

**Interfood Shareholding Company**

Interim Financial Statements  
for the six-month period ended  
30 June 2022

**Interfood Shareholding Company  
Corporate Information**

**Investment Licence No.** 270/GP 16 November 1991

|                                    |                              |                   |
|------------------------------------|------------------------------|-------------------|
| <b>Investment Certificates No.</b> | 472033000328 (1st amendment) | 28 November 2007  |
|                                    | 472033000328 (2nd amendment) | 20 May 2010       |
|                                    | 472033000328 (3rd amendment) | 22 April 2011     |
|                                    | 472033000328 (4th amendment) | 18 October 2011   |
|                                    | 472033000328 (5th amendment) | 14 May 2014       |
|                                    | 472033000328 (6th amendment) | 30 December 2015  |
|                                    | 6525867086 (7th amendment)   | 5 February 2016   |
|                                    | 6525867086 (8th amendment)   | 28 December 2016  |
|                                    | 6525867086 (9th amendment)   | 25 January 2017   |
|                                    | 6525867086 (10th amendment)  | 8 April 2018      |
|                                    | 6525867086 (11th amendment)  | 1 October 2019    |
|                                    | 6525867086 (12th amendment)  | 21 September 2020 |
|                                    | 6525867086 (13th amendment)  | 18 May 2021       |

The Investment Licence has been amended several times, the most recent of which is by the Investment Licence No. 270/CPH/GCNDDC3-BHK dated 23 August 2006. The Investment Licence and its amendments were issued by the Ministry of Planning and Investment and are valid for 50 years from the date of the initial Investment Licence.

The Investment Certificates were issued by the Dong Nai Industrial Zone Authority and are valid for 50 years from the date of the initial Investment Licence.

**Enterprise Registration  
Certificate No.**

|            |                 |
|------------|-----------------|
| 3600245631 | 21 January 2016 |
| 3600245631 | 19 March 2018   |
| 3600245631 | 5 July 2019     |
| 3600245631 | 30 June 2020    |
| 3600245631 | 1 April 2021    |
| 3600245631 | 18 January 2022 |

The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Dong Nai Province.

**Interfood Shareholding Company  
Corporate Information (continued)**

|                            |  |  |
|----------------------------|--|--|
| <b>Board of Management</b> | Ms. Nguyen Thi Kim Lien  | Chairman<br>(from 21 April 2022)<br>Member<br>(until 20 April 2022)  |
|                            | Mr. Tomohide Ito   | Chairman<br>(until 20 April 2022)                                    |
|                            | Mr. Hajime Kawasaki  | Member   |
|                            | Mr. Hiroaki Takaoka  | Member<br>(from 21 April 2022)                                       |
|                            | Mr. Toru Yoshimura   | Member<br>(until 20 April 2022)                                      |
|                            | Mr. Koichi Ogawa   | Member<br>(until 20 April 2022)                                      |
| <b>Board of Directors</b>  | Mr. Hajime Kawasaki  | General Director<br>Director/General Manager<br>of Factory           |
|                            | Mr. Koichi Noda  |  |
|                            | Ms. Nguyen Thi Kim Lien  | Director/General Manager<br>of Internal Control                      |
|                            | Mr. Tomohide Ito   | Director/General Manager<br>of Planning                              |
|                            | Mr. Kenichiro Wada   | Director/General Manager<br>of Marketing/General<br>Manager of Sales |
| <b>Registered Office</b>   | Lot 13, Tam Phuoc Industrial Zone<br>Tam Phuoc Ward, Bien Hoa City<br>Dong Nai Province<br>Vietnam |  |
| <b>Auditor</b>             | KPMG Limited<br>Vietnam  |  |

**Interfood Shareholding Company  
Statement of the Board of Directors**

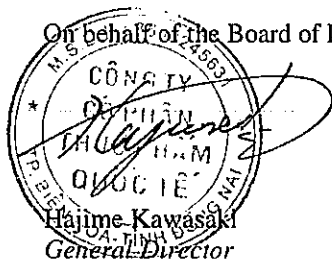
The Board of Directors of Interfood Shareholding Company ("the Company") presents this statement and the accompanying interim financial statements of the Company for the six-month period ended 30 June 2022.

The Company's Board of Directors is responsible for the preparation and fair presentation of the interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Company's Board of Directors:

- (a) the interim financial statements set out on pages 6 to 33 give a true and fair view of the financial position of the Company as at 30 June 2022, and of its results of operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Company's Board of Directors has, on the date of this statement, authorised the accompanying interim financial statements for issue.

On behalf of the Board of Directors



Hajime Kawasaki  
General Director

Dong Nai Province, 15 August 2022



KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## INTERIM FINANCIAL INFORMATION REVIEW REPORT

### To the Shareholders Interfood Shareholding Company

We have reviewed the accompanying interim financial statements of Interfood Shareholding Company ("the Company"), which comprise the balance sheet as at 30 June 2022, the statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 15 August 2022, as set out on pages 6 to 33.

### Management's Responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the financial position of Interfood Shareholding Company as at 30 June 2022 and of its results of operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

**KPMG Limited's Branch in Ho Chi Minh City**  
Vietnam

Review Report No.: 22-01-00310-22-1



Truong Minh Phuc  
Practicing Auditor Registration  
Certificate No. 1901-2018-007-1  
Deputy General Director

Trieu Tich Quyen  
Practicing Auditor Registration  
Certificate No. 4629-2018-007-2

Ho Chi Minh City, 15 August 2022

1/1  
1/4  
1/4

**Interfood Shareholding Company**  
**Balance sheet as at 30 June 2022**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

|  | Code       | Note      | 30/6/2022<br>VND'000 | 1/1/2022<br>VND'000  |
|--|------------|-----------|----------------------|----------------------|
| <b>ASSETS</b>  |            |           |                      |                      |
| <b>Current assets</b><br>(100 = 110 + 130 + 140 + 150) | <b>100</b> |           | <b>1,264,604,496</b> | <b>1,144,057,173</b> |
| <b>Cash and cash equivalents</b>                       | <b>110</b> | <b>7</b>  | <b>985,880,572</b>   | <b>928,623,068</b>   |
| Cash   | 111        |           | 285,880,572          | 378,623,068          |
| Cash equivalents                                       | 112        |           | 700,000,000          | 550,000,000          |
| <b>Accounts receivable – short-term</b>                | <b>130</b> |           | <b>43,106,554</b>    | <b>34,794,054</b>    |
| Accounts receivable from customers                     | 131        | 8         | 27,047,113           | 29,573,912           |
| Prepayments to suppliers                               | 132        |           | 11,888,254           | 2,651,398            |
| Other short-term receivables                           | 136        | 9         | 4,185,125            | 2,582,682            |
| Allowance for doubtful debts                           | 137        | 8         | (13,938)             | (13,938)             |
| <b>Inventories</b>                                     | <b>140</b> | <b>10</b> | <b>233,111,517</b>   | <b>179,623,221</b>   |
| Inventories  | 141        |           | 233,419,032          | 180,071,552          |
| Allowance for inventories                              | 149        |           | (307,515)            | (448,331)            |
| <b>Other current assets</b>                            | <b>150</b> |           | <b>2,505,853</b>     | <b>1,016,830</b>     |
| Short-term prepaid expenses                            | 151        |           | 2,364,630            | 875,607              |
| Taxes and others receivable from State Treasury        | 153        |           | 141,223              | 141,223              |
| <b>Long-term assets</b><br>(200 = 210 + 220 + 260)     | <b>200</b> |           | <b>132,478,029</b>   | <b>132,663,069</b>   |
| <b>Accounts receivable – long-term</b>                 | <b>210</b> |           | <b>932,520</b>       | <b>932,520</b>       |
| Other long-term receivables                            | 216        |           | 932,520              | 932,520              |
| <b>Fixed assets</b>                                    | <b>220</b> |           | <b>81,036,678</b>    | <b>88,327,895</b>    |
| Tangible fixed assets                                  | 221        | 11        | 79,685,234           | 86,313,610           |
| Cost   | 222        |           | 429,281,549          | 428,367,799          |
| Accumulated depreciation                               | 223        |           | (349,596,315)        | (342,054,189)        |
| Intangible fixed assets                                | 227        | 12        | 1,351,444            | 2,014,285            |
| Cost   | 228        |           | 14,082,575           | 14,082,575           |
| Accumulated amortisation                               | 229        |           | (12,731,131)         | (12,068,290)         |
| <b>Other long-term assets</b>                          | <b>260</b> |           | <b>50,508,831</b>    | <b>43,402,654</b>    |
| Long-term prepaid expenses                             | 261        | 13        | 32,292,171           | 28,977,864           |
| Deferred tax assets                                    | 262        | 14        | 18,216,660           | 14,424,790           |
| <b>TOTAL ASSETS (270 = 100 + 200)</b>                  | <b>270</b> |           | <b>1,397,082,525</b> | <b>1,276,720,242</b> |

*The accompanying notes are an integral part of these interim financial statements*

**Interfood Shareholding Company**  
**Balance sheet as at 30 June 2022 (continued)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|   | Code       | Note      | 30/6/2022<br>VND'000 | 1/1/2022<br>VND'000  |
|---|------------|-----------|----------------------|----------------------|
| <b>RESOURCES</b>  |            |           |                      |                      |
| <b>LIABILITIES (300 = 310 + 330)</b>                    | <b>300</b> |           | <b>266,396,121</b>   | <b>213,644,293</b>   |
| <b>Current liabilities</b>                              | <b>310</b> |           | <b>262,688,529</b>   | <b>210,044,244</b>   |
| Accounts payable to suppliers                           | 311        | 15        | 135,843,585          | 107,154,816          |
| Advances from customers                                 | 312        |           | 15,808,700           | 18,749,141           |
| Taxes and others payable to State Treasury              | 313        | 16        | 15,126,019           | 6,491,034            |
| Payables to employees                                   | 314        |           | 8,792,118            | 8,724,114            |
| Accrued expenses  | 315        | 17        | 85,854,580           | 68,061,632           |
| Other short-term payables                               | 319        | 18        | 1,263,527            | 863,507              |
| <b>Long-term liabilities</b>                            | <b>330</b> |           | <b>3,707,592</b>     | <b>3,600,049</b>     |
| Long-term provisions                                    | 342        | 19        | 3,707,592            | 3,600,049            |
| <b>EQUITY (400 = 410)</b>                               | <b>400</b> |           | <b>1,130,686,404</b> | <b>1,063,075,949</b> |
| <b>Owners' equity</b>                                   | <b>410</b> | <b>20</b> | <b>1,130,686,404</b> | <b>1,063,075,949</b> |
| Share capital   | 411        | 21        | 871,409,840          | 871,409,840          |
| - Ordinary shares with voting rights                    | 411a       |           | 871,409,840          | 871,409,840          |
| Share premium   | 412        |           | 85,035,704           | 85,035,704           |
| Other equity funds                                      | 420        | 22        | 90,034,048           | 90,034,048           |
| Retained profits  | 421        |           | 84,206,812           | 16,596,357           |
| - Retained profits/(Accumulated losses) brought forward | 421a       |           | 16,596,357           | (108,961,177)        |
| - Net profit for the current period/ prior year         | 421b       |           | 67,610,455           | 125,557,534          |
| <b>TOTAL RESOURCES (440 = 300 + 400)</b>                | <b>440</b> |           | <b>1,397,082,525</b> | <b>1,276,720,242</b> |

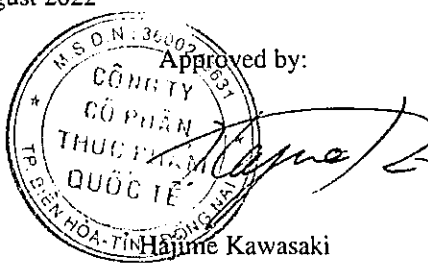
15 August 2022

Prepared by:



Nguyen Hong Phong  
Chief Accountant

Approved by:



Hajime Kawasaki  
General Director

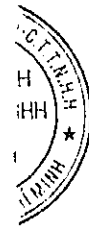
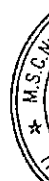
*The accompanying notes are an integral part of these interim financial statements*



**Interfood Shareholding Company**  
**Statement of income for the six-month period ended 30 June 2022**

**Form B 02a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

|  | Code      | Note      | Six-month period ended |                      |
|--|-----------|-----------|------------------------|----------------------|
|  |           |           | 30/6/2022<br>VND'000   | 30/6/2021<br>VND'000 |
| Revenue from sale of goods   | 01        | 24        | 839,692,842            | 743,835,080          |
| Revenue deductions   | 02        | 24        | 53,380,650             | 41,765,522           |
| <b>Net revenue (10 = 01 - 02)</b>  | <b>10</b> | <b>24</b> | <b>786,312,192</b>     | <b>702,069,558</b>   |
| Cost of sales  | 11        | 25        | 535,299,290            | 419,359,535          |
| <b>Gross profit (20 = 10 - 11)</b>   | <b>20</b> |           | <b>251,012,902</b>     | <b>282,710,023</b>   |
| Financial income   | 21        | 26        | 7,694,575              | 2,443,376            |
| Financial expenses   | 22        |           | 39,942                 | 17,216               |
| <i>In which: Interest expense</i>  | 23        |           | -                      | 4,482                |
| Selling expenses   | 25        | 27        | 155,751,048            | 115,290,080          |
| General and administration expenses  | 26        | 28        | 17,235,034             | 17,539,814           |
| <b>Net operating profit</b><br><b>{30 = 20 + (21 - 22) - (25 + 26)}</b>                  | <b>30</b> |           | <b>85,681,453</b>      | <b>152,306,289</b>   |
| Other income   | 31        |           | 253,742                | 224,858              |
| Other expenses   | 32        | 29        | 1,098,634              | 570,492              |
| <b>Results of other activities (40 = 31 - 32)</b>  | <b>40</b> |           | <b>(844,892)</b>       | <b>(345,634)</b>     |
| <b>Accounting profit before tax (50 = 30 + 40)</b>                                       | <b>50</b> |           | <b>84,836,561</b>      | <b>151,960,655</b>   |
| Income tax expense – current   | 51        | 31        | 21,017,976             | 25,795,598           |
| Income tax (benefit)/expense – deferred  | 52        | 31        | (3,791,870)            | 4,725,581            |
| <b>Net profit after tax (60 = 50 - 51 - 52)</b><br><b>(carried forward to next page)</b> | <b>60</b> |           | <b>67,610,455</b>      | <b>121,439,476</b>   |



*The accompanying notes are an integral part of these interim financial statements*

**Interfood Shareholding Company**  
**Statement of income for the six-month period ended 30 June 2022 (continued)**

**Form B 02a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

|  | Code | Note | Six-month period ended |                      |
|--|------|------|------------------------|----------------------|
|  |      |      | 30/6/2022<br>VND'000   | 30/6/2021<br>VND'000 |
| Net profit after tax<br>(brought forward from previous page) | 60   |      | 67,610,455             | 121,439,476          |
| <b>Earnings per share</b>                                    |      |      |                        |                      |
| Basic earnings per share (in VND)                            | 70   | 32   | 776                    | 1,394                |

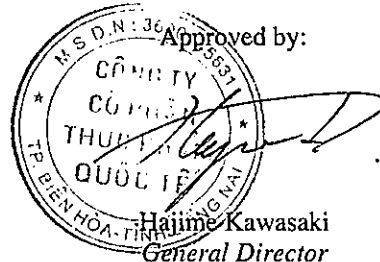
15 August 2022

Prepared by:



Nguyen Hong Phong  
Chief Accountant

Approved by:



Hajime Kawasaki  
General Director

*The accompanying notes are an integral part of these interim financial statements*

**Interfood Shareholding Company**  
**Statement of cash flows for the six-month period ended 30 June 2022**  
**(Indirect method)**

**Form B 03a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

|   | Code      | Six-month period ended |                      |
|---|-----------|------------------------|----------------------|
|   |           | 30/6/2022<br>VND'000   | 30/6/2021<br>VND'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |           |                        |                      |
| Accounting profit before tax  | 01        | 84,836,561             | 151,960,655          |
| Adjustments for   |           |                        |                      |
| Depreciation and amortisation   | 02        | 8,204,967              | 8,582,104            |
| Allowances and provisions   | 03        | 696,362                | 750,328              |
| Exchange losses arising from revaluation of<br>monetary items denominated in foreign currencies | 04        | 39,942                 | 8,263                |
| Profits from investing activities   | 05        | (7,614,690)            | (2,268,291)          |
| Interest expense  | 06        | -                      | 4,482                |
| <b>Operating profit before changes in working capital</b>                                       | <b>08</b> | <b>86,163,142</b>      | <b>159,037,541</b>   |
| Change in receivables and other assets  | 09        | (6,730,948)            | 12,133,515           |
| Change in inventories   | 10        | (53,898,548)           | 24,338,005           |
| Change in payables and other liabilities  | 11        | 41,231,686             | (31,460,672)         |
| Change in prepaid expenses  | 12        | (4,803,330)            | (233,386)            |
|   |           | <b>61,962,002</b>      | <b>163,815,003</b>   |
| Interest paid   | 14        | -                      | (4,482)              |
| Corporate income tax paid   | 15        | (9,758,394)            | (32,255,830)         |
| <b>Net cash flows from operating activities</b>   | <b>20</b> | <b>52,203,608</b>      | <b>131,554,691</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |           |                        |                      |
| Payments for additions to fixed assets  | 21        | (913,750)              | (2,269,040)          |
| Receipts of interest  | 27        | 5,967,646              | 1,684,729            |
| <b>Net cash flows from investing activities</b>   | <b>30</b> | <b>5,053,896</b>       | <b>(584,311)</b>     |

*The accompanying notes are an integral part of these interim financial statements*

**Interfood Shareholding Company**  
**Statement of cash flows for the six-month period ended 30 June 2022**  
**(Indirect method – continued)**

**Form B 03a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

|  | Code      | Six-month period ended |                      |
|--|-----------|------------------------|----------------------|
|  |           | 30/6/2022<br>VND'000   | 30/6/2021<br>VND'000 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                              |           |                        |                      |
| Payments to settle finance lease liabilities                             | 35        | -                      | (28,566)             |
| <b>Net cash flows from financing activities</b>                          | <b>40</b> | <b>-</b>               | <b>(28,566)</b>      |
| <b>Net cash flows during the period</b><br>(50 = 20 + 30 + 40)           | <b>50</b> | <b>57,257,504</b>      | <b>130,941,814</b>   |
| <b>Cash and cash equivalents at the beginning of the period</b>          | <b>60</b> | <b>928,623,068</b>     | <b>720,073,459</b>   |
| <b>Cash and cash equivalents at the end of the period (70 = 50 + 60)</b> | <b>70</b> | <b>985,880,572</b>     | <b>851,015,273</b>   |

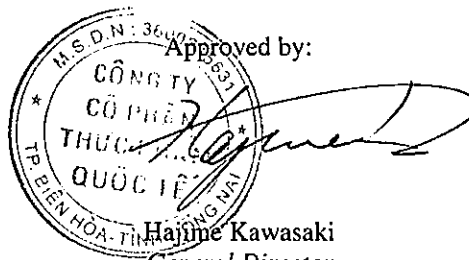
15 August 2022

Prepared by:



Nguyen Hong Phong  
Chief Accountant

Approved by:



Hajime Kawasaki  
General Director

*The accompanying notes are an integral part of these interim financial statements*

## Interfood Shareholding Company

### Notes to the interim financial statements for the six-month period ended 30 June 2022

Form B 09a – DN

(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

These notes form an integral part of and should be read in conjunction with the accompanying interim financial statements.

## 1. Reporting entity

### (a) Ownership structure

Interfood Shareholding Company (“the Company”) is incorporated as a joint stock company in Vietnam.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange in accordance with the Listing License No. 61/UBCK-GPNY issued by the Ho Chi Minh City Stock Exchange on 29 September 2006.

According to the Announcement No. 395/2013 of the Ho Chi Minh City Stock Exchange, the Company’s shares were delisted on 3 May 2013 and thereafter traded on Vietnam Security Depository.

The Company’s shares were traded on the Unlisted Public Company Market in accordance with the Decision No. 717/QĐ-SGDHN issued by the Ha Noi Stock Exchange on 7 November 2016.

### (b) Principal activities

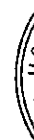
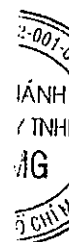
The principal activities of the Company are to process agricultural and aquatic products into canned, dried, frozen, salted, and pickled products; the production of biscuits and snack food; carbonated and non-carbonated fruit juice, non-carbonated and carbonated beverages, with or without low level of alcohol (less than 10%); bottled filtered water; packaging for foods and beverages; to process milk and milk related products; and to export, import products in accordance with business operation.

### (c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

### (d) The Company’s headcount

As at 30 June 2022, the Company had 799 employees (1/1/2022: 578 employees).



**Interfood Shareholding Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
**(continued)**

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**2. Basis of preparation**

**(a) Statement of compliance**

These interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

**(b) Basis of measurement**

The interim financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

**(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December. The interim financial statements are prepared for the six-month period ended 30 June 2022.

**(d) Accounting and presentation currency**

The Company's accounting currency is Vietnam Dong ("VND"). The interim financial statements are prepared and presented in Vietnam Dong rounded to the nearest thousand ("VND'000").

**3. Significant accounting policies**

The following significant accounting policies that have been adopted by the Company in the preparation of these interim financial statements are consistent with those adopted in the preparation of the latest annual financial statements.

**(a) Foreign currency transactions**

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and the account transfer selling rate at the end of the accounting period, respectively, quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

**Interfood Shareholding Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
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**(b) Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**(c) Accounts receivable**

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

**(d) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and estimated costs to sell.

The Company applies the perpetual method of accounting for inventories.

**(e) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

|                           |              |
|---------------------------|--------------|
| ▪ buildings               | 30 years     |
| ▪ machinery and equipment | 4 – 15 years |
| ▪ motor vehicles          | 6 – 10 years |
| ▪ office equipment        | 3 – 10 years |

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**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
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**(f) Intangible fixed assets**

*Software*

Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over 10 years.

**(g) Long-term prepaid expenses**

**(i) *Prepaid land costs***

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing laws and regulations, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease of 40 years.

**(ii) *Tools and supplies***

Tools and supplies include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Costs of tools and supplies are amortised on a straight-line basis over 3 years.

**(iii) *Other long-term prepaid expenses***

Other long-term prepaid expenses mainly include renovation, repair and maintenance expenses which are initially stated at cost and amortised on a straight-line basis over a period range from 2 to 3 years.

**(h) Trade and other payables**

Accounts payable to suppliers and other payables are stated at their costs.



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**(i) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

***Severance allowance***

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

**(j) Share capital**

***Ordinary shares***

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issuance of shares, net of tax effects. Such costs are recognised as a deduction from share premium. The difference between proceeds from the issuance of shares over the par value is recorded in share premium.

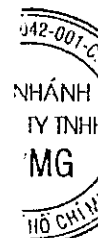
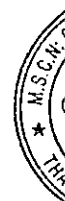
**(k) Taxation**

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



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**(l) Revenue and other income**

**(i) Goods sold**

Revenue from sale of goods is recognised in the statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue from sale of goods is recognised at the net amount after deducting sale discounts stated on the invoice.

**(ii) Interest income**

Interest income is recognised in the statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

**(m) Operating lease payments**

Assets held under leases in terms of which the Company, as lessee, does not assume substantially all the risks and rewards of ownership are classified as operating leases and are not recognised in the balance sheet. Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense, over the term of the lease.

**(n) Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

**(o) Earnings per share**

The Company presents basic earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. During the period, the Company had no potential ordinary shares and therefore does not present diluted EPS.

**(p) Segment reporting**

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company’s primary format and secondary format for segment reporting are based on business segments and geographical segments, respectively.

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**(q) Related parties**

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

**(r) Comparative information**

Comparative information in these interim financial statements is presented as corresponding figures. Under this method, comparative information for the prior period is included as an integral part of the current period interim financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these interim financial statements is not intended to present the Company's financial position, results of operations or cash flows for the prior period.

Comparative information as at 1 January 2022 was derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 December 2021.

**4. Seasonality of operations**

Total revenue of the Company typically increases in the fourth quarter of each year as distributors prepare for an anticipated increase in consumer demand in the months leading up to the Tet (Lunar New Year) holidays, which occur in the first quarter of each year. Accordingly, the Company typically increases the production and also increases advertising and promotional efforts in the fourth quarter of each year during the period leading to the festive season.

**5. Changes in accounting estimates**

In preparing these interim financial statements, the Board of Directors made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in basis of accounting estimates compared to those made in the most recent annual financial statements or those made in the same interim period of the prior year.

**6. Segment reporting**

The Company mainly operates in one business segment, which is the production and sale of beverages and in primarily one geographical segment, which is in Vietnam.

**Interfood Shareholding Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
(continued)

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**7. Cash and cash equivalents**

|                  | <b>30/6/2022</b> | <b>1/1/2022</b> |
|------------------|------------------|-----------------|
|                  | <b>VND'000</b>   | <b>VND'000</b>  |
| Cash on hand     | 138,086          | 90,146          |
| Cash at banks    | 285,742,486      | 378,532,922     |
| Cash equivalents | 700,000,000      | 550,000,000     |
|                  | <hr/>            | <hr/>           |
|                  | 985,880,572      | 928,623,068     |
|                  | <hr/>            | <hr/>           |

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transaction dates.

**8. Accounts receivable from customers**

**(a) Accounts receivable from customers detailed by significant customers**

|  | <b>30/6/2022</b> | <b>1/1/2022</b> |
|--|------------------|-----------------|
|  | <b>VND'000</b>   | <b>VND'000</b>  |
| WinCommerce General Commercial Services<br>Joint Stock Company | 7,219,531        | 7,800,393       |
| EB Services Company Limited                                    | 3,600,815        | 5,380,205       |
| MM Mega Market Vietnam Company Limited                         | 2,861,479        | 4,151,201       |
| Others   | 13,365,288       | 12,242,113      |
|  | <hr/>            | <hr/>           |
|  | 27,047,113       | 29,573,912      |
|  | <hr/>            | <hr/>           |

**(b) Accounts receivable from customers classified by payment term**

|            | <b>30/6/2022</b> | <b>1/1/2022</b> |
|------------|------------------|-----------------|
|            | <b>VND'000</b>   | <b>VND'000</b>  |
| Short-term | 27,047,113       | 29,573,912      |
|            | <hr/>            | <hr/>           |

**Interfood Shareholding Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
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Movements of the allowance for doubtful debts during the period were as follows:

|                                      | Six-month period ended |                      |
|--------------------------------------|------------------------|----------------------|
|                                      | 30/6/2022<br>VND'000   | 30/6/2021<br>VND'000 |
| Opening balance                      | 13,938                 | 4,076,036            |
| Allowance utilised during the period | -                      | (4,076,036)          |
| Closing balance                      | 13,938                 | -                    |

**9. Other short-term receivables**

|  | 30/6/2022<br>VND'000 | 1/1/2022<br>VND'000 |
|--|----------------------|---------------------|
| Interest receivable from deposits at banks | 3,844,902            | 2,197,858           |
| Others                                     | 340,223              | 384,824             |
|  | 4,185,125            | 2,582,682           |

**10. Inventories**

|                    | 30/6/2022       |                      | 1/1/2022        |                      |
|--------------------|-----------------|----------------------|-----------------|----------------------|
|                    | Cost<br>VND'000 | Allowance<br>VND'000 | Cost<br>VND'000 | Allowance<br>VND'000 |
| Goods in transit   | 1,122,595       | -                    | 1,927,010       | -                    |
| Raw materials      | 51,905,042      | -                    | 43,273,764      | -                    |
| Tools and supplies | 5,212,592       | (296,819)            | 5,911,817       | (296,819)            |
| Work in progress   | 7,804,923       | -                    | 6,702,591       | -                    |
| Finished goods     | 167,373,880     | (10,696)             | 122,256,370     | (151,512)            |
|                    | 233,419,032     | (307,515)            | 180,071,552     | (448,331)            |

**Interfood Shareholding Company****Notes to the interim financial statements for the six-month period ended 30 June 2022  
(continued)**

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Movements of the allowance for inventories during the period were as follows:

|                                      | Six-month period ended |           |
|--------------------------------------|------------------------|-----------|
|                                      | 30/6/2022              | 30/6/2021 |
|                                      | VND'000                | VND'000   |
| Opening balance                      | 448,331                | 368,794   |
| Allowance made during the period     | 410,252                | 568,815   |
| Allowance utilised during the period | (551,068)              | (509,323) |
| Closing balance                      | 307,515                | 428,286   |

**11. Tangible fixed assets**

|                                 | Buildings<br>VND'000 | Machinery and<br>equipment<br>VND'000 | Motor<br>vehicles<br>VND'000 | Office<br>equipment<br>VND'000 | Total<br>VND'000 |
|---------------------------------|----------------------|---------------------------------------|------------------------------|--------------------------------|------------------|
| <b>Cost</b>                     |                      |                                       |                              |                                |                  |
| Opening balance                 | 117,748,737          | 291,082,154                           | 5,578,385                    | 13,958,523                     | 428,367,799      |
| Additions                       | -                    | 621,900                               | -                            | 291,850                        | 913,750          |
| Closing balance                 | 117,748,737          | 291,704,054                           | 5,578,385                    | 14,250,373                     | 429,281,549      |
| <b>Accumulated depreciation</b> |                      |                                       |                              |                                |                  |
| Opening balance                 | 55,875,657           | 269,377,168                           | 5,126,020                    | 11,675,344                     | 342,054,189      |
| Charge for the period           | 1,982,964            | 4,690,047                             | 101,372                      | 767,743                        | 7,542,126        |
| Closing balance                 | 57,858,621           | 274,067,215                           | 5,227,392                    | 12,443,087                     | 349,596,315      |
| <b>Net book value</b>           |                      |                                       |                              |                                |                  |
| Opening balance                 | 61,873,080           | 21,704,986                            | 452,365                      | 2,283,179                      | 86,313,610       |
| Closing balance                 | 59,890,116           | 17,636,839                            | 350,993                      | 1,807,286                      | 79,685,234       |

Included in tangible fixed assets were assets costing VND91,730 million which were fully depreciated as of 30 June 2022 (1/1/2022: VND77,214 million), but which are still in active use.

Net book value of temporarily idle tangible fixed assets amounted to VND679 million as of 30 June 2022 (1/1/2022: VND701 million).

**Interfood Shareholding Company****Notes to the interim financial statements for the six-month period ended 30 June 2022**  
(continued)**Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***12. Intangible fixed assets**

|                                 | <b>Software<br/>VND'000</b> |
|---------------------------------|-----------------------------|
| <b>Cost</b>                     |                             |
| Opening and closing balance     | 14,082,575                  |
| <b>Accumulated amortisation</b> |                             |
| Opening balance                 | 12,068,290                  |
| Charge for the period           | 662,841                     |
| Closing balance                 | 12,731,131                  |
| <b>Net book value</b>           |                             |
| Opening balance                 | 2,014,285                   |
| Closing balance                 | 1,351,444                   |

Included in intangible fixed assets were assets costing VND1,851 million which were fully amortised as of 30 June 2022 (1/1/2022: VND1,851 million), but which are still in active use.

**13. Long-term prepaid expenses**

|                             | <b>Prepaid<br/>land costs<br/>VND'000</b> | <b>Tools and<br/>supplies<br/>VND'000</b> | <b>Others<br/>VND'000</b> | <b>Total<br/>VND'000</b> |
|-----------------------------|---|---|---------------------------|--------------------------|
| Opening balance             | 22,097,539                                | 185,897                                   | 6,694,428                 | 28,977,864               |
| Additions                   | -   | -   | 5,799,360                 | 5,799,360                |
| Amortisation for the period | (347,993)                                 | (185,897)                                 | (1,951,163)               | (2,485,053)              |
| Closing balance             | 21,749,546                                | -   | 10,542,625                | 32,292,171               |

Interfood Shareholding Company  
Notes to the interim financial statements for the six-month period ended 30 June 2022  
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**14. Deferred tax assets**

|                                    | Tax rate | 30/6/2022<br>VND'000 | 1/1/2022<br>VND'000 |
|------------------------------------|----------|----------------------|---------------------|
| Deferred tax assets recognised on: |          |                      |                     |
| Accrued expenses                   | 20%      | 17,170,916           | 13,612,326          |
| Allowances and provisions          | 20%      | 805,809              | 812,464             |
| Others                             | 20%      | 239,935              | -                   |
|                                    |          | <hr/>                | <hr/>               |
|                                    |          | 18,216,660           | 14,424,790          |

**15. Accounts payable to suppliers**

**(a) Accounts payable to suppliers detailed by significant suppliers**

|   | 30/6/2022       |  | 1/1/2022        |  |
|---|-----------------|--|-----------------|--|
|   | Cost<br>VND'000 | Amount<br>within<br>payment<br>capacity<br>VND'000 | Cost<br>VND'000 | Amount<br>within<br>payment<br>capacity<br>VND'000 |
| Vietnam Kirin Beverage Company Limited        | 52,506,885      | 52,506,885   | 47,195,482      | 47,195,482   |
| Crown Beverage Can (Dong Nai) Company Limited | 25,866,506      | 25,866,506   | 17,392,971      | 17,392,971   |
| Vietnam Chuan Li Can Company Limited          | 14,978,429      | 14,978,429   | 4,062,889       | 4,062,889  |
| Others  | 42,491,765      | 42,491,765   | 38,503,474      | 38,503,474   |
|   | <hr/>           | <hr/>  | <hr/>           | <hr/>  |
|   | 135,843,585     | 135,843,585  | 107,154,816     | 107,154,816  |

**(b) Accounts payable to suppliers classified by payment term**

|            | 30/6/2022       |  | 1/1/2022        |  |
|------------|-----------------|--|-----------------|--|
|            | Cost<br>VND'000 | Amount<br>within<br>payment<br>capacity<br>VND'000 | Cost<br>VND'000 | Amount<br>within<br>payment<br>capacity<br>VND'000 |
| Short-term | 135,843,585     | 135,843,585  | 107,154,816     | 107,154,816  |





**Interfood Shareholding Company****Notes to the interim financial statements for the six-month period ended 30 June 2022  
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- (\*) According to the Secondment Agreement dated 1 July 2011, the Company agreed to pay a secondment fee to Kirin Holdings Company, Limited, the ultimate parent company, who provides strategic and management advice and assistance to the Company at fixed amounts stipulated in the agreement with each seconded employee.

**18. Other short-term payables**

|  | 30/6/2022<br>VND'000 | 1/1/2022<br>VND'000 |
|--|----------------------|---------------------|
| Dividends payable                        | 505,391              | 505,391             |
| Non-trade amounts due to a related party | 446,321              | 207,427             |
| Others                                   | 311,815              | 150,689             |
|  | <hr/> 1,263,527      | <hr/> 863,507       |

The non-trade amounts due to a related party were unsecured, interest free and are payable at call.

**19. Long-term provisions**

Movements of provision during the period were as follows:

|                                      | Severance<br>allowance<br>VND'000 |
|--------------------------------------|-----------------------------------|
| Opening balance                      | 3,600,049                         |
| Provision made during the period     | 286,110                           |
| Provision utilised during the period | (178,567)                         |
|                                      | <hr/> 3,707,592                   |

**Interfood Shareholding Company**

**Notes to the interim financial statements for the six-month period ended 30 June 2022 (continued)**

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**20. Changes in owners' equity**

|                                     | Share capital<br>VND'000 | Share premium<br>VND'000 | Other<br>equity funds<br>VND'000 | (Accumulated losses)/<br>Retained profits<br>VND'000 | Total<br>VND'000 |
|-------------------------------------|--------------------------|--------------------------|----------------------------------|--|------------------|
| <b>Balance as at 1 January 2021</b> | 871,409,840              | 85,035,704               | 90,034,048                       | (108,961,177)  | 937,518,415      |
| Net profit for the period           | -                        | -                        | -                                | 121,439,476  | 121,439,476      |
| <b>Balance as at 30 June 2021</b>   | 871,409,840              | 85,035,704               | 90,034,048                       | 12,478,299   | 1,058,957,891    |
| Net profit for the period           | -                        | -                        | -                                | 4,118,058  | 4,118,058        |
| <b>Balance as at 1 January 2022</b> | 871,409,840              | 85,035,704               | 90,034,048                       | 16,596,357   | 1,063,075,949    |
| Net profit for the period           | -                        | -                        | -                                | 67,610,455   | 67,610,455       |
| <b>Balance as at 30 June 2022</b>   | 871,409,840              | 85,035,704               | 90,034,048                       | 84,206,812   | 1,130,686,404    |

**Interfood Shareholding Company****Notes to the interim financial statements for the six-month period ended 30 June 2022  
(continued)**

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*(Issued under Circular No. 200/2014/TT-BTC  
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The Company's authorised and issued share capital were as follows:

|  | 30/6/2022 and 1/1/2022 |             |
|--|------------------------|-------------|
|  | Number of<br>shares    | VND'000     |
| <b>Authorised and issued share capital</b> |                        |             |
| Ordinary shares                            | 87,140,992             | 871,409,920 |
| <b>Shares in circulation</b>               |                        |             |
| Ordinary shares                            | 87,140,984             | 871,409,840 |

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

There were no movements of share capital during the period.

**22. Other equity funds**

On 1 January 2013, the Company changed its accounting currency from United States Dollars ("USD") to Vietnam Dong ("VND") in accordance with the requirements of Circular No. 244/2010/TT/BTC dated 31 December 2009 of the Ministry of Finance. Accordingly, all balances in USD as at 31 December 2012 have been translated to VND at the exchange rate of VND20,828 to USD1. The difference between the converted value and par value of ordinary shares of VND90,034,048,000 is reflected as other equity funds.

**23. Off balance sheet items****(a) Lease commitments**

The future minimum lease payments under non-cancellable operating leases were as follows:

|                     | 30/6/2022<br>VND'000 | 1/1/2022<br>VND'000 |
|---------------------|----------------------|---------------------|
| Within 1 year       | 4,022,461            | 4,022,461           |
| Within 2 to 5 years | 9,281,999            | 11,293,229          |
|                     | 13,304,460           | 15,315,690          |

**Interfood Shareholding Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
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**(b) Foreign currency**

|     | 30/6/2022            |                       | 1/1/2022             |                       |
|-----|----------------------|-----------------------|----------------------|-----------------------|
|     | Original<br>currency | VND'000<br>equivalent | Original<br>currency | VND'000<br>equivalent |
| USD | 113,156              | 2,568,240             | 292,796              | 6,628,898             |

**24. Revenue from sale of goods**

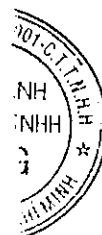
Total revenue represented the gross value of goods sold exclusive of value added tax.

Net revenue comprised of:

|                          | Six-month period ended |                      |
|--------------------------|------------------------|----------------------|
|                          | 30/6/2022<br>VND'000   | 30/6/2021<br>VND'000 |
| Total revenue            |                        |                      |
| ▪ Sale of drinks         | 697,732,258            | 605,513,273          |
| ▪ Sale of other products | 139,286,251            | 136,546,570          |
| ▪ Sale of scraps         | 2,674,333              | 1,775,237            |
|                          | <u>839,692,842</u>     | <u>743,835,080</u>   |
| Less revenue deductions  |                        |                      |
| ▪ Sale discounts         | 53,380,650             | 41,765,522           |
| Net revenue              | <u>786,312,192</u>     | <u>702,069,558</u>   |

**25. Cost of sales**

|                          | Six-month period ended |                      |
|--------------------------|------------------------|----------------------|
|                          | 30/6/2022<br>VND'000   | 30/6/2021<br>VND'000 |
| Total cost of sales      |                        |                      |
| ▪ Cost of drinks         | 436,319,644            | 332,941,908          |
| ▪ Cost of other products | 98,979,646             | 86,417,627           |
|                          | <u>535,299,290</u>     | <u>419,359,535</u>   |



**Interfood Shareholding Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
**(continued)**

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**26. Financial income**

|  | <b>Six-month period ended</b> |                  |
|--|-------------------------------|------------------|
|  | <b>30/6/2022</b>              | <b>30/6/2021</b> |
|  | <b>VND'000</b>                | <b>VND'000</b>   |
| Interest income from deposits at banks | 7,614,690                     | 2,268,291        |
| Foreign exchange gains                 | 79,885                        | 175,085          |
|  | <hr/>                         | <hr/>            |
|  | 7,694,575                     | 2,443,376        |
|  | <hr/>                         | <hr/>            |

**27. Selling expenses**

|                                      | <b>Six-month period ended</b> |                  |
|--------------------------------------|-------------------------------|------------------|
|                                      | <b>30/6/2022</b>              | <b>30/6/2021</b> |
|                                      | <b>VND'000</b>                | <b>VND'000</b>   |
| Staff costs and support expenses     | 76,704,380                    | 61,093,726       |
| Transportation expense               | 41,490,206                    | 27,226,644       |
| Advertisement and promotion expenses | 26,012,001                    | 16,671,311       |
| Rental expense                       | 4,318,282                     | 5,428,065        |
| Others                               | 7,226,179                     | 4,870,334        |
|                                      | <hr/>                         | <hr/>            |
|                                      | 155,751,048                   | 115,290,080      |
|                                      | <hr/>                         | <hr/>            |

**28. General and administration expenses**

|                               | <b>Six-month period ended</b> |                  |
|-------------------------------|-------------------------------|------------------|
|                               | <b>30/6/2022</b>              | <b>30/6/2021</b> |
|                               | <b>VND'000</b>                | <b>VND'000</b>   |
| Staff costs                   | 6,888,963                     | 6,610,958        |
| Rental expense                | 2,273,015                     | 2,332,341        |
| Consultant fee                | 1,595,400                     | 2,069,836        |
| Depreciation and amortisation | 1,871,156                     | 1,717,663        |
| Others                        | 4,606,500                     | 4,809,016        |
|                               | <hr/>                         | <hr/>            |
|                               | 17,235,034                    | 17,539,814       |
|                               | <hr/>                         | <hr/>            |

**Interfood Shareholding Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
 (continued)

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**29. Other expenses**

|  | Six-month period ended |           |
|--|------------------------|-----------|
|  | 30/6/2022              | 30/6/2021 |
|  | VND'000                | VND'000   |
| Depreciation of idle tangible fixed assets | 21,836                 | 42,597    |
| Others                                     | 1,076,798              | 527,895   |
|  | 1,098,634              | 570,492   |

**30. Production and business costs by elements**

|   | Six-month period ended |             |
|---|------------------------|-------------|
|   | 30/6/2022              | 30/6/2021   |
|   | VND'000                | VND'000     |
| Raw material costs included in production costs | 373,053,344            | 229,580,376 |
| Labour and staff costs and support expenses     | 102,710,265            | 78,274,427  |
| Depreciation and amortisation                   | 8,204,967              | 8,582,104   |
| Outside services                                | 244,517,515            | 162,217,766 |
| Others  | 9,451,403              | 7,117,300   |
|   | 1,038,947,534          | 585,772,973 |

**31. Income tax**

**(a) Recognised in the statement of income**

|   | Six-month period ended |            |
|---|------------------------|------------|
|   | 30/6/2022              | 30/6/2021  |
|   | VND'000                | VND'000    |
| <b>Current tax expense</b>                        |                        |            |
| Current period                                    | 21,017,976             | 25,795,598 |
| <b>Deferred tax (benefit)/expense</b>             |                        |            |
| Origination and reversal of temporary differences | (3,791,870)            | 4,725,581  |
|   | 17,226,106             | 30,521,179 |

**Interfood Shareholding Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
**(continued)**

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**(b) Reconciliation of effective tax rate**

|                               | <b>Six-month period ended</b> |                  |
|-------------------------------|-------------------------------|------------------|
|                               | <b>30/6/2022</b>              | <b>30/6/2021</b> |
|                               | <b>VND'000</b>                | <b>VND'000</b>   |
| Accounting profit before tax  | 84,836,561                    | 151,960,655      |
| Tax at the Company's tax rate | 16,967,312                    | 30,392,131       |
| Non-deductible expenses       | 258,794                       | 129,048          |
|                               | 17,226,106                    | 30,521,179       |

**(c) Applicable tax rates**

Under the terms of the Company's Investment Certificates, the Company has an obligation to pay the government income tax at the rate of 15% of taxable profits for the first 12 years starting from the first year of operation. Thereafter, from 2006 onwards the Company is subject to usual income tax rate applicable to enterprises before any incentives.

According to Decree No. 24/2007/ND-CP dated 14 February 2007 (which replaced Decree No. 164/2003/ND-CP dated 22 December 2003), the Company is entitled to tax incentives in relation to the relocation of its business activities out of an urban area. In 2006, the Company relocated one of its production lines from Bien Hoa City to Tam Phuoc Industrial Zone, Bien Hoa City. As a result, profit derived from this line is exempted from corporate income tax for two years and a reduction of 50% for the following six years. Also as stated in this Decree, the Company is entitled to tax incentives in relation to investments made in new production lines that are qualified under this Decree. The tax incentives include one year of exemption from corporate income tax and a reduction of 50% for the following four years applied to profit derived from the new production lines.

Under Decree No. 124/2008/ND-CP dated 11 December 2008 (which replaced Decree No. 24/2007/ND-CP dated 14 February 2007) and Decree No. 122/2011/ND-CP dated 27 December 2012 (which provided a number of amendments to prevailing Decree No. 124/2008/ND-CP), the Company will continue to enjoy its tax incentives under Decree No. 24/2007/ND-CP dated 14 February 2007.

According to Letter No. 11924/TC-CST dated 20 October 2004 issued by the Ministry of Finance, the Company is entitled to a 50% reduction for two years after listing its shares in Ho Chi Minh City Securities Trading Centre. The Company has completed the registration with the tax authority to apply the incentives commencing from 2007.

The usual income tax rate applicable to enterprises before any incentives is 20%.



**Interfood Shareholding Company****Notes to the interim financial statements for the six-month period ended 30 June 2022  
(continued)**

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*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***32. Basic earnings per share****(a) Net profit attributable to ordinary shareholders**

|  | Six-month period ended |             |
|--|------------------------|-------------|
|  | 30/6/2022              | 30/6/2021   |
|  | VND'000                | VND'000     |
| Net profit attributable to ordinary shareholders | 67,610,455             | 121,439,476 |

**(b) Weighted average number of ordinary shares**

|   | Six-month period ended |            |
|---|------------------------|------------|
|   | 30/6/2022              | 30/6/2021  |
|   | Shares                 | Shares     |
| Weighted average number of ordinary shares for the period | 87,140,984             | 87,140,984 |

**33. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the interim financial statements, the Company had the following significant transactions with related parties during the period:

|   | Transaction value |            |
|---|-------------------|------------|
|   | 30/6/2022         | 30/6/2021  |
|   | VND'000           | VND'000    |
| <i>Ultimate parent company</i>                |                   |            |
| <b>Kirin Holdings Company, Limited</b>        |                   |            |
| Secondment fee                                | 3,200,505         | 3,229,423  |
| Purchase of services                          | 85,858            | -          |
| <i>Other related parties</i>                  |                   |            |
| <b>Vietnam Kirin Beverage Company Limited</b> |                   |            |
| Processing fee                                | 137,531,733       | 93,640,093 |
| Purchase of goods                             | 871,260           | 43,661     |
| Purchase of services                          | 1,551,100         | 1,018,740  |
| Sale of goods                                 | 139,558           | -          |
| <b>Kyowa Hakko Bio Singapore Pte. Ltd.</b>    |                   |            |
| Purchase of goods                             | 4,661,170         | 463,700    |

**Interfood Shareholding Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2022**  
**(continued)**

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|   | <b>Transaction value</b>      |                  |
|---|-------------------------------|------------------|
|   | <b>Six-month period ended</b> |                  |
|   | <b>30/6/2022</b>              | <b>30/6/2021</b> |
|   | <b>VND'000</b>                | <b>VND'000</b>   |
| <b>Board of Management's members</b>                                      |                               |                  |
| <i>Fees</i>   | -                             | -                |
| <b>Board of Directors</b>   |                               |                  |
| <i>Salary</i>   |                               |                  |
| Hajime Kawasaki – General Director  | -                             | -                |
| <b>Key management personnel (excluding all the items disclosed above)</b> |                               |                  |
| Fees, bonus and other benefits  | 909,000                       | 909,000          |
| Secondment fee  | 2,227,440                     | 2,104,640        |

**34. Post balance sheet event**

Subsequent to the end of the accounting period, a dividend of VND16,557 million has been declared. The amount payable has not been accrued in these interim financial statements.

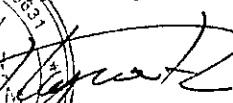
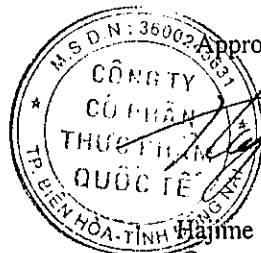
15 August 2022

Prepared by:



Nguyen Hong Phong  
*Chief Accountant*

Approved by:

Hajime Kawasaki  
*General Director*

