

Report and recommendations of the Board of Management at the 1st extraordinary General Meeting of Shareholders in 2012 on 25/12/2012

- Re-appointing the Chairman cum General Director;

At the 1st Extraordinary General Assembly of Shareholders in 2011 dated 30/07/2011, Mr. Michio Nagabayashi was elected as Chairman and General Director, the term 2011 - 2013. According to the provisions at Clause 1, Article 26 of the Company's Charter amended at the Annual Shareholders' Assembly in 2012 (AGM-2012) organized in April' 2012, Chairman of the Board and General Director should be approved annually. At the AGM-2012 the company has not re-appointed to this position due for less than one-year term. Therefore BOM suggests the re-appointment of Chairman and General Director, tenure 2012 - 2013 in EGM-2012-1 as per stipulation at Circular No.121/2012/TT-BTC dated 26/07/2012 of MOF.

- Changing the accounting monetary unit of the Company and its subsidiary;

Currently, the Company and its subsidiary (Avafood) are using USD as accounting monetary unit in accordance with the written approval No. 550 TC/CDKT on 05/09/1998 and No.1906TC/CDKT on 16/02/2005 of the Ministry of Finance respectively. The Companies prepared the financial statements according to the accounting currency in USD and the financial reporting changed to Viet Nam Dong when submitted to the State management simultaneously.

Production and business activities of the Company and its subsidiary in the recent years mainly using VND as payment currency, so do not meet the conditions stipulated in paragraph 2 of Article 5 of Circular No.244/2009/TT-BTC 31/12/2009 ("circular 244/2009/TT-BTC"). According to the provisions of Article 8 of this circular "When there are major changes in managerial and business operations resulting in the accounting monetary unit used in economic transactions failing to satisfy the criteria specified in Clause 2, Article 5. Chapter II of this Circular; enterprises may change their accounting monetary units. The change of a monetary unit for recording accounting books to another may be effected only at the beginning of a new accounting year". The Board proposed EGM-2012-1 to approve for the company and its subsidiary changing the accounting currency from USD to VND as prescribed.

- Extension of delisting schedule within the year 2013;

At the Company's Extraordinary General Meeting ("EGM-2011-1") held on 30 July 2011, the shareholders resolved to commence the process of delisting the Company's listed shares from the Ho Chi Minh Stock Exchange (HOSE). The Company's Board of Management proposed the delisting for the reasons discussed at the EGM-2011-1. Since then, the Company has explored, in consultation with its advisors and relevant government agencies, the proper procedures and timing for carrying out the Company's delisting. Given the complexity of the de-listing process, the importance of maximizing shareholder protection as well as complying with law, and the fact that voluntary de-listings are very rare in Vietnam, this consultation process has taken more time than initially expected.

- Liquidation and disposal of the idled assets of the Company and its subsidiary;

IFS:

- In 2007, IFS has planed to relocate the plant from Bien Hoa center to Tam Phuoc Industrial Zone and expand business by setting up two subsidiaries: Northern Interfood Shareholding Company at Que Vo industrial Zone, Bac Ninh province (NIFS) and Interfood Packaging

Shareholding Company in Tam Phuoc industrial Zone, Dong Nai province (IPS). In which some production line and supported machinery & equipment relocated from the factory in Bien Hoa center will be invested in NIFS.

- Unfortunately, IFS has faced with the serious financial situation as the banks tightened their credit standards in the 2008-2009 global financial crisis and cancelled the credit commitment led to failure of IFS in expanding business and NIFS could not operate, so the plan to relocate machinery & equipment to NIFS was failed and these machinery & equipment became to not in use and BOM proposes to liquidate and dispose.

- On the other hand the BOM also proposed to liquidate some additional machinery and equipment which not suitable with new production process of the Company.

- Total net book value of the IFS' assets requested for liquidation and disposal as at 30/06/2012 is USD 1,526,831.

AVA:

- From August 2011, the Management Board of Ava has decided to suspend developing and expanding the sales network through vending machines due to inefficient operations, allowing the company to be liquidated or leased the vending machines not in use

- On the other hand Ava's Management Board also proposed to liquidate to liquidate some additional machinery and equipment which not suitable with new production process of the Company.

- Total net book value of the AVA' assets requested for liquidation and disposal as at 30/06/2012 is USD706,946.

- Request for the approval from General Shareholders Assembly to concerning matters and other arising matters (if any).

For and on behalf of BOM of Interfood Shareholding Company
Chairman
(Signed and sealed)

Michio Nagabayashi
Date: 07th Dec 2012