

Interfood Shareholding Company
 Lot 13, Tam Phuoc IZ,
 Bien Hoa City, Dong Nai
 No : 872 /CV-IFS-2014

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Bien Hoa, 14th November 2014

To : State Securities Commission

(Re: Explanatory for Separated business results of 3rd Quarter 2014)

First we would like to thank for your support recently.

We would like to provide the result of consolidation income statement for the 3rd quarter of year 2014 as following:

Descriptions	Quarter 3 - 2014	%	Quarter 3 - 2013	%	Variance	%
	Thousand VND		Thousand VND		Thousand VND	
Gross sales	276,361,940		215,167,495		61,194,445	28%
Less deductions:	7,826,817		5,978,510		1,848,307	31%
Net sales	268,535,123	100%	209,188,985	100%	59,346,138	28%
Cost of sales	195,472,646	73%	162,179,858	78%	33,292,788	21%
Gross profit	73,062,477	27%	47,009,127	22%	26,053,350	55%
Income from financial activities	4,378,812	1.6%	762,829	0%	3,615,983	474%
Expenses for financial activities	3,187,278	1%	2,207,987	1%	979,291	44%
<i>Including: interest expense</i>	1,722,871	1%	2,078,489	1%	(355,618)	-17%
Selling expenses	109,911,311	41%	102,188,880	49%	7,722,431	8%
General and administration expenses	7,959,336	3%	7,241,254	3%	718,082	10%
Operating profit (loss)	(43,616,636)	-16%	(63,866,165)	-31%	20,249,529	-32%
Other income	1,024,274	0%	573,346	0%	450,928	79%
Other expenses	1,336,422	0%	6,495,623	3%	(5,159,201)	-79%
Profit (loss) before tax	(43,928,784)	-16%	(69,788,442)	-33%	25,859,658	-37%
CIT for the current year	-	0%	-	0%	-	
Deferred CIT	-	0%	-	0%	-	0%
Profit(loss) after tax	(43,928,784)	-16%	(69,788,442)	-33%	25,859,658	-37%

We would like to explain several factors related to the results of separated operations as of the reporting period as follows:

Net sales in Q3-2014 increased 28% compared to the same period in year 2013, due to the company has expanded the sale outlets nationwide, launched new product (green tea), deployed selling programs to increase the customer consuming, and as results the company has achieved and overcome the sales target of the 3rd quarter and also the 9 month of year 2014.

Cost of goods sold in the Q3 of 2014 has reduced, accounting of 73% net sales, compared to 78% of last year due to the production's volume increasing that bring to the reducing of the overhead cost which has been allocated to finished good cost; Beside that, there is price-reduced of empty can cost of some main products that also bring to COGS down

Income from financial activities in the 3rd quarter of 2014 increased comparing to the same period last year, mostly related to the difference of exchange rate for the items of foreign currencies according to the regulations.

Expenses for financial activities in the 3rd quarter of 2014 increased relating to the foreign exchange rate revaluation, the loan interest was kept at 1% per net sales due to the Company is still maintaining the inter-company off-shore loans with interest rates about 1.9% per annual.

In the 3rd quarter of 2014, the company has reduce the performance of the advertising program that caused the selling expenses reduce and accounted for 41% net sales.

General and administration expenses increased compared to the same period in 2013 and kept at 3% net sale

Other income in this period increase due to disposal of several unused material

Other expenses decreased due to in last year quarter 3, the company have to pay for the tax arrears and penalties for tax inspection for period of 2010 and 2011 fiscal year.

Above are some explanation for operating results of 3rd Quarter 2014.

Thanks and best regards!

ONBEHALF OF THE COMPANY

(Signed and Sealed)

Michio Nagabayashi
Chairman, General Director