

Interfood Shareholding Company

Financial Statements for the year ended
31 December 2023

**Interfood Shareholding Company
Corporate Information**

Investment Licence No. 270/GP 16 November 1991

Investment Certificates No. 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
6525867086 (14th amendment) 20 April 2023

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
3600245631 5 April 2023

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)**

Board of Management	Mr. Shogo Okamoto	Chairman (from 20 April 2023)
	Ms. Nguyen Thi Kim Lien	Chairman (until 20 April 2023)
	Mr. Daisuke Hattori	Member (from 20 April 2023)
	Mr. Hiroaki Takaoka	Member
	Mr. Hajime Kawasaki	Member (until 20 April 2023)
Board of Directors	Mr. Daisuke Hattori	General Director (from 30 March 2023)
	Mr. Hajime Kawasaki	General Director (until 30 March 2023)
	Mr. Koichi Noda	Director/General Manager of Factory
	Mr. Shogo Okamoto	Director/General Manager of Planning/General Manager of Internal Control (from 1 July 2023)
	Mr. Kenichiro Wada	Director/General Manager of Planning (until 1 July 2023)
	Ms. Nguyen Thi Kim Lien	Director/General Manager of Marketing/General Manager of Sales Director/General Manager of Internal Control (until 1 July 2023)
Supervisory Board	Mr. Nguyen Thanh Bach	Head of Supervisory Board
	Ms. Thai Thu Thao	Member
	Mr. Takashi Kobayashi	Member (from 20 April 2023)
	Mr. Tsuneo Mitsudomi	Member (until 20 April 2023)
Registered Office	Lot 13, Tam Phuoc Industrial Zone Tam Phuoc Ward, Bien Hoa City Dong Nai Province Vietnam	
Auditor	KPMG Limited 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 financial statements of the Company for the year ended 31 December 2023.

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

- (a) the financial statements set out on pages 6 to 33 give a true and fair view of the financial position of the Company as at 31 December 2023, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to 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 financial statements for issue.

On behalf of the Board of Directors

(Signed and sealed)

Daisuke Hattori
General Director

Dong Nai Province, 15 March 2024

Interfood Shareholding Company
Balance sheet as at 31 December 2023

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

	Code	Note	31/12/2023 VND'000	1/1/2023 VND'000
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		1,344,642,347	1,323,229,336
Cash and cash equivalents	110	5	964,683,100	1,009,072,464
Cash	111		264,683,100	309,072,464
Cash equivalents	112		700,000,000	700,000,000
Accounts receivable – short-term	130		45,886,629	47,254,470
Accounts receivable from customers	131	6	35,605,873	30,176,163
Prepayments to suppliers	132		5,127,091	2,698,063
Other short-term receivables	136	7	5,180,382	14,400,156
Allowance for doubtful debts	137	8	(26,717)	(19,912)
Inventories	140	9	330,388,757	264,989,516
Inventories	141		330,956,492	270,753,347
Allowance for inventories	149		(567,735)	(5,763,831)
Other current assets	150		3,683,861	1,912,886
Short-term prepaid expenses	151		3,683,861	1,771,663
Taxes and others receivable from State Treasury	153		-	141,223
Long-term assets (200 = 210 + 220 + 240 + 260)	200		120,942,511	121,500,401
Accounts receivable – long-term	210		929,020	932,520
Other long-term receivables	216		929,020	932,520
Fixed assets	220		69,224,421	76,634,339
Tangible fixed assets	221	10	68,856,280	75,940,395
Cost	222		433,594,540	430,859,779
Accumulated depreciation	223		(364,738,260)	(354,919,384)
Intangible fixed assets	227	11	368,141	693,944
Cost	228		14,082,575	14,082,575
Accumulated amortisation	229		(13,714,434)	(13,388,631)
Long-term work in progress	240		10,064,137	-
Construction in progress	242	12	10,064,137	-
Other long-term assets	260		40,724,933	43,933,542
Long-term prepaid expenses	261	13	28,617,910	31,256,120
Deferred tax assets	262	14	12,107,023	12,677,422
TOTAL ASSETS (270 = 100 + 200)	270		1,465,584,858	1,444,729,737

The accompanying notes are an integral part of these financial statements

Interfood Shareholding Company
Balance sheet as at 31 December 2023 (continued)

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

	Code	Note	31/12/2023 VND'000	1/1/2023 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		209,936,248	242,564,944
Current liabilities	310		207,612,972	238,980,797
Accounts payable to suppliers	311	15	110,503,871	153,223,134
Advances from customers	312		5,103,947	12,929,934
Taxes and others payable to State Treasury	313	16	21,518,742	8,143,206
Payables to employees	314		9,431,751	9,262,235
Accrued expenses	315	17	59,492,352	54,019,225
Other short-term payables	319	18	1,562,309	1,403,063
Long-term liabilities	330		2,323,276	3,584,147
Long-term provisions	342	19	2,323,276	3,584,147
EQUITY (400 = 410)	400		1,255,648,610	1,202,164,793
Owners' equity	410	20	1,255,648,610	1,202,164,793
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		209,169,018	155,685,201
- Retained profits brought forward	421a		574,249	39,571
- Net profit for the year	421b		208,594,769	155,645,630
TOTAL RESOURCES (440 = 300 + 400)	440		1,465,584,858	1,444,729,737

15 March 2024

Prepared by:

Approved by:

(Signed)

(Signed and sealed)

Nguyen Hong Phong
Chief Accountant

Daisuke Hattori
General Director

The accompanying notes are an integral part of these financial statements

Interfood Shareholding Company
Statement of income for the year ended 31 December 2023

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

	Code	Note	2023 VND'000	2022 VND'000
Revenue from sale of goods	01	25	1,995,034,345	1,830,257,198
Revenue deductions	02	25	126,736,274	117,545,282
Net revenue (10 = 01 - 02)	10	25	1,868,298,071	1,712,711,916
Cost of sales	11	26	1,197,411,653	1,151,195,520
Gross profit (20 = 10 - 11)	20		670,886,418	561,516,396
Financial income	21	27	35,526,772	22,130,875
Financial expenses	22		215,678	466,995
Selling expenses	25	28	398,247,290	359,312,454
General and administration expenses	26	29	43,342,788	36,476,380
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		264,607,434	187,391,442
Other income	31	30	3,064,897	7,902,438
Other expenses	32	31	5,469,364	1,749,715
Results of other activities (40 = 31 - 32)	40		(2,404,467)	6,152,723
Accounting profit before tax (50 = 30 + 40)	50		262,202,967	193,544,165
Income tax expense – current	51	33	53,037,799	36,151,167
Income tax expense – deferred	52	33	570,399	1,747,368
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		208,594,769	155,645,630

The accompanying notes are an integral part of these financial statements

Interfood Shareholding Company
Statement of income for the year ended 31 December 2023 (continued)

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

	Code	Note	2023 VND'000	2022 VND'000
Net profit after tax (brought forward from previous page)	60		208,594,769	155,645,630
Earnings per share				
Basic earnings per share (in VND)	70	34	2,394	1,786

15 March 2024

Prepared by:

Approved by:

(Signed)

(Signed and sealed)

Nguyen Hong Phong
Chief Accountant

Daisuke Hattori
General Director

Interfood Shareholding Company**Statement of cash flows for the year ended 31 December 2023 (Indirect method)****Form B 03 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	2023 VND'000	2022 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	262,202,967	193,544,165
Adjustments for			
Depreciation and amortisation	02	10,908,244	16,015,331
Allowances and provisions	03	2,379,128	6,778,624
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	187,104	66,169
Profits from investing activities	05	(34,835,444)	(21,211,561)
Operating profit before changes in working capital	08	240,841,999	195,192,728
Change in receivables and other assets	09	(1,158,608)	(7,656,727)
Change in inventories	10	(68,583,986)	(91,733,553)
Change in payables and other liabilities	11	(41,106,648)	24,835,699
Change in prepaid expenses	12	726,012	(3,174,312)
		130,718,769	117,463,835
Corporate income tax paid	15	(45,639,648)	(32,543,529)
Net cash flows from operating activities	20	85,079,121	84,920,306
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(11,687,508)	(4,333,170)
Receipts of interest	27	37,165,581	16,229,033
Net cash flows from investing activities	30	25,478,073	11,895,863

The accompanying notes are an integral part of these financial statements

Interfood Shareholding Company
Statement of cash flows for the year ended 31 December 2023
(Indirect method – continued)

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

	Code	2023 VND'000	2022 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of dividends	36	(155,090,830)	(16,554,150)
Net cash flows from financing activities	40	(155,090,830)	(16,554,150)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(44,533,636)	80,262,019
Cash and cash equivalents at the beginning of the year	60	1,009,072,464	928,623,068
Effect of exchange rate fluctuations on cash and cash equivalents	61	144,272	187,377
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 5)	70	964,683,100	1,009,072,464

15 March 2024

Prepared by:

(Signed)

Nguyen Hong Phong
Chief Accountant

Approved by:

(Signed and sealed)

Daisuke Hattori
General Director

The accompanying notes are an integral part of these financial statements

Interfood Shareholding Company
Notes to the financial statements for the year ended 31 December 2023

Form B 09 – 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 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 traded on the Unlisted Public Company Market in accordance with the Decision No. 717/QD-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 31 December 2023, the Company had 897 employees (1/1/2023: 876 employees).

(e) Fees paid and payable to the auditors

During the year, fees paid and payable to the auditors for the financial statements audit and review of financial information amounting to VND1,360 million and VND320 million, respectively (2022: VND1,360 million and VND320 million, respectively).

2. Basis of preparation

(a) Statement of compliance

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

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

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

(b) Basis of measurement

The 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.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"). The 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 have been adopted by the Company in the preparation of the accompanying financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year 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 annual 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.

(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.

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

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

(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 year 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

(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.

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

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

(g) Construction in progress

Construction in progress represents the costs of tangible and intangible fixed assets which have not been fully completed and installed. No depreciation is provided for construction in progress during the period of construction and installation.

(h) 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) *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 ranging from 2 to 3 years.

(i) Accounts payable

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

(j) 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 annual 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.

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

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

(k) Share capital

(i) 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.

(ii) Repurchase and reissue of ordinary shares (treasury shares)

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the Company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased odd-lots of shares as requested by the shareholders. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

(l) Taxation

Income tax on the profit or loss for the year 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 year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

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 annual 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.

(m) 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.

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

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

(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.

(n) Leases

(i) Leased assets

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.

(ii) Lease payments

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 as an integral part of the total lease expense, over the term of the lease.

(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 year. During the year, 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.

(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.

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

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

(r) Comparative information

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

Comparative information as at 1 January 2023 was derived from balances and amounts reported in the Company's financial statements as at and for the year ended 31 December 2022.

4. Segment reporting

(a) Business segments

The Company operates in the following main business segments:

- Drinks; and
- Others include other products and scraps.

2023	Drinks VND'000	Others VND'000	Total VND'000
Total segment revenue – net	1,532,697,989	335,600,082	1,868,298,071
Segment cost of sales	(1,029,726,879)	(167,684,774)	(1,197,411,653)
Segment gross profit	502,971,110	167,915,308	670,886,418
Unallocated selling expenses			(398,247,290)
Unallocated general and administration expenses			(43,342,788)
Financial income			35,526,772
Financial expenses			(215,678)
Net operating profit			264,607,434
Results of other activities			(2,404,467)
Income tax expense			(53,608,198)
Net profit after tax			208,594,769

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

2022	Drinks VND'000	Others VND'000	Total VND'000
Total segment revenue – net	1,432,685,651	280,026,265	1,712,711,916
Segment cost of sales	(1,007,601,178)	(143,594,342)	(1,151,195,520)
Segment gross profit	425,084,473	136,431,923	561,516,396
Unallocated selling expenses			(359,312,454)
Unallocated general and administration expenses			(36,476,380)
Financial income			22,130,875
Financial expenses			(466,995)
Net operating profit			187,391,442
Results of other activities			6,152,723
Income tax expense			(37,898,535)
Net profit after tax			155,645,630

Assets and liabilities cannot be segregated to different segments on a reasonable basis.

(b) Geographical segments

The Company mainly operates in one geographical segment which is in Vietnam.

5. Cash and cash equivalents

	31/12/2023 VND'000	1/1/2023 VND'000
Cash on hand	115,015	176,244
Cash at banks	264,568,085	308,896,220
Cash equivalents	700,000,000	700,000,000
	964,683,100	1,009,072,464

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

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***6. Accounts receivable from customers****(a) Accounts receivable from customers detailed by significant customers**

	31/12/2023 VND'000	1/1/2023 VND'000
WinCommerce General Commercial Services		
Joint Stock Company	6,792,060	3,792,630
MM Mega Market Vietnam Company Limited	6,092,794	4,302,407
EB Services Company Limited	5,450,771	6,757,415
Saigon Union of Trading Co-operation	3,786,015	2,187,690
Others	13,484,233	13,136,021
	<hr/> 35,605,873	<hr/> 30,176,163
	<hr/> <hr/>	<hr/> <hr/>

(b) Accounts receivable from customers classified by payment term

	31/12/2023 VND'000	1/1/2023 VND'000
Short-term	35,605,873	30,176,163
	<hr/> 35,605,873	<hr/> 30,176,163
	<hr/> <hr/>	<hr/> <hr/>

(c) Accounts receivable from customers who is a related party

	31/12/2023 VND'000	1/1/2023 VND'000
Vietnam Kirin Beverage Company Limited, a related party	28,639	-
	<hr/> 28,639	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>

The trade related amounts due from a related party were unsecured, interest free and are receivable within 60 days from invoice date.

7. Other short-term receivables

	31/12/2023 VND'000	1/1/2023 VND'000
Interest receivable from deposits at banks	4,861,644	7,191,781
Compensation receivable	-	6,730,108
Others	318,738	478,267
	<hr/> 5,180,382	<hr/> 14,400,156
	<hr/> <hr/>	<hr/> <hr/>

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***8. Allowance for doubtful debts**

Movements of the allowance for doubtful debts during the year were as follows:

	2023 VND'000	2022 VND'000
Opening balance	19,912	13,938
Allowance made during the year	26,717	5,974
Allowance utilised during the year	(19,912)	-
Closing balance	<u>26,717</u>	<u>19,912</u>

9. Inventories

	31/12/2023		1/1/2023	
	Cost VND'000	Allowance VND'000	Cost VND'000	Allowance VND'000
Goods in transit	10,190,048	-	396,708	-
Raw materials	51,786,471	-	74,731,931	-
Tools and supplies	3,964,005	(296,819)	4,798,417	(296,819)
Work in progress	9,476,023	-	8,634,131	-
Finished goods	255,539,945	(270,916)	182,192,160	(5,467,012)
	<u>330,956,492</u>	<u>(567,735)</u>	<u>270,753,347</u>	<u>(5,763,831)</u>

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

	2023 VND'000	2022 VND'000
Opening balance	5,763,831	448,331
Allowance made during the year	3,184,745	6,367,258
Allowance utilised during the year	(8,380,841)	(1,051,758)
Closing balance	<u>567,735</u>	<u>5,763,831</u>

Included in inventories as at 31 December 2023 was VND568 million (1/1/2023: VND5,764 million) of obsolete and slow-moving inventories.

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***10. Tangible fixed assets**

	Buildings VND'000	Machinery and equipment VND'000	Motor vehicles VND'000	Office equipment VND'000	Total VND'000
Cost					
Opening balance	117,748,737	294,847,656	3,883,853	14,379,533	430,859,779
Additions	-	2,815,026	-	683,300	3,498,326
Written off	-	(763,565)	-	-	(763,565)
Closing balance	117,748,737	296,899,117	3,883,853	15,062,833	433,594,540
Accumulated depreciation					
Opening balance	59,839,344	278,396,486	3,539,915	13,143,639	354,919,384
Charge for the year	3,952,484	5,422,305	185,497	1,022,155	10,582,441
Written off	-	(763,565)	-	-	(763,565)
Closing balance	63,791,828	283,055,226	3,725,412	14,165,794	364,738,260
Net book value					
Opening balance	57,909,393	16,451,170	343,938	1,235,894	75,940,395
Closing balance	53,956,909	13,843,891	158,441	897,039	68,856,280

Included in tangible fixed assets were assets costing VND175,762 million which were fully depreciated as of 31 December 2023 (1/1/2023: VND91,809 million), but are still in active use.

Net book value of temporarily idle tangible fixed assets amounted to VND615 million as of 31 December 2023 (1/1/2023: VND658 million).

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***11. Intangible fixed assets**

	Software VND'000
Cost	
Opening and closing balance	14,082,575
Accumulated amortisation	
Opening balance	13,388,631
Charge for the year	325,803
Closing balance	13,714,434
Net book value	
Opening balance	693,944
Closing balance	368,141

Included in intangible fixed assets were assets costing VND13,334 million which were fully amortised as of 31 December 2023 (1/1/2023: VND1,851 million), but are still in active use.

12. Construction in progress

	2023 VND'000
Additions during the year and closing balance	10,064,137

Major construction in progress as at the end of the annual accounting period was as follows:

	31/12/2023 VND'000	1/1/2023 VND'000
Buildings	10,064,137	-

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***13. Long-term prepaid expenses**

	Prepaid land costs VND'000	Others VND'000	Total VND'000
Opening balance	21,401,554	9,854,566	31,256,120
Additions	-	3,912,982	3,912,982
Amortisation for the year	(695,985)	(5,855,207)	(6,551,192)
Closing balance	20,705,569	7,912,341	28,617,910

14. Deferred tax assets

	Tax rate	31/12/2023 VND'000	1/1/2023 VND'000
Deferred tax assets recognised on:			
Accrued expenses	20%	11,523,479	10,803,845
Allowances and provisions	20%	583,544	1,873,577
		12,107,023	12,677,422

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

	31/12/2023		1/1/2023	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Vietnam Kirin Beverage Company Limited	31,770,779	31,770,779	37,214,495	37,214,495
Vietnam Chuan Li Can Company Limited	22,221,339	22,221,339	13,830,620	13,830,620
Crown Beverage Can (Dong Nai) Company Limited	1,054,869	1,054,869	46,531,755	46,531,755
Others	55,456,884	55,456,884	55,646,264	55,646,264
	110,503,871	110,503,871	153,223,134	153,223,134

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Accounts payable to suppliers classified by payment term**

	31/12/2023		1/1/2023	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Short-term	110,503,871	110,503,871	153,223,134	153,223,134

(c) Accounts payable to suppliers who is a related party

	31/12/2023		1/1/2023	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Vietnam Kirin Beverage Company Limited	31,770,779	31,770,779	37,214,495	37,214,495

The trade related amounts due to Vietnam Kirin Beverage Company Limited represented the processing fee payable, which were unsecured, interest free and are payable within 30 days from invoice date.

16. Taxes and others payable to State Treasury

	1/1/2023 VND'000	Incurred VND'000	Paid VND'000	Net-off VND'000	31/12/2023 VND'000
Value added tax	1,450,576	164,912,941	(116,111,340)	(42,652,833)	7,599,344
Corporate income tax	5,429,348	53,037,799	(45,639,648)	-	12,827,499
Personal income tax	1,263,282	6,980,993	(7,379,423)	-	864,852
Others	-	1,521,712	(1,294,665)	-	227,047
	8,143,206	226,453,445	(170,425,076)	(42,652,833)	21,518,742

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***17. Accrued expenses**

	31/12/2023	1/1/2023
	VND'000	VND'000
Sale discounts and commission	12,786,174	11,393,176
Promotion expenses	9,217,533	8,709,425
Incentives for salesman	6,119,096	6,827,743
Secondment fee (*)	3,965,729	3,567,883
Transportation expense	3,137,037	2,157,969
Accrual for aluminium price adjustment	-	3,992,133
Others	24,266,783	17,370,896
	<hr/>	<hr/>
	59,492,352	54,019,225
	<hr/>	<hr/>

(*) 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

	31/12/2023	1/1/2023
	VND'000	VND'000
Dividends payable	528,149	508,027
Non-trade amounts due to a related party	410,346	389,707
Others	623,814	505,329
	<hr/>	<hr/>
	1,562,309	1,403,063
	<hr/>	<hr/>

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 year were as follows:

	Severance allowance VND'000
Opening balance	3,584,147
Provision made during the year	194,097
Provision utilised during the year	(428,537)
Provision reverted during the year	(1,026,431)
	<hr/>
Closing balance	2,323,276
	<hr/>

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***20. Changes in owners' equity**

	Share capital VND'000	Share premium VND'000	Other equity funds VND'000	Retained profits VND'000	Total VND'000
Balance as at 1 January 2022	871,409,840	85,035,704	90,034,048	16,596,357	1,063,075,949
Net profit for the year	-	-	-	155,645,630	155,645,630
Dividends (Note 23)	-	-	-	(16,556,786)	(16,556,786)
Balance as at 1 January 2023	871,409,840	85,035,704	90,034,048	155,685,201	1,202,164,793
Net profit for the year	-	-	-	208,594,769	208,594,769
Dividends (Note 23)	-	-	-	(155,110,952)	(155,110,952)
Balance as at 31 December 2023	871,409,840	85,035,704	90,034,048	209,169,018	1,255,648,610

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

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(Issued under Circular No. 200/2014/TT-BTC
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21. Share capital

The Company's authorised and issued share capital were as follows:

	31/12/2023 and 1/1/2023	
	Number of shares	VND'000
Authorised and issued share capital		
Ordinary shares	87,140,992	871,409,920
Shares in circulation		
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 year.

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. Dividends

The Annual General Shareholder Meeting of the Company on 19 July 2023 resolved to distribute dividends amounting to VND155,111 million (2022: VND16,557 million).

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***24. Off balance sheet items****(a) Lease commitments**

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

	31/12/2023	1/1/2023
	VND'000	VND'000
Within 1 year	4,105,089	3,899,718
Within 2 to 5 years	5,609,160	7,393,511
	9,714,249	11,293,229

(b) Foreign currency

	31/12/2023		1/1/2023	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	108,217	2,642,670	30,534	724,582

25. Revenue from sale of goods

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

Net revenue comprised of:

	2023	2022
	VND'000	VND'000
Total revenue		
▪ Sale of drinks	1,647,690,974	1,538,077,002
▪ Sale of other products	341,794,122	287,780,538
▪ Sale of scraps	5,549,249	4,399,658
	1,995,034,345	1,830,257,198
Less revenue deductions		
▪ Sale discounts	126,736,274	117,545,282
	1,868,298,071	1,712,711,916

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***26. Cost of sales**

	2023 VND'000	2022 VND'000
Total cost of sales		
▪ Cost of drinks	1,029,726,879	1,007,601,178
▪ Cost of other products	167,684,774	143,594,342
	<hr/> 1,197,411,653	<hr/> 1,151,195,520
	<hr/> <hr/>	<hr/> <hr/>

27. Financial income

	2023 VND'000	2022 VND'000
Interest income from deposits at banks	34,835,444	21,222,956
Foreign exchange gains	691,328	907,919
	<hr/> 35,526,772	<hr/> 22,130,875
	<hr/> <hr/>	<hr/> <hr/>

28. Selling expenses

	2023 VND'000	2022 VND'000
Staff costs and support expense	178,282,499	163,041,969
Transportation expense	96,629,563	98,777,380
Advertisement and promotion expenses	93,067,136	70,038,926
Rental expense	12,635,916	10,544,437
Others	17,632,176	16,909,742
	<hr/> 398,247,290	<hr/> 359,312,454
	<hr/> <hr/>	<hr/> <hr/>

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***29. General and administration expenses**

	2023	2022
	VND'000	VND'000
Staff costs	15,642,004	13,794,935
Rental expense	2,451,038	1,480,769
Consultant fee	5,633,440	3,044,197
Depreciation and amortisation	2,631,936	3,661,458
Others	16,984,370	14,495,021
	<hr/>	<hr/>
	43,342,788	36,476,380
	<hr/>	<hr/>

30. Other income

	2023	2022
	VND'000	VND'000
Compensation income	1,375,877	6,792,002
Others	1,689,020	1,110,436
	<hr/>	<hr/>
	3,064,897	7,902,438
	<hr/>	<hr/>

31. Other expenses

	2023	2022
	VND'000	VND'000
Penalty expenses	1,616,801	-
Depreciation of idle tangible fixed assets	43,672	43,672
Losses from disposals and written off of tangible fixed assets	-	11,395
Others	3,808,891	1,694,648
	<hr/>	<hr/>
	5,469,364	1,749,715
	<hr/>	<hr/>

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***32. Production and business costs by elements**

	2023	2022
	VND'000	VND'000
Raw material costs included in production costs	854,443,995	783,341,741
Labour and staff costs and support expense	240,237,665	216,682,030
Depreciation and amortisation	10,908,244	16,015,331
Outside services	600,375,590	591,874,181
Others	29,634,832	20,941,048

33. Income tax**(a) Recognised in the statement of income**

	2023	2022
	VND'000	VND'000
Current tax expense		
Current year	53,037,799	37,371,859
Over provision in prior years	-	(1,220,692)
	<hr/> 53,037,799	<hr/> 36,151,167
Deferred tax expense		
Origination and reversal of temporary differences	570,399	1,747,368
	<hr/> 53,608,198	<hr/> 37,898,535

(b) Reconciliation of effective tax rate

	2023	2022
	VND'000	VND'000
Accounting profit before tax	262,202,967	193,544,165
	<hr/>	<hr/>
Tax at the Company's tax rate	52,440,593	38,708,833
Non-deductible expenses	1,167,605	410,394
Over provision in prior years	-	(1,220,692)
	<hr/> 53,608,198	<hr/> 37,898,535

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(c) Applicable tax rates**

Under the terms of prevailing income tax regulations, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits (2022: 20%).

34. Basic earnings per share**(a) Net profit attributable to ordinary shareholders**

	2023	2022
	VND'000	VND'000
Net profit attributable to ordinary shareholders	208,594,769	155,645,630

(b) Weighted average number of ordinary shares

	2023	2022
	Shares	Shares
Weighted average number of ordinary shares during the year	87,140,984	87,140,984

(c) Basic earnings per share

	2023	2022
	VND	VND
Basic earnings per share	2,394	1,786

35. Significant transactions with related parties

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

	Transaction value	
	2023	2022
	VND'000	VND'000
<i>Ultimate parent company</i>		
Kirin Holdings Company, Limited		
Secondment fee	7,958,918	6,768,389
Purchase of services	63,488	107,078
<i>Parent company</i>		
Kirin Holding Singapore Pte. Ltd.		
Dividends	148,381,302	15,838,454
Purchase of services	13,071	-

Interfood Shareholding Company**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Transaction value	
	2023 VND'000	2022 VND'000
Other related parties		
Vietnam Kirin Beverage Company Limited		
Processing fee	328,350,501	350,741,923
Sale of goods	196,574	256,210
Purchase of services	4,620,336	3,207,400
Purchase of goods	57,589	1,151,215
Compensation expenses	399,266	-
Kyowa Hakko Bio Singapore Pte. Ltd.		
Purchase of goods	4,081,520	10,825,670
Board of Management's members		
<i>Fees</i>	-	-
Board of Directors		
<i>Salary</i>		
Daisuke Hattori – General Director (from 30 March 2023)	-	-
Hajime Kawasaki – General Director (until 30 March 2023)	-	-
Supervisory Board		
<i>Salary</i>		
Nguyen Thanh Bach – Head of Supervisory Board	652,752	634,827
Thai Thu Thao – Member	54,000	54,000
Takashi Kobayashi – Member (from 20 April 2023)	-	-
Tsuneo Mitsudomi – Member (until 20 April 2023)	-	-
Key management personnel (excluding all items disclosed above)		
Fees, bonus and other benefits	2,211,317	1,818,000
Secondment fee	4,560,000	4,515,767

Interfood Shareholding Company

Notes to the financial statements for the year ended 31 December 2023 (continued)

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dated 22 December 2014 of the Ministry of Finance)*

36. Non-cash investing activities

	2023	2022
	VND'000	VND'000
Costs of fixed assets and other long-term assets acquired but not yet paid	1,874,955	-

15 March 2024

Prepared by:

Approved by:

(Signed)

(Signed and sealed)

Nguyen Hong Phong
Chief Accountant

Daisuke Hattori
General Director