

**Interfood Shareholding Company**  
Lot 13, Tam Phuoc IZ, Bien Hoa City, Dong Nai

**SOCIALIST REPUBLIC OF VIETNAM**  
Independence - Freedom - Happiness

No: 673/CV-IFS 2011

*Bien Hoa, 25<sup>th</sup> August 2011*

**To : Ho Chi Minh Stock Exchange (HOSE)**  
**State Securities Commission (SSC)**  
*(Re: explanatory for business results of second quarter 2011)*

First we would like to thank for your support recently.

Based on the data of the consolidated financial report quarter 2 in 2011 was sent to your department, we would like to explain several factors related to the results of consolidated operations as of the reporting period as follows:

Sales revenue: Sales revenue in 2011 quarter 2 only reached US\$ 11.7 million, approximately 82% over the same period in 2010. That's because due to inflation the first year is high, the psychology of consumers tighten spending also significantly reduce the sales of the company in six months.

Cost of goods sold, due to the effects of inflation, the increase in bulk supply of key raw materials such as aluminum cans, sugar, packaging materials, etc. ...Although the company had tried to control input costs into product prices, but the effects of inflation impacts the product auction price up 82%, while the rate in 2010 is 78% (5%).

Regarding the cost of borrowing, in the second quarter, interest expense of the group companies is USD 405 thousand, down 48% compared to Q2 2010. The reason is that companies have received loans with preferential interest rates of about 1.7% a year from Mother Company - Kirin Holdings Limited, the company has restructure loan by repay the whole loan from a subsidiary AVA for VCB Dongnai and repayment of all outstanding loans from Viet A Bank - HCM. Interest expense decreased, but in Q2-2011 the rate interest increase (19%), therefore total income of the company in Q2-2011 is still relatively high (4%).

In addition to the above expenses, the company is subject to sales expenses increased in the second quarter, accounting for 17.5% of sales compared to 12% in 2010. The reason is that transportation costs increase due to the price of fuel, and the other companies have to enhance the promotion to attract customers and boost revenues, increase salary for sell man,... resulting in cost of sales in Q2 is high.

Above is some cause operating results in 2011 second quarter the company suffered losses. Board of Directors and the entire company and is trying to gradually adjust their production and business plans that are consistent with the actual situation to a positive business results late in 2011.

Thanks and best regards!

ONBEHALF OF INTERFOOD SHAREHOLDING COMPANY

(Signed and sealed)

**Hajime Kobayashi**     **Nguyễn Thị Kim Liên**