



INTERFOOD SHAREHOLDING COMPANY

# ANNUAL REPORT 2018



Chúng tôi cam kết sẽ mang đến "**Sức khỏe và niềm vui**"  
thông qua sản phẩm chất lượng cao đến người tiêu dùng Việt.

## Contents

Message from Chairman of the Board .....	3
I. Company overview .....	4
1. General information .....	4
2. Company history .....	4
3. Business lines and localities.....	7
4. Organization and management structure .....	13
5. Development directions .....	16
II. Business operations.....	19
1. Situation of business operations.....	19
2. Organization structure and human resources .....	20
3. Situation of investment and project implementation .....	23
4. Financial situation.....	24
5. Shareholders structure and change in the owner's equity.....	25
III. Report and assessment of the board of directors .....	27
1. Assessment of operating results.....	27
2. Financial situation .....	27
3. Improvements in organizational structure, policies and management.....	27
4. Development plan in the future.....	28
5. Report on environmental and social responsibilities environmental initiatives .....	29
6. Corporate responsibility to the local community .....	30
IV. Assessments of the Board of Management on the company's operation .....	33
1. Assessment on the company's operation .....	33
2. Assessment on performance of the Board of Directors .....	33
3. Future plan of the Board of Management .....	33
V. Corporate governance .....	35
1. Board of Management.....	35
2. Supervisory Board .....	37
3. Remuneration and expenses on activities of the BOM and SB in 2018 .....	38
4. Share transactions of internal parties, major shareholders and related parties .....	38
VI. Financial statements.....	39

## MESSAGE FROM CHAIRMAN OF THE BOARD

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Dear our valued Stakeholders,

On behalf of the Board of Management of Interfood Shareholding Company, I would like to deeply thank all our shareholders, customers, business partners and other agencies/organizations for your support, adherence and along with IFS to overcome obstacles and complete the set objectives in 2018.

The Company's business results in FY2018 were excellent. The company has achieved results exceeding targets in both revenue and profit and the final profit is over VND 180 billion.

This is the highest result since KIRIN entered Vietnam market.

In 2018, IFS would like to forward a new development with three objectives as follows:

### **First: A profitable Company**

An unprofitable company cannot survive. Profitability is a basis for existence, so first of all, Company must be profitable, and it has been achieved all recent 3 years since 2016.

So, we have achieved this objectives as I've mentioned earlier. In the end, our Company stood firmly on a new starting line.

### **Second: An excellent Company.**

It is not aimed at making profits but to improve the Company's activities. I don't want the Company to get profitable by the wrongdoing. I want to make a Company that is recognized as "Interfood is a serious company, it's really a company".

### **Lastly, a Company for people.**

Our Company mission, the meaning of existence, is defined as "*Bringing happiness to Vietnamese people through creating safe, assured and healthy products.*" In short, our Company's purpose is to bring happiness to Vietnamese people.

Our Company's direction has not changed from time to time. The step by step further we toward the future goals, the greater our Company's development. Let's keep trying to have this year continue to be a wonderful year!

Again, I sincerely thank and look forward to continue receiving support from you.

Wish you all good health and success.

Chairman cum General Director

**(Signed and sealed)**

**YUTAKA OGAMI**

## I. COMPANY OVERVIEW

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### 1. GENERAL INFORMATION

- Trading name: Interfood Shareholding Company (Interfood)
- Certificate of enterprise registration No.: 3600245631
- Charter capital: 871.409.920.000 VND
- Address: Lot 13, Tam Phuoc IZ, Tam Phuoc Ward, Bien Hoa, Dong Nai, Viet Nam
- Tel: (0251) 511 138 - Fax: (0251) 512 498
- Website: [www.wonderfarmonline.com](http://www.wonderfarmonline.com)
- Securities code: IFS

### 2. COMPANY HISTORY

**1991** Interfood Shareholding Company - formerly Interfood Processing Industry Ltd. (“IFPI”) - was established on 16th November 1991 in accordance with the Investment license No. 270/GP issued by State Committee of Co-operation and Investment (now the Ministry of Plan and Investment). IFPI was a 100% FDI enterprise operating under the Vietnam Foreign Investment Law. Interfood’s original owner was Trade Ocean Exporters Sdn. Bhd. (Penang, Malaysia). In 1996, Interfood’s owner was changed to Trade Ocean Holdings Sdn. Bhd. (Penang, Malaysia) in accordance with the License No. 270/GPDC5 dated 26th February 1996 issued by the Ministry of Planning and Investment.

Initial main activities of the Company were processing agricultural products, seafood to canned, dried, frozen, preserved and pickled products. Total initial investment capital was US\$1,140,000.

**1994** The Company’s business was expanded by penetrating into the biscuits segment.

**2003** The Company was approved to produce carbonated fruit juices and fruit juices with low alcohol content (5%), and its investment capital increased to US\$23,000,000.

**2004** In April 2004, Interfood signed a processing agreement with AVA Food Industries Ltd. to mitigate Interfood’s production, space and logistic constraints at its Bien Hoa factory whereby AVA would provide the production facilities and Interfood would provide the technology and machinery to manufacture Interfood’s products

**2005** In January 2005, the Company was approved to produce purified water and PET bottle, its investment capital increased to US\$30,000,000.

From 09th August 2005, IFPI was converted into a shareholding company which is now known as Interfood Shareholding Company (IFS) in accordance with License No. 270 CPH/GP granted by the Ministry of Planning and Investment. IFS was one of the first six FDI companies approved by the Ministry of Planning and Investment on conversion activities from Limited Company into Shareholding Company under Decree No. 38/2003/ND – CP of the Government. Total investment capital and charter

capital of the Company were US\$30,000,000 and US\$13,000,000 respectively.

- 2006** The Company moved its head quarter and factory to new location at Tam Phuoc Industrial Zone, Bien Hoa City, Dong Nai Province.

During this year, the Company increased its owned equity up to VND242,841,600,000 (equivalent to 24,284,160 shares with par value at VND10,000) and on 17th October 2006, listed 3,620,560 shares at the Ho Chi Minh City Securities Trading Centre (“HOSE”) under “IFS” code.

- 2007** On 16th October 2007, the Company issued bonus shares in ratio of 5:1, according to which total number of the Company’ shares are listed on the HOSE being 6,875,359 shares. Total registered capital of the Company increased to VND1,444,500,000,000 (approximately US\$90,000,000) and charter capital grew to VND291,409,920,000 (equivalent to 29,140,992 shares at par value of VND10,000).

In 2007, IFS acquired 90% contributed capital of Avafood Shareholding Company (“AVA”) and became the controlling shareholder of this company. The principal activities of AVA are to produce the processed products including fruit juice, purified water, biscuits, jams and sweets of all kinds, agricultural and aquatic products, livestock; and workshop for lease.

- 2008** Interfood Packaging Limited (formerly Interfood Packaging Shareholding Company) was established with 90% capital owned by the Company, total investment capital and charter capital registered as US\$32 million and US\$10 million respectively. The principal activity of Interfood Packaging Limited is to produce packaging materials for foods and soft drinks.

On 14th February 2008, Northern Interfood Shareholding Company was established in Bac Ninh Province with total investment capital and charter capital of US\$36 million and US\$11 million respectively and the Company owned 90% its charter capital. However, the Company could not arrange funding for the project activities and completed the termination of the project in December 2010.

- 2009** In late 2009, the Company ceased operations of its factory located in the urban area of Bien Hoa City, and relocated all production lines, equipment and inventory into its factory in Tam Phuoc Industrial Zone.

In 2009, the Company disposed 70% of its holding in Interfood Packaging Limited to Crown Packaging Investment Pte. Ltd. and became a minority shareholder holding 20% contributed capital of this company. Subsequently, Interfood Packaging Limited was renamed Crown Beverage Cans Dong Nai Ltd. (“Crown Dong Nai”).

- 2010** The Company disposed its 20% remained contributed capital at Crown Dong Nai to Crown Packaging Investment Pte. Ltd.

**2011** On 11th March 2011, Kirin Holdings Company Limited (“Kirin”) acquired all shares of Trade Ocean Holding Sdn. Bhd. (“TOH”). Kirin was holding 57.25% shares in the Company through TOH. Kirin, a public company listed on the Tokyo Stock Exchange, is one of the largest beverage companies in the region.

**2012** In June 2012, Kirin increased its stake in Interfood to 80.37% (equivalent to 23,421,955 shares) through TOH by acquiring all outstanding shares of Indochina Beverage Holdings (“IBH”) who holds 23.12% (equivalent to 6,737,309 shares) of total shares of Interfood.

In December 2012, all shares in Grande Indigo Global Ltd. (including 1,938,327 shares of Interfood) were bought by Kirin, Grande Indigo Global Ltd. became an associate with TOH and IBH.

**2013** The Company's charter capital increased from VND 291,409,920,000 to VND 501,409,920,000 (equivalence to 50,140,992 shares) through a private placement of shares to Kirin. After the purchase, Kirin increased its stake in Interfood to 92.46%.

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

**2014** The Company's charter capital increased from VND 501,409,920,000 to VND 711,409,920,000 (equivalence to 71,140,992 shares) through a private placement of 21,000,000 shares to Kirin Holdings Company Limited.

**2015** The Company's charter capital increased from VND 711,409,920,000 to VND 871,409,920,000 (equivalence to 87,140,992 shares) through a private placement of 16,000,000 shares to Kirin Kirin Holdings Singapore Pte. Limited (“KHSPL”), 100%-owned subsidiary of Kirin Holdings Company, Limited (“Kirin”).

Aiming to integrate the business operation of its subsidiaries of the Group in South East Asia, at the end of December 2015, Kirin transferred all its shares of IFS to KHSPL, pursuant to which KHSPL currently owns 83,360,282 shares of IFS equivalent to 95.66% of total outstanding shares of the Company.

**2016** Pursuant to Decision No. 717/QĐ-SGDHN of Hanoi Stock Exchange regarding approval for stock trading registration of Interfood Shareholding Company, on November 16<sup>th</sup>, 2016, IFS shares were officially traded on UPCOM system.

Pursuant to Resolution of Annual General Meeting of Shareholders in 2016, the Company implemented the termination of production and sales of biscuits in IFS and AVA to save its resources and focus on developing beverages business as its core business.

### 3. BUSINESS LINES AND LOCALITIES

#### ❖ MAIN LINES OF BUSINESS

- Manufacturing of soft drinks, production of mineral waters and other bottled waters: processing carbonated and non-carbonated fruit-juice, processing carbonated and non-carbonated soft drinks without alcohol or with low alcohol (less than 10%); production of filtered water.
- Manufacturing of packaging for foods and soft drinks
- Processing and preserving of fruit and vegetables: Processing agricultural products into canned, dried, frozen, salted, vinegary products.
- Manufacturing of bakery products: production of cakes and snacks.
- Processing of milk and milk products.
- Exercising the right to export and import of products suitable for business and production sectors of the Company in accordance with laws.

#### ❖ BRANDS AND PRODUCT LINES

Brand	Description
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WONDERFARM has been **long existing drinks brand** presented in Vietnamese families. With proper carefulness from Kirin Japan in selection of ingredients and manual production process, **WONDERFARM products provide a deep and full taste of traditional Vietnamese drinks.**

WONDERFARM products are made from natural fruits, which contain high nutritional facts and healthy benefits. Through the advanced technologies and strict manufacture procedures, our beverages taste so natural and mildly sweet that consumers can enjoy their daily portions of nutritious fruit juices, in a comfortable and easy way.



Over 100 year old Japanese brand KIRIN proudly brings **pleasure and healthiness** to consumer's life by providing **high quality products** produced under **advanced technology** from the group with more than **100 years of history in Japan.**

KIRIN brand products and WONDERFARM brand PET products are manufactured by ASEPTIC line - advanced aseptic filling technology of Japan in Vietnam KIRIN factory - that helps to preserve the natural flavor, ensure product quality and food safety without preservatives and artificial colorings.

- **WONDERFARM PRODUCTS**

**WONDERFARM Winter Melon Tea:** cooling characters that help cleanse and cool the body.



Well-known brand: popular for more than 20 years, and recognized as the best selling Winter Melon Tea in Vietnam:

- Natural ingredient: made from actual winter melon fruits, hence provides natural and delightful taste and smell.
- Healthy: introducing Winter Melon Tea less sugar to capture health conscious customers.
- More choices with Winter Melon Tea in PET bottle which is easily portable for convenient use.

**WONDERFARM Bird's Nest:** nutrient-rich and suitable to gift to families and friends.



**Bird's Nest White Fungus Drink and Bird's Nest Premium:** nutritious ingredients are balanced with real bird's nests and sugar bar to deliver a delicious and healthy drink.

Drink it to recover your health or serve it to friends and family in your parties. WONDERFARM Bird's Nest is also an ideal gift.



## WONDERFARM soft drinks

Our products contain the fresh and copious ingredients in Vietnam, whose origin and flavor are guaranteed and satisfactory for Vietnamese consumers.



**WONDERFARM Coconut Milk:** our condensed and aromatic ingredients are indispensable in the kitchens of Vietnamese ladies.



Our fresh coconut are directly selected from Ben Tre. With diverse flavors, our coconut products can be used in various ways. Each of our products can be used for many purposes.

This product was featured in Master Chef Vietnam and used in restaurants throughout VN.

- **KIRIN PRODUCTS**

## KIRIN Ice+

As the first fruit water in Vietnam, **Ice+** is made by the **advanced Aseptic's Japanese technology**. Ice+ harmonizes pure water and fruit juice. Our drinks are frozen at  $-18^{\circ}\text{C}$  below zero to preserve the succulence of just-picked fruits and to maintain the absolute food safety without preservatives, colorings and odorants.



## KIRIN LATTE



With the Secrets of Creating Delicious Tastes from Japan, Latte combines the finest quintessence of natural extracts blended with milk. Latte delivers the pure flavors and mild after-taste to quench your thirst and gently refresh you.

## KIRIN TEA BREAK



**Gogo no Kocho** - Best-selling product in Japan now coming to Vietnam with a new name: **Tea Break**. This product is made from real English Tea leaves with classic style mixed with modern. Light sweetness taste and rich aroma of real tea will let you feel relax whenever you drink.

**KIRIN TRÀ XANH NHẬT:** 100% Green Tea leaf, brewed and extracted for the finest tea to relax your minds.

Fresh tea leaves from Shizuoka are collected, processed and direct to Viet Nam.

- Product uses pure water.
- Produced at exact temperature required real technology.
- Only extract first brew.
- PET bottle, less or no sugar.



## ICE+ ACEROLA BEAUTI:

- **Ice + Acerola Beauti** contains Glutathione from Japan to help **brighten skin colour naturally**.
- Delicious natural acerola taste.
- Using 1 bottle per day for lively skin.

**Glutathione** also provides antioxidant protection, anti-aging, promotes detoxification, fortifies the immune system and improves the skin (whitening)

**Using 250mg Glutathione per day** in 12 consecutive weeks will lighten skin tone naturally - From experiment of Kyowa Hakko Bio.



## KIRIN LATTE COFFEE & MILK:

Latte Coffee & Milk is the unique formula of traditional authentic coffee combine with the imported milk from New Zealand, produce by modern Japanese technology. Delivering quality and convenient products with cheap price for everyone.

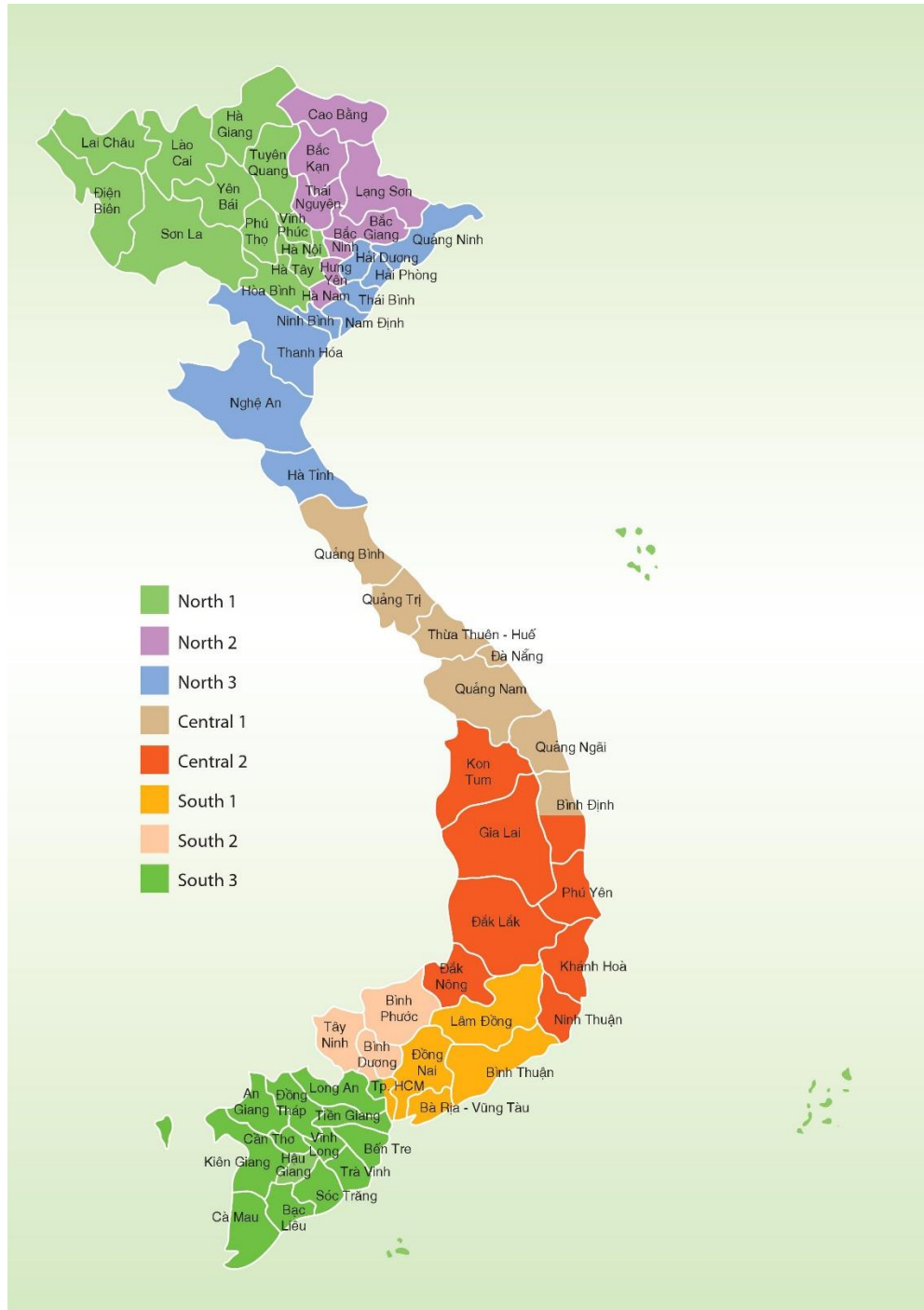
- Convenient Coffee Milk PET every time, everywhere.
- 100% Authentic coffee
- Cheap price for everyone.



## ❖ LOCALITIES OF BUSINESS

### Domestic market:

Domestic revenue is accounting for 99% of the total revenue of the company and considered the main market in the Company's strategy. The distribution system of Interfood covers the 64 provinces with 156 distributors, over 87.000 retailers and all supermarket chains in Vietnam.

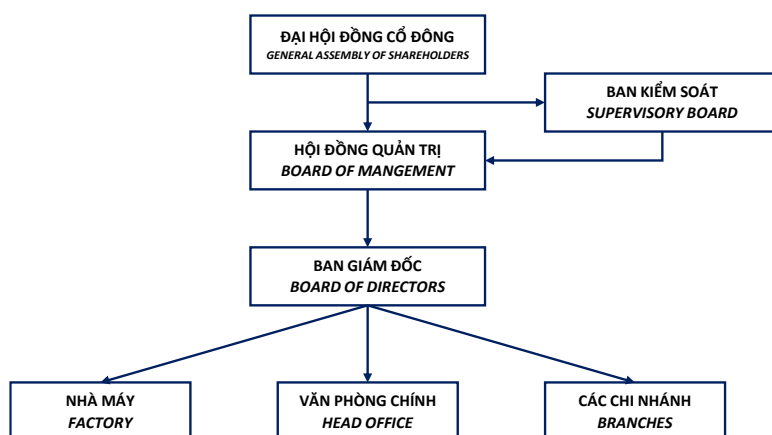


### Overseas market:

Revenue from exporting market is accounting for 1% of total revenue of the Company. The main market is nations in Europe, Asia and America.

## 4. ORGANIZATION AND MANAGEMENT STRUCTURE

### ❖ ORGANIZATION STRUCTURE



### ❖ MANAGEMENT STRUCTURE

No	Name	Position
<b>Board of Management (BOM)</b>		
1	Mr. Toru Yamasaki	Chairman (until April 12, 2018)
2	Mr. Yutaka Ogami	Chairman (from April 12, 2018)
3	Mr. Hajime Kobayashi	Member (until April 12, 2018)
4	Mr. Hirotsugu Otani	Member (until April 12, 2018)
5	Mr. Osamu Harada	Member (from April 12, 2018)
6	Mr. Shinro Fujita	Member (from April 12, 2018)
7	Mr. Takeshi Fukushima	Member (from April 12, 2018)
8	Ms. Nguyen Thi Kim Lien	Member
<b>Supervisory Board (SB)</b>		
1	Ms. Tran Thi Ai Tam	Chief of SB
2	Ms. Thai Thu Thao	Member
3	Mr. Koji Kodama	Member (from April 12, 2018)
4	Mr. Yasuomi Ouchi	Member (until April 12, 2018)
<b>Board of Directors (BOD)</b>		
1	Mr. Toru Yamasaki	General Director (until March 16, 2018)
2	Mr. Yutaka Ogami	General Director cum Director/ GM of Administration (from March 16, 2018) and GM of Planning (until March 29, 2018)
3	Mr. Fumiaki Furuya	Director/ GM of Factory (until March 29, 2018)
4	Mr. Ryuta Onda	Director/ GM of Factory (from March 29, 2018)
5	Mr. Tomohide Ito	Director/ GM of Planning (from March 29, 2018)
6	Mr. Takeshi Fukushima	Director/ GM of Marketing cum GM of Sales
7	Ms. Nguyen Thi Kim Lien	Director/ GM of Internal Control

❖ **BRANCHES AND FACTORIES**

<b>Branch and Factory</b>	<b>Address</b>
Hanoi Branch	11 Floor, Vinafor Building, 127 Lo Duc, Dong Mac Ward, Hai Ba Trung District, Hanoi City
Hochiminh Branch	4A Floor, Vincom Center, 72 Le Thanh Ton and 47 Ly Tu Trong, Ben Nghe Ward, District 1, Hochiminh City
Long Thanh Factory	Lot 13, Tam Phuoc IZ, Tam Phuoc Ward, Bien Hoa City, Dong Nai Province

❖ **SUBSIDIARIES AND ASSOCIATED COMPANIES**

<b>Subsidiary</b>	<b>AVAFOOD SHAREHOLDING COMPANY</b>
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Address:	Lot 13, Tam Phuoc IZ, Tam Phuoc Ward, Bien Hoa, Dong Nai, Viet Nam
Major business lines:	<p>Manufacturing of foods, processing foods including biscuits, jams, candy, snacks of all kinds, products processed from poultry.</p> <p>Manufacturing of processing foods including products processed from fruits and vegetables.</p> <p>Manufacturing of bakery products.</p> <p>Manufacturing of processing foods including fruit-juices, soft drinks and filtered water.</p> <p>Leasing of redundant offices and workshops.</p>
Paid-in charter capital:	81.000.000.000 VND
Ownership rates of the Company:	90,4% (7.322.400 shares with par value of VND 10,000 per share)

**Associated company** VIETNAM KIRIN BEVERAGES COMPANY, LIMITED



**Address:** Lot D-3A-CN, My Phuoc 2 IZ, My Phuoc Ward, Ben Cat Town, Binh Duong, Viet Nam

**Major business lines:** Production and processing of non-alcoholic drinks, Production of milk and soft drinks from milk, functional food production and liquid micronutrient supplements.

**Paid-in charter capital:** VND 795.800.000.000

**Ownership rates of the Company:** Non

## 5. DEVELOPMENT DIRECTIONS

### MISSION

Bring safe and secure products to protect health with new values.  
Bring happiness to Vietnamese people

### VALUE

Integrity; Well-being;  
Achieving Together; Passion

### VISION MID-TERM (2021)

「KIRIN」 is recognized by Vietnamese customers with a brand that provides high quality and healthy drinks through the safe & secure drink business.

### VISION LONG-TERM (2027)

「KIRIN」 = Title representing the industry for healthy drinks, functional drinks; having high cohesion and loyalty from customers, is believed to be the "company providing the highest quality brand" through the drink business that brings safety - secure.

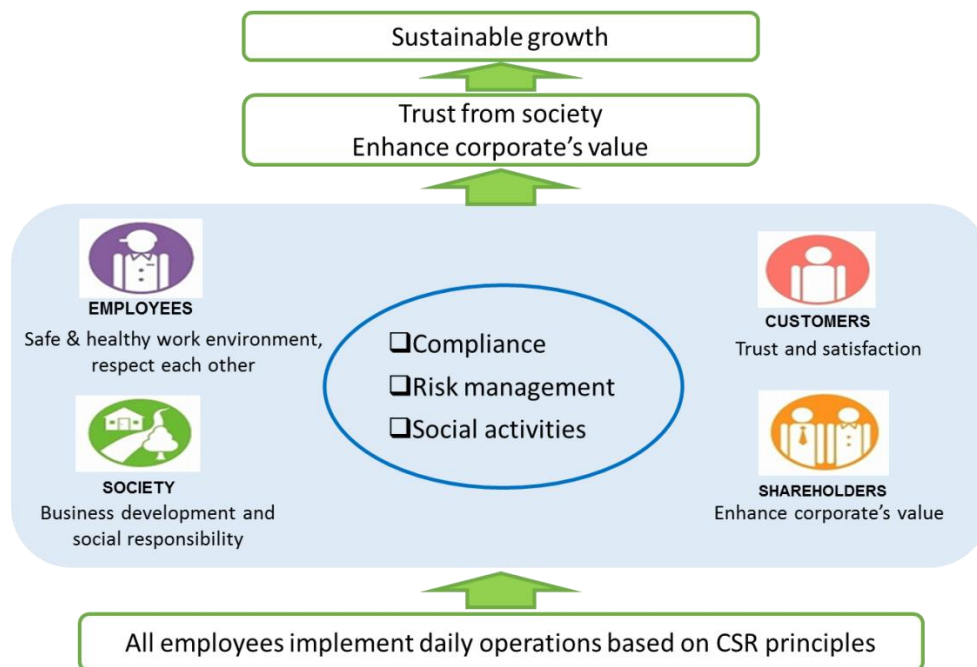


## ❖ SUSTAINABLE GROWTH OBJECTIVES

Compliance with legal and ethical requirements is the foundation for business success and sustainable growth. Developing and maintaining a culture of compliance is essential to building corporate reputation and enhancing competitiveness of the Company.

We are working to increase CSR (Corporate Social Responsibility) and compliance awareness among all IFS employees to ensure CSR-based management to be applied and observed throughout the company.

- CSR: our commitment by business to contribute to economic development while protecting the environment and improving our quality of life.
- Compliance: observe laws and regulations, internal and external rules and regulations, fulfill legal obligations and social ethical responsibilities to maintain and increase the trust of the society.
- Risk Management: a system is designed to prevent and minimize losses due to unforeseen events by identifying and managing significant risks that could affect our business operations.



## 6. RISK MANAGEMENT

Interfood establish risk management system as part of the management system of business activities and collaboration with the parent company to implement risk management program. Interfood and its subsidiary thoroughly implement compliance and risk management in order to prevent potential risks, through which can receive long-term trust of customers and society. Risk Management Committee, directly controlled by the Board of Directors and comprised primarily of the heads of each business units, is established to monitor risk management activities. The Committee conducts periodic meetings twice a year and when necessary to

review and oversee the implementation of risk management program and risk response plan throughout the Company.

❖ **IMPLEMENTATION OF RISK MANAGEMENT IN 2018**

- Establishment of Risk Management (RM) system and RM policy based on Kirin Group's RM program.
- Development of RM plan and crisis response manual and conduction of RM training to target employees.
- Establishment of internal control system to follow processes and monitor RM plan execution.

## **II. BUSINESS OPERATIONS**

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### **1. SITUATION OF BUSINESS OPERATIONS**

#### **❖ RESULTS OF BUSINESS OPERATIONS IN 2018**

As a result in 2018, the total profit after-tax of the Company exceeded VND 180 billion, this result mainly from the following reasons:

- a) Regarding sales, the sales team of the Company has always adhered to the sales target by weekly and monthly on the basis of strictly complying with basic sales rules, utilized sale opportunities, opened new outlets... to increase sale volume. The Board of Sale Management has always followed each sales activity to timely change the force structure, sales zoning to optimize the sales team capacity and make appropriate sales policies and incentive policies. As result, the total revenue increased by 4% compared to the plan. The sales deduction is higher than the plan mainly due to the promotional expenses in cash (belonging to the cost of sales) are actually presented in the revenue deduction section. As a result, net revenue increased only 2% compared to the plan.
- b) Regarding cost of sale/ production cost, during the year, the Company has thoroughly complied and implemented solutions to reduced production costs, improved the realism of saving production resources of all employees, applied technical solutions to maximize line performance, found sources of materials to ensure quality and stable prices ... resulting in reducing total production costs during the year, cost of goods sold decreased to 60% of net sales compared to 63% as planned.
- c) In terms of financial activities, beside the planed loan with incentives interest rate from the parent company which maintain at 0.2% of revenue (the company has repaid all loans from the parent company into at the end of 2018), financial income and operating expenses increased mainly due to revaluation from the year-end exchange rate difference with significant fluctuations in exchange rate differences in the year.
- d) Regarding selling expenses and general administration costs, in 2018, the Company continued to implement sales support programs such as discount programs, promotions, special incentive for distributors and sales teams, sale outlets support programs... with the aim of maintaining sales, makes the cost of sales maintaining at 24% of net revenue compared to 27% of the plan, (the actual reduction rate is due to the presentation of promotional expenses in cash presented in the revenue deduction section mentioned above.) General administration costs are close to the plan, accounting for a proportion of 3% of net revenue.
- e) Other expenses mainly related to depreciation expenses of some unused assets during the year.
- f) Current CIT expense increased due to the increase of profit before tax compared to plan, reaching 13% in the year. Deferred tax expense is related to the recognition of deferred tax assets during the year.

❖ FINANCIAL PERFORMANCE

Description	Plan 2018		Actual 2018 (audited)		Variance vs Plan 2018 (%)
	USD	VND '000	USD	VND '000	
<b>Sales</b>	<b>72,942,527</b>	<b>1,658,348,340</b>	<b>73,964,842</b>	<b>1,719,312,753</b>	<b>104%</b>
Deductions	4,930,519	112,095,355	6,098,861	141,768,023	126%
<b>Net sales and services</b>	<b>68,012,007</b>	<b>1,546,252,986</b>	<b>67,865,981</b>	<b>1,577,544,730</b>	<b>102%</b>
Cost of goods sold	43,409,538	986,915,853	41,024,006	953,603,017	97%
<b>Gross profit</b>	<b>24,602,469</b>	<b>559,337,133</b>	<b>26,841,975</b>	<b>623,941,713</b>	<b>112%</b>
Financial income	-	-	364,080	8,463,045	
Financial expenses	147,000	3,342,045	508,245	11,814,144	354%
Selling expenses	18,229,063	414,437,736	15,910,072	369,829,630	89%
G&A expenses	1,569,938	35,692,548	1,514,072	35,194,613	99%
<b>Net operating profit (loss)</b>	<b>4,656,468</b>	<b>105,864,804</b>	<b>9,273,666</b>	<b>215,566,371</b>	<b>204%</b>
Other incomes			175,251	4,073,716	
Other expenses	240,000	5,456,400	466,218	10,837,235	199%
Other profit (loss), net	<b>-240,000</b>	<b>-5,456,400</b>	<b>-290,967</b>	<b>-6,763,519</b>	<b>124%</b>
<b>Profit (Loss) before tax</b>	<b>4,416,468</b>	<b>100,408,404</b>	<b>8,982,700</b>	<b>208,802,852</b>	<b>208%</b>
Current corporate income tax expenses	883,294	20,081,681	2,054,173	47,749,243	238%
Deferred corporate income tax expenses	-696,459	-15,834,002	-819,192	-19,042,125	120%
<b>Net profit (loss) after tax</b>	<b>4,229,634</b>	<b>96,160,725</b>	<b>7,747,719</b>	<b>180,095,734</b>	<b>187%</b>
Minority interest	2,316	52,644	2,974	69,130	131%
<b>Net Profit (Loss) for the year</b>	<b>4,227,318</b>	<b>96,108,081</b>	<b>7,750,693</b>	<b>180,164,864</b>	<b>187%</b>

## 2. ORGANIZATION STRUCTURE AND HUMAN RESOURCES

### ❖ BOARD OF MANAGEMENT

No	Name	Position	Birth year	Nationality	ID Card/ (Passport) number	Current residence	Ratio of voting shares owned
<b>Board of Management</b>							
1	Mr. Toru Yamasaki	Chairman	1965	Japanese		Japan	0%
2	Mr. Yutaka Ogami	Chairman	1973	Japanese		HCMC, VN	0%
3	Ms. Nguyen Thi Kim Lien	Member	1967	Vietnamese		Dong Nai, VN	0,014% (12.000)
4	Mr. Hajime Kobayashi	Member	1965	Japanese		Japan	0%
5	Mr. Hirotsugu Otani	Member	1972	Japanese		Japan	0%
6	Mr. Osamu Harada	Member	1973	Japanese		Japan	0%
7	Mr. Shinro Fujita	Member	1964	Japanese		Japan	0%
8	Mr. Takeshi Fukushima	Member	1973	Japanese		HCMC, VN	0%
<b>Board of Directors</b>							
1	Mr. Toru Yamasaki	GD	1965	Japanese		Japan	0%
5	Mr. Yutaka Ogami	GD	1973	Japanese		HCMC, VN	0%
3	Mr. Fumiaki Furuya	GM of Factory	1967	Japanese		Japan	0%
4	Mr. Ryuta Onda	GM of Factory	1969	Japanese		HCMC, VN	0%
5	Mr. Tomohide Ito	GM of Planning	1977	Japanese		HCMC, VN	0%
6	Mr. Takeshi Fukushima	GM of Marketing cum GM of Sales	1973	Japanese		HCMC, VN	0%
7	Ms. Nguyen Thi Kim Lien	GM of Internal Control	1967	Vietnamese		Dong Nai, VN	0,014% (12.000)
<b>Chief Accountant</b>							
1	Mr. Nguyen Hong Phong	Chief Accountant	1977	Vietnamese		Dong Nai, VN	0%

❖ **CHANGES IN THE BOARD OF MANAGEMENT**

No	Name	Position		Birth year	Nationality	ID Card/ (Passport) number	Current residence	Ratio of voting shares owned
		(before change)	(after change)					
<b>Board of Management</b>								
1	Mr. Toru Yamasaki	Chairman of BOM cum General Director	Resign, effective from 12/4/2018	1965	Japanese		Japan	0%
2	Mr. Yutaka Ogami	Member	Chairman of BOM cum General Director (appointed effective from 12/4/2018)	1973	Japanese		HCM, VN	0%
3	Ms. Nguyen Thi Kim Lien	Member	Member	1967	Vietnamese		Dong Nai, VN	0,014% (12.000)
4	Mr.Hajime Kobayashi	Member	Resign, effective from 12/4/2018	1965	Japanese		Japan	0%
5	Mr.Hirotsugu Otani	Member	Resign, effective from 12/4/2018	1972	Japanese		Japan	0%
6	Mr. Osamu Harada		Member (appointed effective from 12/4/2018)	1973	Japanese		Japan	0%
7	Mr. Shinro Fujita		Member (appointed effective from 12/4/2018)	1964	Japanese		Japan	0%
8	Mr. Takeshi Fukushima		Member (appointed effective from 12/4/2018)	1973	Japanese		HCM, VN	0%
<b>Board of Directors</b>								
1	Mr. Toru Yamasaki	General Director cum GM of Sales and Marketing	Resign, effective from 16/3/2018	1965	Japanese		Japan	0%
2	Mr.Yutaka Ogami	GM of Planning	General Director cum GM of Administration (appointed effective from 16/3/2018)	1973	Japanese		HCM, VN	0%
3	Mr. Fumiaki Furuya	GM of Factory	Resign, effective from 29/3/2018	1967	Japanese		Japan	0%
4	Mr. Ryuta Onda		GM of Factory (appointed effective from 29/3/2018)	1969	Japanese		HCMC, VN	0%
5	Mr. Tomohide Ito		GM of Planning (appointed effective from 29/3/2018)	1977	Japanese		HCMC, VN	0%

6	Mr. Takeshi Fukushima	GM of Marketing cum GM of Sales	GM of Marketing cum GM of Sales	1973	Japanese		HCMC, VN	0%
7	Ms. Nguyen Thi Kim Lien	GM of Internal Control	GM of Internal Control	1967	Vietnamese		Dong Nai, VN	0,014% (12.000)
<b>Supervisory Board</b>								
1	Ms. Tran Thi Ai Tam	Chief	Chief	1972	Vietnamese		HCM, VN	0%
2	Ms. Thai Thu Thao	Member	Member	1966	Vietnamese		HCM, VN	0%
3	Mr. Koji Kodama	Member	Resign, effective from 12/4/2018	1967	Japanese		Japan	0%
4	Mr. Yasuomi Ouchi		Member (appointed effective from 12/4/2018)	1969	Japanese		Japan	0%

#### ❖ SUMMARY AND CHANGES IN THE PERSONNEL POLICIES

- Number of employees: 635 (as at December 31, 2018), excluding number of employees which the Company pays salary on behalf of the Distributors.
- Summary and changes in the personnel policies:
  - Development of human resources, enhancement of organizational structure and improvement of management information system.
  - Strengthen the relationship between the Company and employees through the implementation of periodically monitoring meeting, the good policies based on the results of employee satisfaction survey (ESS), improving accuracy management data and governance performance based on adherence (compliance).
  - Develop and implement training programs tailored to staffs at each level and to each department.
  - Implement the personnel transfer based on the human resources development of the Company and career development plan of individuals

### 3. SITUATION OF INVESTMENT AND PROJECT IMPLEMENTATION

In 2018, the Company did not implement any major investment project.

#### 4. FINANCIAL SITUATION

##### ❖ FINANCIAL SITUATION

Description	Actual 2017 VND'000	Actual 2018 VND'000	Variance (%)
<b>Sales</b>	1,525,892,179	1,719,312,753	13%
Deductions	105,207,528	141,768,023	35%
<b>Net sales and services</b>	<b>1,420,684,651</b>	<b>1,577,544,730</b>	<b>11%</b>
Cost of goods sold	918,125,713	953,603,017	4%
<b>Gross profit</b>	<b>502,558,938</b>	<b>623,941,713</b>	<b>24%</b>
Financial income	8,594,690	8,463,045	-2%
Financial expenses	11,753,484	11,814,144	1%
Selling expenses	330,222,418	369,829,630	12%
General & administration expenses	35,948,250	35,194,613	-2%
<b>Net operating profit (loss)</b>	<b>133,229,476</b>	<b>215,566,371</b>	<b>62%</b>
Other income	1,345,361	4,073,716	203%
Other expenses	5,659,481	10,837,235	91%
<b>Other profit (loss), net</b>	<b>-4,314,120</b>	<b>-6,763,519</b>	<b>57%</b>
<b>Profit (Loss) before tax</b>	<b>128,915,356</b>	<b>208,802,852</b>	<b>62%</b>
Current corporate income tax expenses	13,921,299	47,749,243	243%
Deferred corporate income tax expenses	-1,070,851	-19,042,125	1678%
<b>Net profit (loss) after tax</b>	<b>116,064,908</b>	<b>180,095,734</b>	<b>55%</b>
Minority interest	-24,743	-69,130	179%
	<b>116,089,651</b>	<b>180,164,864</b>	<b>55%</b>



## ❖ MAJOR FINANCIAL INDICATORS

Description	Year 2017	Year 2018	Notes
1. Solvency ratio:			
+ Current ratio	133%	246%	
+ Quick ratio	82%	140%	
2. Capital structure ratio:			
+ Debt / Total assets ratio	53%	30%	
+ Debt / Owners' Equity ratio	115%	43%	
3. Operation capability ratio:			
+ Inventory turnover	5.9	4.7	
+ Net revenue / Total assets ratio	2.0	2.0	
4. Target on Profitability			
+ Profit after tax / Net revenue Ratio	8%	11%	
+ Profit after tax / Total capital Ratio	36%	36%	
+ Profit after tax / Total assets Ratio	17%	25%	
+ Operating profit / Net revenue Ratio	9%	13%	

## 5. SHAREHOLDERS STRUCTURE AND CHANGE IN THE OWNER'S EQUITY

### ❖ NUMBER OF SHARES

No	Content	Quantity
1	Total number of shares	87.140.992
2	Treasury shares	8
3	Outstanding voting shares	87.140.984
4	Freely transferable shares	87.140.984
5	Conditionally transferable shares	0

### ❖ SHAREHOLDERS STRUCTURE (as of March 11<sup>th</sup> 2019)

No	Shareholders	Domestic shareholders		Foreign shareholders		Total	
		Quantity	%	Quantity	%	Quantity	%
1	<b>Major shareholders (holding 5% or more)</b>	-	0.00%	83,360,282	95.66%	83,360,282	95.66%
	- Individual	-	0.00%	-	0.00%	-	0.00%
	- Organization	-	0.00%	83,360,282	95.66%	83,360,282	95.66%
2	<b>Other shareholders (holding less than 5%)</b>	616,350	0.71%	3,164,352	3.63%	3,780,702	4.34%
	- Individual	609,892	0.70%	115,955	0.13%	725,847	0.83%
	- Organization	6,458	0.01%	3,048,397	3.50%	3,054,855	3.51%
3	<b>Treasury shares</b>		0.00%	8	0.00%	8	0.00%
4	<b>Total</b>	616,350	0.71%	86,524,642	99.29%	87,140,992	100.00%

❖ **CHANGE IN THE OWNER'S EQUITY**

- In 2018, the Company did not increase/ decrease Charter capital.

❖ **TREASURY STOCKS**

- Number of existing treasury stocks: 08
- Transactions of treasury stocks conducted in 2018: Non

❖ **DIVIDEND FOR SHAREHOLDERS**

- Annual General Meeting of Shareholders in 2019 (AGM-2019) approved for the Company to do not declare and allocate dividend in 2018 and retain all profit arising from business activities in 2018 to supplement the Company's working capital.

### III. REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS

#### 1. ASSESSMENT OF OPERATING RESULTS

In 2018, the Company strived to achieve its business targets through increasing market shares for its key products, diversifying its product portfolios and expanding its distribution network to maintain and develop its business operation. Gross sales revenue was increased 13% compared to the previous year.

The Company focused on strengthening its core product WONDERFARM Winter Melon Tea as well as expanding market for KIRIN brand products. In addition, to meet consumer demand and diversify products, the Company has launched a number of new products such as Ice + Acerola Beauti, Kirin Latte Coffee & Milk.

The Company implemented cost reduction programs and effective use of promotion and marketing expenses to improve its business efficiency and competitiveness. All the planned cost reduction programs at the factory were strictly implemented to achieve the manufacturing cost target required by the Company. As a result of these activities, the Company achieved profit after tax about 180 billion VND.

#### 2. FINANCIAL SITUATION

The Company had a loan facility denominated in USD from Kirin Holdings Singapore Pte. Ltd. In 2018, the Company paid in full this loan.

Description	Year 2017 VND'000	Year 2018 VND'000	Variance (%)
Total asset	694,400,277	720,745,599	4%
Net revenue	1,420,684,651	1,577,544,730	11%
Profit from operating activities	133,229,477	215,566,370	62%
Other profits	-4,314,120	-6,763,519	57%
Profit before tax	128,915,357	208,802,851	62%
Profit after tax	116,064,909	180,095,733	55%

#### 3. IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES AND MANAGEMENT

##### ❖ MANAGEMENT ACTIVITIES

CSR-based (Corporate Social Responsibility-CSR) management is our commitment by business to contribute to economic development while protecting the environment and improving our quality of life. CSR-based management will focus on:

- Strengthen corporate governance, promote compliance and risk management system to achieve transparent management to win the trust of the society.

- Enhance environmental awareness and positively participate in local community activities to contribute to social and economic development as a responsible corporate citizen.

The Company has established Internal Control Department with personnel support from Kirin Group to help to reduce the risks associated with our business operations in Vietnam by providing independent, objective assurance and consulting activities.

#### ❖ **SALES DIVISION**

- Establishment of the specialized team to reinforce maintenance and development of KA.
- Review and implementation of strategic policies for distributors and management policies for wholesalers.

#### ❖ **PRODUCTION DIVISION**

- Continuous implementation for low cost operations.
- Further improvement of product quality.
- Development and introduction of new products which come from nature and promote positive health and wellbeing for customers.

#### ❖ **BACK OFFICE**

- Development of human resources, enhancement of organizational structure and improvement of management information system.
- Strengthen the relationship between the Company and employees through the implementation of periodically monitoring meeting, the good policies based on the results of employee satisfaction survey (ESS), improving accuracy management data and governance performance based on adherence (compliance).
- Develop and implement training programs tailored to staffs at each level and to each department.
- Implement the personnel transfer based on the human resources development of the Company and career development plan of individuals.

## **4. DEVELOPMENT PLAN IN THE FUTURE**

In 2019, the Company aims at boosting its sales volume by focusing on KIRIN brand products that is its key growth driver, and acquires operating profit with following strategies:

- The company analyzes the sales data by area and SKU's utilizing DMS (Distribution Management System) and expands the connection points with consumers. Then the Company aims at boosting its sales volume based on the effective selling activities. Besides the Company invests more resources in marketing activities such as marketing communication with consumers, in order to enhance KIRIN brand awareness.

- The Company continues to develop the new strategic KIRIN products and consider to exploit the new channels in order to boost more sales volume in the future.
- Continue to reduce production costs and streamline production work thoroughly.
- Implementation of simplification and efficiency by improving business process through IT solutions.

Total gross sales is expected to be approximately VND 1,806 billion (increase of approximately 5% compared to the year 2018) and profit before tax in 2019 is about VND 183 billion.

Description	Plan 2019		Actual 2018		%(+/-)
	USD	VND'000	USD	VND'000	
Sales	77,721,170	1,806,628,585	73,964,842	1,719,312,753	5%
Net sales and services	71,783,437	1,668,605,990	67,865,981	1,577,544,730	6%
Gross profit	27,228,653	632,930,044	26,841,975	623,941,713	1%
Net operating profit	8,271,055	192,260,662	9,273,666	215,566,371	-11%
Profit (Loss) before tax	7,890,903	183,424,035	8,982,700	208,802,852	-12%
Profit (Loss) after tax	6,364,825	147,950,366	7,747,719	180,095,734	-18%

## 5. REPORT ON ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

### ENVIRONMENTAL INITIATIVES

We observe all laws and regulations related to the environment and continue to invest in equipment and technology research and development to provide environment friendly products and services.

- Continue efforts concerning awareness of personnel and measures to achieve true safety including safety education at monthly companywide meetings, confirmation of the status of measures to prevent reoccurrence of past accidents, checks of unsafe areas by periodic patrols to achieve intrinsic safety, and measures that rank priorities.
- Take measures to continuously improve quality including periodic checks of the implementation of measures to prevent reoccurrence with a focus on priority issues, deepening understanding of ISO and HACCP by personnel, and raising the effectiveness of systems.

## 6. CORPORATE RESPONSIBILITY TO THE LOCAL COMMUNITY

Creating value to share with the society is the most important philosophy of Kirin Group. As a member of the Group, Interfood Shareholding Company has always awared and spent efforts in sharing responsibilities with community to be a better corporate citizen. One of the outstanding activities in 2018 was the sponsorship program for the contest “City Students with Law” for the students of HCMC with key theme “the voice of youth”. The program was organized by HCMC Department of Education and Training with participation of students of the city, Qualifying competition took place from 29 Oct 2018 until 12 Nov, 2018.



### Launching ceremony of the program

With the participation of over 143.000 students, the contest happened excitingly throughout competition rounds of knowledge test, team games and visit to Kirin factory to experience the modern Aseptic production line. After the contest, the students have the opportunity to access many new and useful knowledge about the law, the actual production experience at Kirin factory, but no less fun with the tours and extremely interesting learning at locations: Nga Ba Giong Martyrs Monument, HCMC Vocational Training Center for Disable People and Orphans, Kirin Factory at My Phuoc 2 Industrial Park, Binh Duong. The experience program has brought a lot of emotions and also provided useful knowledge during the tour.

The program could help to show the efforts of the Company following the philosophy “focused on people, nature and craftsmanship to redefine the joy of food and well-being – including all

status from mental to physical health which benefit not only individuals but also to family, friends, communities and future generations”



**Visiting Nga Ba Giong Martyrs Monument**



**Visiting HCMC Vocational Training Center for Disable People and Orphans**



Visiting KIRIN Factory



## IV. ASSESSMENTS OF THE BOARD OF MANAGEMENT ON THE COMPANY'S OPERATION

### 1. ASSESSMENT ON THE COMPANY'S OPERATION

In 2018, the Company strived to achieve its business targets through increasing market shares for its key products, diversifying its product portfolios and expanding its distribution network to maintain and develop its business operation. Gross sales revenue was increased 13% compared to the previous year.

- The Company focused on strengthening its core product WONDERFARM Winter Melon Tea as well as expanding market for KIRIN brand products. In addition, to meet consumer demand and diversify products, the company has launched a number of new products such as Ice + Acerola Beauti, Kirin Latte Coffee & Milk, Kirin Latte Coffee & Caramel.
- The Company implemented cost reduction programs and effective use of promotion and marketing expenses to improve its business efficiency and competitiveness. All the planned cost reduction programs at the factory were strictly implemented to achieve the manufacturing cost target required by the Company. As a result of these activities, the Company achieved profit after tax at 180 billion VND.

Description	Year 2017 VND'000	Year 2018 VND'000	Variance (%)
Total asset	694,400,277	720,745,599	4%
Net revenue	1,420,684,651	1,577,544,730	11%
Profit from operating activities	133,229,477	215,566,370	62%
Other profits	-4,314,120	-6,763,519	57%
Profit before tax	128,915,357	208,802,851	62%
Profit after tax	116,064,909	180,095,733	55%

### 2. ASSESSMENT ON PERFORMANCE OF THE BOARD OF DIRECTORS

- GD and BOD has fulfilled the targets and tasks assigned, conducted business operation in compliance with applicable laws and regulations of the Company.
- Under the management and direction of the GD and BOD, the Company has conducted its business activities as assigned, increased market shares for its key products, diversified its product portfolios and expanded its distribution network to maintain and develop its business operation.

### 3. FUTURE PLAN OF THE BOARD OF MANAGEMENT

In 2019, the BOM performs its functions, rights and obligations in compliance with laws, Company's Charter and AGM resolutions in 2019.

- To decide the strategies and business plan in 2019.

- To supervise, direct General Director and members of the Board of Directors to run daily business operation of the Company.
- To work closely with the management of the Company to provide appropriate business development direction, adequate support on implementation and development of business strategy and improvement of corporate governance of the Company to achieve sustainable business strategy of Interfood.
- To collaborate with Supervisory Board in supervising the activities of GD and BOD.

## V. CORPORATE GOVERNANCE

### 1. BOARD OF MANAGEMENT

#### ❖ INFORMATION ABOUT THE BOM MEMBERS

No	BOM's member	Position	Day becoming BOM member	Number of attendance of BOM meetings	%	Reason for absence
1	Mr. Toru Yamasaki	Chairman	09/04/2015	4/6	67%	Resign effective from 12/04/2018
2	Ms. Nguyen Thi Kim Lien	Member	15/08/2006	6/6	100%	
3	Mr. Yutaka Ogami	Chairman	12/4/2018	6/6	100%	Appointed effective from 12/04/2018
4	Mr.Hajime Kobayashi	Member	09/04/2015	4/6	67%	Resign effective from 12/04/2018
5	Mr.Hirotsugu Otani	Member	09/04/2015	4/6	67%	Resign effective from 12/04/2018
6	Mr. Osamu Harada	Member	12/4/2018	2/6	33%	Appointed effective from 12/04/2018
7	Mr. Shinro Fujita	Member	12/4/2018	2/6	33%	Appointed effective from 12/04/2018
8	Mr. Takeshi Fukushima	Member	12/4/2018	2/6	33%	Appointed effective from 12/04/2018

#### ❖ SUPERVISION BY THE BOM OVER GENERAL DIRECTORS AND THE BOARD OF DIRECTORS

Under the Charter and Corporate Governance Regulation of the Company, the BOM conducted its supervision on activities of General Director (GD) and the Board of Directors (BOD) in 2018 as follows::

- **Method of supervision:**

- Through BOM meetings organized periodically or as necessary, discussion and consultation conducted directly or via telephone and electronic mail.

- Through adequate, detailed and timely reports of GD and BOD reporting progress of business plan execution, pointing out its difficulties and obstacles as well as the causes and proposed solutions.
- Collaboration with Supervisory Board in supervising the activities of GD and BOD.
- **Contents of supervision:**
  - Supervision and evaluation of the operational efficiency of GD and BOD on management, execution of BOM resolutions, implementation of business plan and investment project.
- **Results of supervision:**
  - GD and BOD has fulfilled the targets and tasks assigned, conducted business operation in compliance with applicable laws and regulations of the Company.
  - Under the management and direction of the GD and BOD, the Company has conducted its business activities as assigned, increased market shares for its key products, diversified its product portfolios and expanded its distribution network to maintain and develop its business operation.

❖ **ACTIVITIES OF THE COMMITTEES OF BOM**

- The BOM has conducted its activities in compliance with laws, charter and corporate governance regulation of the Company, ensure the number of the meetings, attendance of the members, procedures for adopting decisions comply with applicable rules.
- Sub-Committees of BOM has not been established. However, BOM members worked with clear assignments and close coordination; appointed BOD members in charge of Sales, Marketing, Finance, Human Resources and Internal Control respectively to support BOM in management of the Company business activities.

❖ **RESOLUTIONS/DECISIONS OF THE BOM**

No	Resolution No.	Date	Contents
1	RBM180221	21/02/2018	Schedule to organize the Annual General Meeting of Shareholders in 2018 of the Company;
2	RBM180312	12/03/2018	Change of key members of the Company; Authorizing Mr. Yutaka Ogami to convene and preside over the Annual General Assembly of Shareholders in 2018; The structure of Company's Board of Directors for tenure 2018-2020; Amending content of BOM Resolution no. RBM140915.
3	RBM180327	27/03/2018	Organizing Annual General Meeting of Shareholders in 2018
4	RBM180330	30/03/2018	Draft Charter of the Company in 2018; Draft Internal Rules of Corporate Governance of the Company in 2018.

5	RBM180426	26/04/2018	Nominate candidates for positions as members of the BOM and Supervisory Board of Avafood Shareholding Company;
6	RBM180724	24/07/2018	Dismissal of Company Secretary and appointment of Person in charge of Corporate Governance;

## 2. SUPERVISORY BOARD

### ❖ INFORMATION ABOUT MEMBERS OF SUPERVISORY BOARD (SB)

No	BOM's member	Position	Day becoming SB member	Number of attendance of SB meetings	%	Reason for absence
1	Ms. Tran Thi Ai Tam	Chief	12/04/2017	2/2	100%	
2	Ms. Thai Thu Thao	Member	12/04/2012	2/2	100%	
3	Mr. Yasuomi Ouchi	Member	12/04/2018	0/2	0%	Appointed, effective from 12/04/2018

### ❖ SUPERVISION ACTIVITIES OF THE SUPERVISORY BOARD TOWARD THE BOARD OF MANAGEMENT, BOARD OF DIRECTORS AND SHAREHOLDERS

In 2018, the SB continued inspecting, supervising and recommending necessary changes to the BOM in order to ensure compliance with applicable laws, enhancing corporate governance and improve effectiveness of business operations of the Company. Main activities of the SB in 2018 were as follows:

- Supervision over the BOM, GD and BOD with respect to the management and administration of the Company to ensure the compliance with laws and Company rules.
- Supervision over the BOM, GD and BOD with respect to the issuance and execution of the resolutions of AGM and BOM, implementation of business plan approved by the AGM.
- Review, inspection and evaluation of the effectiveness and efficiency of systems of internal control, internal audit, risk management and early warning of the Company.
- Review and inspection of the financial statements (quarterly, biannual and annual financial statement) in 2017 examined and audited by KPMG Vietnam to ensure the independency and objectiveness in auditing activities and ensure the transparency, accuracy and reliability of the financial reports.

### ❖ COORDINATION AMONG THE SUPERVISORY BOARD WITH THE BOARD OF MANAGEMENT, BOARD OF DIRECTORS AND DIFFERENT MANAGERS

- Attend and/or discuss in the BOM meetings
- Collaborate with BOM in supervising the activities of GD and BOD.

### 3. REMUNERATION AND EXPENSES ON ACTIVITIES OF THE BOM AND SB IN 2018

#### ❖ REMUNERATION AND EXPENSES ON ACTIVITIES OF THE BOM

##### Activity expenses of the BOM

No	Name	Position	Amount (VND)	Remarks
1	Mr. Toru Yamasaki	Chairman	352,550,360	Secondment fee (from 01/01/2018 to 18/03/2018)
2	Mr. Yutaka Ogami	Chairman	1,524,560,000	Secondment fee (from 01/01/2018 to 31/12/2018)
3	Mr. Takeshi Fukushima	Member	1,107,460,000	Secondment fee (from 01/01/2018 to 31/12/2018)
4	Ms. Nguyen Thi Kim Lien	Member	1,818,000,000	Salary (from 01/01/2018 to 31/12/2018)
	<b>Total</b>		<b>4,802,570,360</b>	

**Notes:** Secondment fee is the payment of the Company to Kirin Holdings Company, Limited under secondment agreement, no being paid directly to the relating members.

#### ❖ REMUNERATION AND EXPENSES ON ACTIVITIES OF THE SB

##### ❖ Activity expenses of the SB

No	Name	Position	Amount (VND)	Remarks
1	Ms. Tran Thi Ai Tam	Chief	369,381,000	Salary (from 1/1/2018 – 31/12/2018)
2	Ms. Thai Thu Thao	Member	0	
3	Mr. Yasuomi Ouchi	Member	0	
	<b>Total</b>		<b>369,381,000</b>	

- Besides, The BOD proposes the BOM and AGM-2019 to approve that the Company not to declare and pay remuneration of all members of the BOM and SB in 2018 and retain all profit arising from business activities in 2018 to supplement the Company's working capital and SB agreed with the proposal of BOD.
- AGM-2019 approved for the Company to do not declare and pay remuneration for the members of the BOM and SB in 2018.

### 4. SHARE TRANSACTIONS OF INTERNAL PARTIES, MAJOR SHAREHOLDERS AND RELATED PARTIES

There were no share transaction of internal parties, major shareholders and related parties in 2018.

## VI. FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2018  
(ENCLOSED)

- STATEMENT OF THE BOARD OF DIRECTORS
- INDEPENDENT AUDITOR'S REPORT
- CONSOLIDATED BALANCE SHEET
- CONSOLIDATED STATEMENT OF INCOME
- CONSOLIDATED STATEMENT OF CASH FLOWS
- NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**INTERFOOD SHAREHOLDING COMPANY**  
**Chairman cum General Director**

**(Signed and sealed)**

**YUTAKA OGAMI**



**Công ty Cổ phần Thực phẩm Quốc tế (Interfood)**

Lô 13, KCN Tam Phước, Xã Tam Phước, Biên Hòa, Đồng Nai - Tel: (0251) 3511138 - Fax: (0251) 3512498

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