacio F. Lumacang, Jr.
Partner
CPA License No. 0098090
SEC A.N. 0526-AR-2, issued on May 6, 2013; effective until May 5, 2016, Group A
TIN 170035681
BIR A.N. 08-002552-18-2012, issued on March 14, 2012; effective until March 13, 2015
PTR No. A-2015236, issued on January 6, 2014, Taguig City

Taguig City, Philippines
April 11, 2014

RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DECLARATION
As at December 31, 2013

Alliance Select Foods International, Inc.
Suites 1205, 1206 & 1405 East Tower, Philippine Stock Exchange Center,
Exchange Road, Ortigas Center, Pasig City

Items	Amount
Unappropriated Retained Earnings, beginning	**$3,725,567**
Net loss based on the face of AFS	**(1,626,213)**
Deduct non-actual/unrealized income net of tax	
Unrealized foreign exchange gain net (except those attributable to Cash and Cash equivalent)	(175,971)
Net Income (Loss) Actual/Realized	**(1,450,242)**
Less: Treasury shares	5,774
Unappropriated Retained Earnings, Ending	**$2,269,551**

Alliance Select Foods International, Inc. and its Subsidiaries
List of Effective Standards and Interpretations under the Philippine Financial Reporting Standards (PFRS)

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	*First-time Adoption of Philippine Financial Reporting Standards*	✓		
	Amendments to PFRS 1 and PAS 27: *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*	✓		
	Amendments to PFRS 1: *Additional Exemptions for First-time Adopters*			✓
	Amendment to PFRS 1: *Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters*			✓
	Amendments to PFRS 1: *Severe Hyperinflation and Removal of Fixed Date for First-time Adopters*			✓
	Amendments to PFRS 1: *Government Loans*			✓
	Annual Improvements to PFRSs 2009-2011 Cycle - Amendments to PFRS 1, *First-Time Adoption of PFRS*	✓		
	Annual Improvements to PFRSs 2011-2013 Cycle - Amendments to PFRS 1, *First-time Adoption of International Financial Reporting Standards (Changes to the Basis for Conclusions only)**		✓	
PFRS 2	*Share-based Payment*			✓
	Amendments to PFRS 2: *Vesting Conditions and Cancellations*			✓
	Amendments to PFRS 2: *Group Cash-settled Share-based Payment Transactions*			✓
	Annual Improvements to PFRSs 2010-2012 Cycle - Amendments to PFRS 2:*Definition of Vesting Condition**		✓	
PFRS 3 (Revised)	*Business Combinations*	✓		
	Annual Improvements to PFRSs 2010-2012 Cycle - Amendments to PFRS 3, *Business Combinations (with consequential amendments to other standards)**		✓	

	Annual Improvements to PFRSs 2011-2013 Cycle - Amendments to PFRS 3: *Scope of Exception for Joint Ventures**		✓	
PFRS 4	*Insurance Contracts*			✓
	Amendments to PAS 39 and PFRS 4: *Financial Guarantee Contracts*			✓
PFRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	✓		
PFRS 6	*Exploration for and Evaluation of Mineral Resources*			✓
PFRS 7	*Financial Instruments: Disclosures*	✓		
	Amendments to PAS 39 and PFRS 7: *Reclassification of Financial Assets*	✓		
	Amendments to PAS 39 and PFRS 7: *Reclassification of Financial Assets - Effective Date and Transition*	✓		
	Amendments to PFRS 7: *Improving Disclosures about Financial Instruments*	✓		
	Amendments to PFRS 7: *Disclosures - Transfers of Financial Assets*	✓		
	Amendments to PFRS 7: *Disclosures – Offsetting Financial Assets and Financial Liabilities*	✓		
	Amendments to PFRS 7: *Mandatory Effective Date of PFRS 9 and Transition Disclosures**		✓	
PFRS 8	*Operating Segments*	✓		
	Annual Improvements to PFRSs 2010-2012 Cycle - Amendments to PFRS 8: *Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets**		✓	
PFRS 9	*Financial Instruments*	✓		
	Amendments to PFRS 9: *Mandatory Effective Date of PFRS 9 and Transition Disclosures*	✓		
	Amendments to PFRS 9: *Hedge accounting and Removal of Mandatory effective date of IFRS 9*			✓
PFRS 10	*Consolidated Financial Statements*	✓		
	Amendments to PFRS 10: *Consolidated Financial Statement: Transition Guidance*	✓		
	Amendments to PFRS 10:*Transition Guidance and Investment Entities**		✓	
PFRS 11	*Joint Arrangements*	✓		
	Amendments to PFRS 1: *Joint Arrangements: Transition Guidance*	✓		
PFRS 12	*Disclosure of Interests in Other Entities*	✓		

	Amendments to PFRS 12: *Disclosure of Interests in Other Entities: Transition Guidance*	✓		
	Amendments to PFRS 12: *Transition Guidance and Investment Entities**		✓	
PFRS 13	*Fair Value Measurement*	✓		
	Annual Improvements to PFRSs 2010-2012 Cycle - Amendments to PFRS 13: *Fair Value Measurement (Amendments to the Basis of Conclusions Only, with Consequential Amendments to the Bases of Conclusions of Other Standards)**		✓	
	Annual Improvements to PFRSs 2011-2013 Cycle - Amendments to PFRS 13: *Portfolio Exception**		✓	
Philippine Accounting Standards				
PAS 1 (Revised)	*Presentation of Financial Statements*	✓		
	Amendment to PAS 1: *Capital Disclosures*	✓		
	Amendments to PAS 32 and PAS 1: *Puttable Financial Instruments and Obligations Arising on Liquidation*			✓
	Amendments to PAS 1: *Presentation of Items of Other Comprehensive Income*	✓		
	Annual Improvements to PFRSs 2009-2011 Cycle - Amendments to PAS 1: *Presentation of Financial Statements*	✓		
PAS 2	*Inventories*	✓		
PAS 7	*Statement of Cash Flows*	✓		
PAS 8	*Accounting Policies, Changes in Accounting Estimates and Errors*	✓		
PAS 10	*Events after the Reporting Period*	✓		
PAS 11	*Construction Contracts*			✓
PAS 12	*Income Taxes*	✓		
	Amendment to PAS 12 - Deferred Tax: *Recovery of Underlying Assets*	✓		
PAS 16	*Property, Plant and Equipment*	✓		
	Annual Improvements to PFRSs 2009-2011 Cycle - Amendments to PAS 16, *Property, Plant and Equipment*	✓		
	Annual Improvements to PFRSs 2010-2012 Cycle - Amendments to PAS 16: *Revaluation Method - Proportionate Restatement of Accumulated Depreciation**		✓	
PAS 17	*Leases*	✓		
PAS 18	*Revenue*	✓		

PAS 19 (Amended)	*Employee Benefits (2011)*	✓		
PAS 20	*Accounting for Government Grants and Disclosure of Government Assistance*			✓
PAS 21	*The Effects of Changes in Foreign Exchange Rates*	✓		
	Amendment: *Net Investment in a Foreign Operation*	✓		
PAS 23 (Revised)	*Borrowing Costs*	✓		
PAS 24 (Revised)	*Related Party Disclosures*	✓		
	Annual Improvements to PFRSs 2010-2012 Cycle - Amendments to PAS 24: *Key Management Personnel**		✓	
PAS 26	*Accounting and Reporting by Retirement Benefit Plans*			✓
PAS 27 (Amended)	*Separate Financial Statements*	✓		
	Amendments to PAS 27: *Transition Guidance and Investment Entities**		✓	
PAS 28 (Amended)	*Investments in Associates and Joint Ventures*	✓		
PAS 29	*Financial Reporting in Hyperinflationary Economies*			✓
PAS 31	*Interests in Joint Ventures*	✓		
PAS 32	*Financial Instruments: Disclosure and Presentation*	✓		
	Amendments to PAS 32 and PAS 1: *Puttable Financial Instruments and Obligations Arising on Liquidation*			✓
	Amendment to PAS 32: *Classification of Rights Issues*	✓		
	Annual Improvements to PFRSs 2009-2011 Cycle - Amendments to PAS 32, *Financial Instruments: Presentation*	✓		
	Amendments to PAS 32: *Offsetting Financial Assets and Financial Liabilities**		✓	
PAS 33	*Earnings per Share*	✓		
PAS 34	*Interim Financial Reporting*	✓		
	Annual Improvements to PFRSs 2009-2011 Cycle - Amendments to PAS 34, *Interim Financial Reporting*	✓		
PAS 36	*Impairment of Assets*	✓		
PAS 37	*Provisions, Contingent Liabilities and Contingent Assets*	✓		
PAS 38	*Intangible Assets*	✓		
	Annual Improvements to PFRSs 2010-2012 Cycle - Amendments to PAS 38: *Revaluation Method - Proportionate Restatement of Accumulated Amortization**		✓	

PAS 39	Financial Instruments: *Recognition and Measurement*	✓		
	Amendments to PAS 39: *Transition and Initial Recognition of Financial Assets and Financial Liabilities*	✓		
	Amendments to PAS 39: *Cash Flow Hedge Accounting of Forecast Intragroup Transactions*			✓
	Amendments to PAS 39: *The Fair Value Option*			✓
	Amendments to PAS 39 and PFRS 4: *Financial Guarantee Contracts*	✓		
	Amendments to PAS 39 and PFRS 7: *Reclassification of Financial Assets*	✓		
	Amendments to PAS 39 and PFRS 7: *Reclassification of Financial Assets – Effective Date and Transition*	✓		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: *Embedded Derivatives*			✓
	Amendment to PAS 39: *Eligible Hedged Items*			✓
PAS 40	*Investment Property*	✓		
	Annual Improvements to PFRSs 2011-2013 Cycle - Amendments to PAS 40*: Clarifying the Interrelationship of IFRS 3 and IAS 40 When Classifying Property as Investment Property or Owner-Occupied Property**		✓	
PAS 41	*Agriculture*	✓		
Philippine Interpretations				
IFRIC 1	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*			✓
IFRIC 2	*Members' Share in Co-operative Entities and Similar Instruments*			✓
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*			✓
IFRIC 5	*Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*			✓
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*			✓
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			✓
IFRIC 8	*Scope of PFRS 2*			✓
IFRIC 9	*Reassessment of Embedded Derivatives*			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: *Embedded Derivatives*			✓
IFRIC 10	*Interim Financial Reporting and Impairment*			✓
IFRIC 11	*PFRS 2- Group and Treasury Share Transactions*			✓
IFRIC 12	*Service Concession Arrangements*			✓

IFRIC 13	*Customer Loyalty Programmes*			✓
IFRIC 14	*The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	✓		
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*			✓
IFRIC 17	*Distributions of Non-cash Assets to Owners*			✓
IFRIC 18	*Transfers of Assets from Customers*			✓
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*			✓
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*			✓
IFRIC 21*	*Levies*		✓	
SIC-7	*Introduction of the Euro*			✓
SIC-10	*Government Assistance - No Specific Relation to Operating Activities*			✓
SIC-15	*Operating Leases - Incentives*			✓
SIC-25	*Income Taxes - Changes in the Tax Status of an Entity or its Shareholders*			✓
SIC-27	*Evaluating the Substance of Transactions Involving the Legal Form of a Lease*			✓
SIC-29	*Service Concession Arrangements: Disclosures.*			✓
SIC-31	*Revenue - Barter Transactions Involving Advertising Services*			✓
SIC-32	*Intangible Assets - Web Site Costs*			✓
PIC Q&A No. 2006-01	*Revenue Recognition for Sales of Property Units Under Pre-Completion Contracts*			✓
PIC Q&A No. 2007-03	*Valuation of Bank Real and Other Properties Acquired (ROPA)*			✓
PIC Q&A No. 2008-02	*Accounting for Government Loans with Low Interest Rates under the Amendments to PAS 20*			✓
PIC Q&A No. 2010-02	*Basis of Preparation of Financial Statements*	✓		
PIC Q&A No. 2010-03	*Current/ non-current Classification of a Callable Term Loan*			✓
PIC Q&A No. 2011-02	*Common Control Business Combinations*			✓
PIC Q&A No. 2011-03	*Accounting for Inter-company Loans*	✓		
PIC Q&A No. 2011-04	*Costs of Public Offering of Shares*			✓

PIC Q&A No. 2011-05	*Fair Value or Revaluation as Deemed Cost*			✓
PIC Q&A No. 2011-06	*Acquisition of Investment Properties – Asset Acquisition or Business Combination?*			✓
PIC Q&A No. 2012-01	*Application of the Pooling of Interests Method for Business Combinations of Entities under Common Control in Consolidated Financial Statements*			✓
PIC Q&A No. 2012-02	*Cost of a New Building Constructed on Site of a Previous Building*			✓

*These are the new and revised accounting standards and interpretations that are effective after the reporting period ended December 31, 2013. The company will adopt these standards and interpretations when these become effective.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
SUMMARY OF SCHEDULES ANNEX 68-E
DECEMBER 31, 2013

Schedule	Description	Applicability
A	Financial Assets	*Yes*
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	*Yes*
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	*Yes*
D	Intangible Assets - Other Assets	*Yes*
E	Long-Term Debt	*Yes*
F	Indebtedness to Related Parties	*Yes*
G	Guarantee of Securities of Other Issuers	*Not Applicable*
H	Capital Stocks	*Yes*

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
SCHEDULE A - Financial Assets
DECEMBER 31, 2013

Name of issuing entity and association of each issue	Amount shown in the balance sheet
Cash	
Citizens Bank	$ 686,999
Land Bank of the Philippines	286,239
Bank of Mandiri	78,022
OCBC Bank Singapore	14,943
Union Bank of the Philippines	100,392
Rabo Bank	28,395
Banco De Oro Universal Bank	113,425
Petty cash and Undeposited collection	27,221
Bank of New Zealand	41,819
Bangkok Bank Manila	63,034
ANZ	78,910
Robnisons Bank	2,564
Sterling Bank of Asia	18,048
Philippine Veterans Bank	1,453
Development Bank of the Philippines	15,716
East West Bank	3,118
Asia United Bank	6,255
Bank Rakyat Indonesia	1,572
	$ 1,568,125

Due from Related Parties	
Alliance MHI Properties, Inc.	$ 594,905
Wild Catch Fisheries, Inc.	177,140
Salmon Smolt NZ Limited	25,351
First Dominion Prime Holdings, Inc.	13,088
	$ 810,484

Trade and Other Receivables		
Trade Receivables		
Princes International	$	1,441,676
G. Willi Food International		635,578
Graal S.A		511,920
Ivory & Ledoux Ltd.		392,040
Caterers Choice Ltd.		660,224
Lovering Foods Ltd.		653,800
N.V. Markelbach & Corne		200,000
Earth Bounty Ltd.		185,520
Shaffer Haggart		183,600
Kawasho Foods Corporation		152,288
ICAT Food SPA		141,900
Maimax Polska SP Z.O.O.		136,620
Catering Engros		135,648
Aliments Medaillon Foods Inc		66,960
Farutex SP Z.O.O		66,500
TJ Morris Ltd.		65,000
Paul Muller		64,153
Acme Food Sales, Inc.		60,450
Martin Matthew and Co., Ltd.		58,362
Kola Dooel Izvoz Uvoz		55,654
Mirimgruppen AB		45,360
Others		15,513
Spence's Customers - Various		607,897
Burris Logistics - Elkton		145,706
Burris Logistics - Rocky Hill		152,119
Burris Logistics - Orlando		98,551
US Foods Inc - Pittston		57,197
Gourmet Guru		95,666
Progressive Enterprises Ltd.		204,966
Walong Marketing Inc.		200,663
Koyo Japan Co. Ltd.		125,937
Foodstuffs South Island Ltd		120,788
Foodstuffs Auckland		115,572
Foodstuffs (WLG) Coop Society Ltd.		55,752
PFNZ's Customers - Various		156,169
Akaroa's Customers - Various		305,479
Service Foods Ltd		24,808
Rare Fare		18,897
BGB's Customers - Various		75,574
Cold Storage		38,561
Koyo Japan Co. Ltd.		47,840
Park N Shop		57,421
S&R		57,974
Shinpoh New Zealand Ltd		82,053
Sin Yuan Li PTE Ltd		25,134
Other Non-trade Receivables		
Wild Catch Fisheries, Inc.		6,375,000
Various		987,882
	$	**16,162,372**

Refundable lease deposits		
Alliance MHI Properties, Inc.	$	**1,624,953**

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES

SCHEDULE B - Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)

DECEMBER 31, 2013

Name of Debtor	Beginning Balance	Additions	Collections	Ending Balance		
				Current	Non-Current	Total
Servado, Paulino Jr.	-	20,264	(7,187)	13,077	-	13,077
Agustin Fazon	-	12,915	-	3,602	9,312	12,915
Njapallaty Valend	-	9,677	-	9,677	-	9,677
Head Office Employees	-	8,359	-	8,359	-	8,359
Plant Employees	4,247	6,389	(4,247)	6,389	-	6,389
PT VDZ Employees		5,966		5,966		5,966
PT IAFI Employees	3,120	5,450	(3,120)	5,450	-	5,450
Narciso, Herminia	-	6,665	(4,498)	2,167	2,996	5,163
Tan, Joan	3,287	-	(837)	650	1,799	2,449
Pahaganas, Nilo	-	2,449		2,449	-	2,449
BGB Employees	696	1,995	(696)	1,995	-	1,995
Ordovez, Ludwin	287	1,257	(287)	1,257	-	1,257
Perigrina, Sharon	836	1,126	(836)	1,126	-	1,126
Datuin, Nestor	237	739	(237)	739	-	739
Balangue, Nelda	247	626	(247)	626	-	626
Valenzuela, Ethel	707	489	(707)	489	-	489
De Guzman, Virginia	105	244	(105)	244	-	244
Herrera, Helen	1,335	-	(1,140)	196	-	196
PFNZ Employees	-	82	-	82	-	82
Dizon, Eribeth	35	38	(35)	38	-	38
Bation, Dolly	3,302	-	(3,302)	-	-	-
Rodriguez, Randolph	2,428	-	(2,428)	-	-	-
Dogillo, Grace	2,188	-	(2,188)	-	-	-
Magbanua, Salvador	2,157	-	(2,157)	-	-	-
Bautista, Gislende Mae	369	-	(369)	-	-	-
Godilano, Larnie	243	-	(243)	-	-	-
	$ 25,827	$ 84,730	$ (34,866)	$ 64,579	$ 14,108	$ 78,687

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
SCHEDULE C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
DECEMBER 31, 2013

Name of Debtor	Designation	Balance at beginning of period	Additions	Deductions: Amounts collected	Deductions: Others	Current	Not Current	Balance at end of period
Parent								
Big Glory Bay Salmon and	Subsidiary	$ 2,355,804	$ 2,052,939	$ (729,210)	$ (257,000)	$ 3,422,532	$ -	$ 3,422,532
PT International Alliance Food	Subsidiary	855,118	1,275,813	(774,511)	-	1,356,420	-	1,356,420
Spence & Co., Ltd.	Subsidiary	641,923	334,807	(951,729)	-	25,000	-	25,000
Prime Foods NZ Ltd.	Subsidiary	396,441	115,575	-	-	512,016	-	512,016
Akaroa Salmon NZ Ltd.	Subsidiary	106,642.00	141,763	-	-	248,405	-	248,405
Spence's receivable from Parent Co.	Parent Company	250,000.00	800,000	(483,333)	-	566,667	-	566,667
PFNZ's receivable from BGB	Associate	179,657	231,704	(50,745)	(257,000)	103,617	-	103,617
BGB's receivable from PFNZ	Fellow subsidiaries	131,701	1,368,190	(204,753)	-	1,295,138	-	1,295,138
PT IAFI's receivable from Parent	Parent Company	-	5,236	-	-	5,236	-	5,236
		$ 4,917,286	$ 6,326,027	$ (3,194,281)	$ (514,000)	$ 7,535,031	$ -	$ 7,535,031

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
SCHEDULE D - INTANGIBLE ASSETS

Description	Beginning Balance	Additions at Cost	Deductions/Amortizations		Other Changes - Additions (Deductions)	Ending Balance
			Charged to Cost and Expenses	Charged to Other Accounts		
INTANGIBLE ASSETS						
Fishing license	$ 173,851	$ -	$ (8,036)	$ -	$ (34,788)	$ 131,027
Salmon farming consent	69,198	-	(5,721)	-	(332)	63,145
Macrocystic consent	24,588	-	-	-	(129)	24,459
	$ 267,637	$ -	$ (13,757)	$ -	$ (35,249)	$ 218,631

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
SCHEDULE E - LONG-TERM DEBT

Name of Issuer	Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long-Term	Total
Rizal Commercial Banking Corporation	Chattel Mortgage	$ 2,500,000	$ 357,142	$ 1,785,716	$ 2,142,858
Philippine Veterans Bank	Chattel Mortgage	2,000,000	285,714	1,285,715	1,571,429
Land Bank of the Philippines	Chattel Mortgage	770,000	192,500	240,625	433,125
BNZ Business First Term Loan	Chattel Mortgage	596,630	38,158	521,633	559,792
Rabo Bank	Chattel Mortgage	1,020,000	171,445	463,723	635,168
HC Studholme	Unsecured	115,773	-	115,773	115,773
Sterling Bank of Asia	Chattel Mortgage	450,308	76,582	84,365	160,947
Baruch Estate	Unsecured	40,765	-	40,765	40,765
Foreign Finance Corporation	Unsecured	92,253	22,758	27,167	49,924
			$ 1,144,299	$ 4,565,481	$ 5,709,780

Note : The terms, interest rate, collaterals and other relevant information are shown in the Notes to Financial Statements, Note 20.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
SCHEDULE F - INDEBTEDNESS TO RELATED PARTY
(LONG-TERM LOANS FROM RELATED COMPANY)

Name of Related Parties	Beginning Balance	Ending Balance
Maranaw Canning Corporation	$ 986,850	$ -

Schedule G
Guarantee of Securities of Other Issuers

NOT APPLICABLE

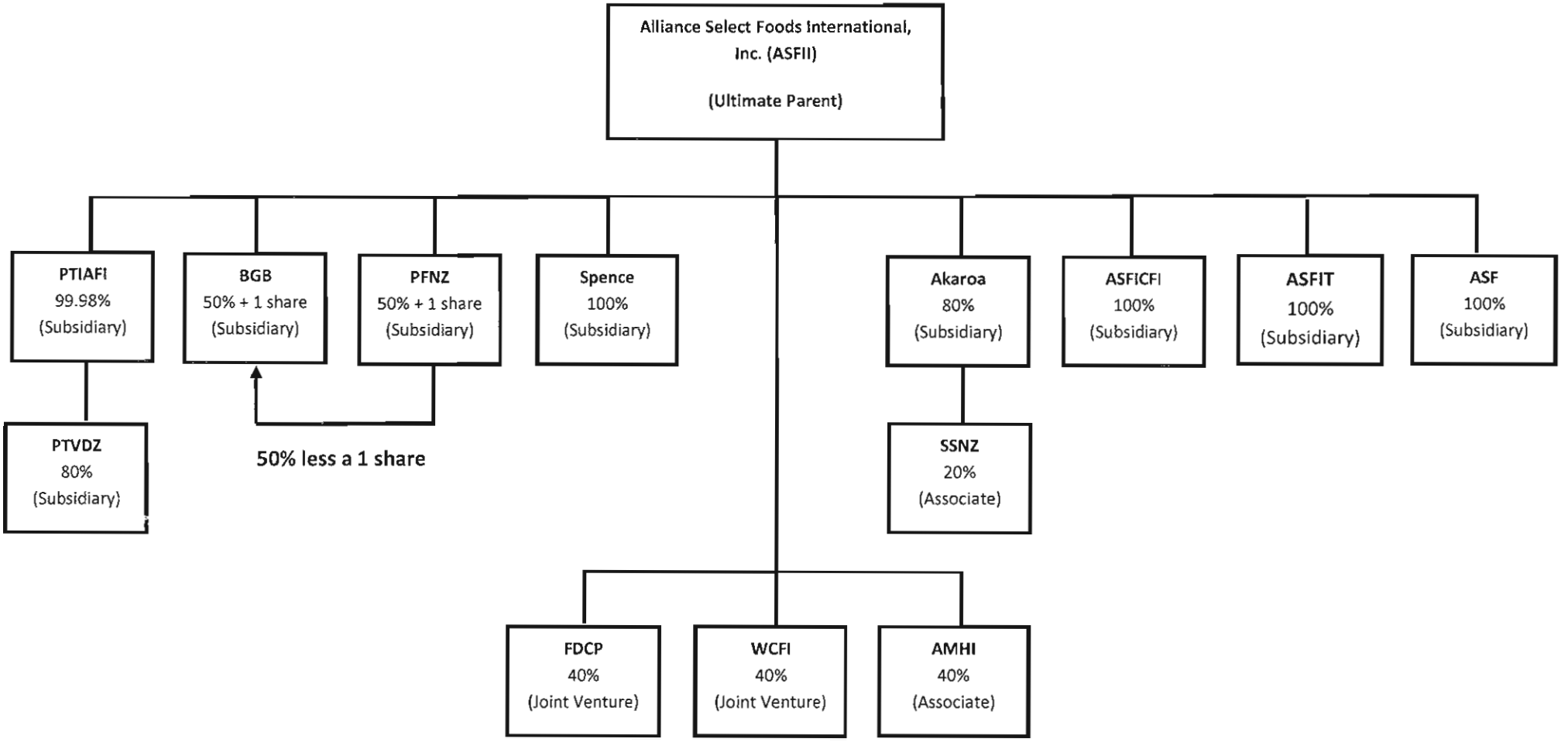
ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
SCHEDULE H - CAPITAL STOCK

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common Stock - P1 par value	1,500,000,000	1,069,426,237	-	1,894,016	51,654,403	1,015,877,818

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND ITS SUBSIDIARIES
SCHEDULE FINANCIAL INDICATORS
DECEMBER 31, 2013, 2012 AND 2011

	December 31		
	2013	2012 (As Restated)	2011 (As Restated)
Current / Liquidity Ratios			
a. Current Ratio	**0.952**	1.061	1.583
b. Quick Ratio	**0.488**	0.499	0.572
Solvency Ratios			
a. Solvency Ratio	**(0.034)**	0.049	(0.007)
b. Debt to Equity Ratio	**1.509**	1.264	1.114
Asset to Equity Ratio	**2.509**	2.264	2.114
Interest Rate Coverage Ratio	**(0.958)**	1.784	0.111
Profitability Ratio			
a. Gross Profit Margin	**8.24%**	12.82%	12.10%
b. Operating Margin	**-2.00%**	4.52%	0.43%
c. Net Profit Margin	**-3.06%**	1.59%	-0.64%
d. Return on Equity	**-8.87%**	4.47%	-1.29%
e. Return on Asset	**-4.21%**	1.19%	-2.12%

CONGLOMERATE MAP
As of December 31, 2013



SUBSIDIARIES:

PTIAFI - PT International Alliance Foods Indonesia *(Indonesia)*

BGB - Big Glory Bay Salmon & Seafood *(Philippines)*

PFNZ - Prime Foods New Zealand *(New Zealand)*

Spence - Spence & Co. *(USA)*

Akaroa - Akaroa Salmon New Zealand Limited *(New Zealand)*

ASFICFI - ASFI Choice Foods, Inc. *(Vehicle in making investment – USA)*

ASFIT - ASFI Thailand *(Sales Office - Bangkok)*

ASF - Alliance Select Foods Pte Ltd. *(Investment Holding Co. - Singapore)*

PTVDZ - PT Van De Zee *(Indonesia)*

Associate:
AMHI - Alliance MHI Properties *(Philippines)*

SSNZ - Salmon Smolts NZ Ltd. *(New Zealand)*

Joint Ventures:
FDCP - FDCP, Inc. *(Philippines)*
WCFI - Wild Catch Fisheries Inc. *(Philippines)*