

Interfood Shareholding Company

Financial statements
Quarter 2 - 2024

Interfood Shareholding Company

Corporate information

Investment Licence No.	270/GP	16/11/1991
Investment Certificate No.	472033000328 (1st amendment)	28/11/2007
	472033000328 (2nd amendment)	20/05/2010
	472033000328 (3rd amendment)	22/04/2011
	472033000328 (4th amendment)	18/10/2011
	472033000328 (5th amendment)	14/05/2014
	472033000328 (6th amendment)	30/12/2015
	6525867086 (7th amendment)	05/02/2016
	6525867086 (8th amendment)	28/12/2016
	6525867086 (9th amendment)	25/01/2017
	6525867086 (10th amendment)	08/04/2018
	6525867086 (11st amendment)	01/10/2019
	6525867086 (12nd amendment)	21/09/2020
	6525867086 (13rd amendment)	18/05/2021
	6525867086 (14th amendment)	20/04/2023

The Company's Investment Licence has been amended several times, the most recent of which is by 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.

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	21/01/2016
	3600245631	19/03/2018
	3600245631	06/07/2019
	3600245631	30/06/2020
	3600245631	01/04/2021
	3600245631	18/01/2022
	3600245631	05/04/2023

The Company's Enterprise Registration Certificate was issued by the Department of Planning and Investment of Dong Nai Province

Board of Management:	Okamoto Shogo	Chairman
	Daisuke Hattori	Member
	Hiroaki Takaoka	Member
Board of Director:	Daisuke Hattori	General Director cum General Manager of Internal Control
	Koichi Noda	General Manager of Factory
	Kenichiro Wada	General Manager of Marketing cum General Manager of Sales
	Okamoto Shogo	General Manager of Planning

Registered Office	Lot 13, Tam Phuoc IZ, Tam Phuoc Ward, Bien Hoa City, Dong Nai Province, Vietnam
Auditors	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 30 June 2024.

The 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 Board of Directors:

- (a) the financial statements set out on pages 4 to 26 give a true and fair view of the financial position of the Company as at 30 June 2024, and of its results of operations and its cash flows for the three month period 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 Board of Directors has, on the date of this statement, authorised the accompanying separate financial statements for issue.

On behalf of the Board of Directors

(Signed and sealed)

Daisuke Hattori

General Director

Dong Nai, dated 16th July 2024.

Interfood Shareholding Company

Balance sheet

ASSETS	Code	Notes	30/06/2024 VND'000	31/12/2023 VND'000
Current assets (100=110+130+140+150)	100		1,450,188,724	1,344,642,347
Cash and cash equivalents	110	5	1,152,792,888	964,683,100
Cash	111		452,792,888	264,683,100
Cash equivalent	112		700,000,000	700,000,000
Accounts receivable – short-term	130		41,927,223	45,886,629
Accounts receivable from customers	131	6	31,370,010	35,605,873
Prepayments to suppliers	132		5,311,216	5,127,091
Other receivables – short-term	136	7	5,272,714	5,180,382
Allowance for doubtful debts	137	6	(26,717)	(26,717)
Inventories	140	8	250,526,516	330,388,757
Inventories	141		251,155,293	330,956,492
Allowance for inventories	149		(628,777)	(567,735)
Other current assets	150		4,942,097	3,683,861
Short-term prepaid expenses	151		4,936,037	3,683,861
Taxes receivable from State Treasury	153		6,060	-
Long-term assets (200 = 210 + 220 + 240 + 260)	200		139,345,516	120,942,511
Accounts receivable – long-term	210		929,020	929,020
Other receivables – long-term	216		929,020	929,020
Fixed assets	220		85,119,538	69,224,421
Tangible fixed assets	221	9	84,788,835	68,856,280
Cost	222		451,052,386	433,594,540
Accumulated depreciation	223		(366,263,551)	(364,738,260)
Intangible fixed assets	227	10	330,703	368,141
Cost	228		14,082,575	14,082,575
Accumulated depreciation	229		(13,751,872)	(13,714,434)
Long-term work in progress	240		10,967,781	10,064,137
Construction in progress	242		10,967,781	10,064,137
Other long-term assets	260		42,329,177	40,724,933
Long-term prepaid expenses	261	11	32,977,593	28,617,909
Deffered tax assets	262	12	9,351,584	12,107,024
TOTAL ASSETS (270=100+200)	270		1,589,534,240	1,465,584,858

Interfood Shareholding Company**Balance sheet**

RESOURCES	Code	Notes	30/06/2024 VND'000	31/12/2023 VND'000
LIABILITIES (300=310+330)	300		228,894,434	209,936,248
Current liabilities	310		225,583,411	207,612,972
Accounts payable to suppliers	311	13	143,824,275	110,503,871
Advances from customers	312		7,539,471	5,103,947
Taxes payable to State Treasury	313	14	19,280,911	21,518,742
Payable to employees	314		9,872,050	9,431,751
Accrued expenses	315	15	42,791,406	59,492,352
Other short-term payables	319	16	2,275,298	1,562,309
Long term liabilities	330		3,311,023	2,323,276
Provision – long-term	342	17	3,311,023	2,323,276
EQUITY (400=410)	400		1,360,639,806	1,255,648,610
Owners' equity	410	18	1,360,639,806	1,255,648,610
Share capital	411	19	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 reserves	420	20	90,034,048	90,034,048
Retained profits	420		314,160,214	209,169,018
- Accumulated profit (losses) brought forward	421a		209,169,019	574,249
- Retained profits for the current year	421b		104,991,195	208,594,769
TOTAL RESOURCES (440=300+400)			<u>1,589,534,240</u>	<u>1,465,584,858</u>

Dong Nai, dated 16th July 2024.

Prepared by:

*(Signed)*Nguyễn Hồng Phong
Chief Accountant

Approved by:

*(Signed and sealed)*Daisuke Hattori
General Director

Interfood Shareholding Company

Statement of income

	Code	Notes	Q2-2024 VND'000	Q2-2023 VND'000	YTD2024Q2 VND'000	YTD2023Q2 VND'000
Revenue from sale of goods	01	22	559,131,698	506,822,518	1,037,534,427	928,416,287
Revenue deductions	02	22	34,427,726	29,920,414	65,708,129	56,316,902
Net revenue (10=01-02)	10	22	524,703,972	476,902,104	971,826,298	872,099,385
Cost of sales	11	23	331,034,497	299,010,439	624,456,173	567,052,294
Gross profit (20=10-11)	20		193,669,475	177,891,665	347,370,125	305,047,091
Financial income	21	24	4,904,554	10,036,737	8,886,987	20,349,089
Financial expenses	22	25	195,175	14,429	227,185	73,082
<i>In which: Interest expenses</i>	23		-	-	-	-
Selling expenses	25	26	109,154,655	91,144,921	194,967,064	177,805,066
G&A expenses	26	27	15,000,632	10,552,557	24,142,740	19,616,113
Operating profit/(loss) {30=20+(21-22)-(25+26)}	30		74,223,567	86,216,495	136,920,123	127,901,919
Other income	31		644,981	1,109,294	960,766	1,171,764
Other expenses	32	28	3,025,044	1,418,960	3,409,007	1,562,057
Results of other activities (40 = 31 - 32)	40		(2,380,063)	(309,666)	(2,448,241)	(390,293)
Profit (loss) before tax (50 = 30 + 40)	50		71,843,504	85,906,829	134,471,882	127,511,626
Income tax expenses - current	51	30	17,860,799	13,724,007	26,725,247	21,160,900
Income tax expenses - deferred	52	30	(996,132)	42,773	2,755,440	4,671,832
Profit (loss) after tax (60 = 50 - 51 - 52)	60		54,978,837	72,140,049	104,991,195	101,678,894
Earnings per share						
Basic earnings per share (in VND)	70	31	631	828	1,205	1,167

Dong Nai, dated 16th July 2024.

Prepared by:

(Signed)

Nguyễn Hồng Phong
Chief Accountant

Approved by:

(Signed and sealed)

Daisuke Hattori
General Director

Interfood Shareholding Company

Statements of cash flows

(Indirect method)

	Code	Notes	30/06/2024 VND'000	YTD2023Q2 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	01		134,471,882	127,511,625
Adjustments for:				
Depreciation and amortisation	02		4,740,665	6,460,101
Allowances and provisions	03		426,793	(626,563)
Exchange gain/ losses	04		(93,575)	203,459
Profits from investing activities	05		(8,773,922)	(20,072,547)
Interest expense	06		-	-
Operating profit/(loss) before changes in working	08		130,771,843	113,476,075
Change in receivable	09		3,341,957	3,971,225
Change in inventories	10		79,435,448	(16,310,941)
Change in payables and other liabilities	11		16,024,916	(37,060,956)
Change in prepaid expenses	12		(5,611,860)	(172,118)
Interest paid	14		-	-
Income tax paid	15		(23,575,145)	(17,866,242)
Net cash flow from operating activities	20		200,387,159	46,037,043
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	21		(21,539,426)	(1,103,499)
Proceeds from disposals of fixed assets	22		-	-
Receipts of interests	27		9,262,055	19,178,082
Cash increase from merger	28		-	-
Net cash inflows/(outflows) from investing activities	30		(12,277,371)	18,074,583
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments to settle finance lease liabilities			-	-
Profits distributions	35		-	-
Net cash inflows/(outflows) from financing activities	40		-	-
Net increase/(decrease) in cash	50		188,109,788	64,111,626
(50= 20 +30 + 40)				
Cash at beginning of the year	60		964,683,100	1,009,072,464
Effects of changes in foreign exchange rates			-	-
Cash at end of the year (70= 50 + 60)	70	5	1,152,792,888	1,073,184,090

Dong Nai, dated 16th July 2024.

Prepared by:

Approved by:

(Signed)

(Signed and sealed)

Nguyễn Hồng Phong
Chief Accountant

Daisuke Hattori
General Director

Interfood Shareholding Company

Notes to the financial statements

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

1 Reporting Entity

(a) Ownership structure

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

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

(b) Principal activities

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

As at 30 June 2024, the Company had 896 employees (31/12/2023: 897 employees).

2 Basis of preparation

(a) Statement of compliance

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

(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.

Interfood Shareholding Company

Notes to the financial statements

(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 Summary of 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 equivalent

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

(c) Accounts receivable

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

(d) Inventories

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

The Company applies the perpetual method of accounting for inventory.

Interfood Shareholding Company

Notes to the financial statements

(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 consolidated 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 fixed assets. The estimated useful lives are as follow:

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 asset. Software cost is amortised on a straight-line basis over 10 years.

(g) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, 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.

Interfood Shareholding Company

Notes to the financial statements

(ii) *Tools and supplies*

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

(iii) *Other long-term prepaid expenses*

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

(h) **Accounts payable**

Trade and other payables are stated at their cost.

(i) **Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or contractual 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.

(j) **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

Interfood Shareholding Company

Notes to the financial statements

(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

(k) 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 to 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 balance sheet date, 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 balance sheet date.

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.

(l) Revenue and other income

(i) *Goods sold*

Revenue from sale of goods is recognised in the separate 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 sales discounts stated on the invoice.

(ii) *Interest income*

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

Interfood Shareholding Company

Notes to the financial statements

- (m) **Leases**
 (i) *Leased assets*

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation

Depreciation on finance leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in accounting policy 3(f)(ii)

- (ii) *Leased 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 in the statement of income as an integral part of the total lease expense, over the term of the lease

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability

- (n) **Borrowing costs**

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

- (o) **Earnings per share**

The Company presents basic earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the 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.

Interfood Shareholding Company

Notes to the financial statements

(q) Related parties

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

(r) Comparative information

Comparative information in these 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

4 Segment reporting

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

(a) Business segments

The Company operates in the following main business segments:

- Drinks; and
- Others include other products and scraps

Q2-2024	Drink VND'000	Others VND'000	Total VND'000
Total segment revenue – net	425,377,762	99,326,210	524,703,972
Segment cost of sales	(272,001,683)	(59,032,814)	(331,034,497)
Segment gross profit	<u>153,376,079</u>	<u>40,293,396</u>	<u>193,669,475</u>
Unallocated selling expenses			(109,154,655)
Unallocated general and administration expenses			(15,000,632)
Financial income			4,904,554
Financial expenses			<u>(195,175)</u>
Net operating profit			<u>74,223,567</u>
Results of other activities			(2,380,063)
Income tax expense			(16,864,667)
Net profit after tax			<u><u>54,978,837</u></u>

Interfood Shareholding Company

Notes to the financial statements

Q2-2023	Drink VND'000	Others VND'000	Total VND'000
Total segment revenue – net	390,757,861	86,144,243	476,902,104
Segment cost of sales	(257,746,237)	(41,264,202)	(299,010,439)
Segment gross profit	<u>133,011,624</u>	<u>44,880,041</u>	<u>177,891,665</u>
Unallocated selling expenses			(91,144,921)
Unallocated general and administration expenses			(10,552,557)
Financial income			10,036,737
Financial expenses			(14,429)
Net operating profit			<u>86,216,495</u>
Results of other activities			(309,666)
Income tax expense			(13,766,780)
Net profit after tax			<u><u>72,140,049</u></u>

(b) Geographical segments

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

5 Cash and cash equivalents	30/06/2024 VND'000	31/12/2023 VND'000
Cash on hand	182,081	115,015
Cash in banks	452,610,807	264,568,085
Cash equivalents	<u>700,000,000</u>	<u>700,000,000</u>
	<u>1,152,792,888</u>	<u>964,683,100</u>

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

6 Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	30/06/2024 VND'000	31/12/2023 VND'000
EB Services Company Limited	3,797,533	5,450,771
MM Mega Market Vietnam Company Limited	3,935,706	6,092,794
Wincommerce General Commercial Services SJC	8,009,629	6,792,060
Others	<u>15,627,142</u>	<u>17,270,248</u>
	<u>31,370,010</u>	<u>35,605,873</u>

Interfood Shareholding Company

Notes to the financial statements

(b) Accounts receivable from customers classified by payment term

	30/06/2024 VND'000	31/12/2023 VND'000
Short-term	31,370,010	35,605,873
	<u>31,370,010</u>	<u>35,605,873</u>

(c) Allowance for doubtful debts

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

	30/06/2024 VND'000	31/12/2023 VND'000
Opening balance	26,717	19,912
Allowance made during the year	-	26,717
Allowance utilised during the year	-	(19,912)
Closing balance	<u>26,717</u>	<u>26,717</u>

7 Other receivables

	30/06/2024 VND'000	31/12/2023 VND'000
Interest receivable from deposits at banks	3,931,123	4,861,644
Other receivable	1,341,591	318,738
	<u>5,272,714</u>	<u>5,180,382</u>

8 Inventories

	30/06/2024		31/12/2023	
	Cost VND'000	Allowance VND'000	Cost VND'000	Allowance VND'000
Goods in transit	2,802,767	-	10,190,048	-
Raw materials	62,486,134	-	51,786,471	-
Tools and supplies	5,180,838	(296,819)	3,964,005	(296,819)
Work in progress	7,482,672	-	9,476,023	-
Finished goods	173,202,882	(331,958)	255,539,945	(270,916)
	<u>251,155,293</u>	<u>(628,777)</u>	<u>330,956,492</u>	<u>(567,735)</u>

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

	30/06/2024 VND'000	31/12/2023 VND'000
Opening balance	567,735	5,763,831
Increase in allowance during the year	426,793	3,184,745
Allowance utilised during the year	(365,752)	(8,380,841)
Closing balance	<u>628,776</u>	<u>567,735</u>

Included in inventories as at 30 June 2024 was VND 407 million (1/1/2024: VND 568 million) of obsolete and slow-moving inventories

Interfood Shareholding Company

Notes to the financial statements

9 Tangible fixed assets

	Building VND'000	Machinery & Equipment VND'000	Motor vehicles VND'000	Office equipment VND'000	Total VND'000
Historical cost					
Opening balance	117,748,737	296,899,117	3,883,853	15,062,833	433,594,540
Additions	4,737,704	15,759,078	108,000	31,000	20,635,782
Disposals(*)	-	(3,177,936)	-	-	(3,177,936)
Closing balance	<u>122,486,441</u>	<u>309,480,259</u>	<u>3,991,853</u>	<u>15,093,833</u>	<u>451,052,386</u>
Accumulated depreciation					
Opening balance	63,791,828	283,055,226	3,725,412	14,165,794	364,738,260
Charge for the year	2,165,936	2,141,931	15,782	379,579	4,703,228
Disposals(*)	-	(3,177,936)	-	-	(3,177,936)
Closing balance	<u>65,957,764</u>	<u>282,019,221</u>	<u>3,741,194</u>	<u>14,545,373</u>	<u>366,263,552</u>
Net book value					
Opening balance	53,956,909	13,843,891	158,441	897,039	68,856,280
Closing balance	<u>56,528,677</u>	<u>27,461,038</u>	<u>250,659</u>	<u>548,460</u>	<u>84,788,834</u>

Included in the cost of tangible fixed assets were assets costing 190,584 million VND which were fully depreciated as of 30 June 2024 (31/12/2023: 185,138 million VND), but are still in active use.

The net book value of temporarily idle tangible fixed assets amounted to VND 592 million as at 30 June 2024 (31/12/2023: VND 618 million).

10 Intangible fixed assets

	Software VND'000	Total VND'000
Historical cost		
Opening balance	14,082,575	14,082,575
Additions	-	-
Closing balance	<u>14,082,575</u>	<u>14,082,575</u>
Accumulated depreciation		
Opening balance	13,714,434	13,714,434
Charge for the year	37,438	37,438
Closing balance	<u>13,751,872</u>	<u>13,751,872</u>
Net book value		
Opening balance	368,141	368,141
Closing balance	<u>330,703</u>	<u>330,703</u>

Included in the cost of intangible fixed assets were assets costing VND 12,740 million which were fully amortised as of 30 June 2024 (31/12/2023: VND 12,740 million), but are still in active use.

Interfood Shareholding Company

Notes to the financial statements

11 Long-term prepaid expenses

	Prepaid land costs VND'000	Other VND'000	Total VND'000
Opening balance	20,705,569	7,912,340	28,617,909
Additions	-	8,244,544	8,244,544
Amortisation for the period	(347,993)	(3,536,867)	(3,884,860)
Closing balance	20,357,576	12,620,017	32,977,593

12 Deferred tax assets

	Tax rate	30/06/2024 VND'000	31/12/2023 VND'000
Deferred tax assets recognised on			
Allowance expenses	20%	8,558,281	11,523,479
Allowance and provisions	20%	793,303	583,545
		9,351,584	12,107,024

13 Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	30/06/2024		31/12/2023	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Crown Beverage Cans (Dong Nai) Co., Ltd	25,420,669	25,420,669	1,054,869	1,054,869
Vietnam Kirin Beverage Company Limited	42,071,278	42,071,278	31,770,779	31,770,779
Vietnam Chuanli Can Co., Ltd	16,403,670	16,403,670	22,221,339	22,221,339
Others	59,928,658	59,928,658	55,456,884	55,456,884
	143,824,275	143,824,275	110,503,871	110,503,871

(b) Accounts payable to suppliers classified by payment term

	30/06/2024		31/12/2023	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Short-term	143,824,275	143,824,275	110,503,871	110,503,871
	143,824,275	143,824,275	110,503,871	110,503,871

Interfood Shareholding Company

Notes to the financial statements

(c) Accounts payable to suppliers who are related parties

	30/06/2024	30/06/2024	31/12/2023	31/12/2023
	Cost	Amount within payment capacity	Cost	Amount within payment capacity
	VND'000	VND'000	VND'000	VND'000
Vietnam Kirin Beverage Company, Limited	42,071,278	42,071,278	31,770,779	31,770,779
	42,071,278	42,071,278	31,770,779	31,770,779

The amounts due to Vietnam Kirin Beverage Company Limited represented the processing fee payable, which were unsecured, interest free and payable on demand.

14 Taxes payable to State Treasury

	31/12/2023	Incurred	Netted-off	Paid	30/06/2024
	VND'000	VND'000	VND'000	VND'000	VND'000
Value added tax	7,599,344	76,601,481	(51,288,280)	(29,798,649)	3,113,896
Corporate income tax	12,827,499	26,725,247		(23,575,145)	15,977,601
Personal income tax	864,852	4,645,733		(5,321,171)	189,414
Other tax	227,047	2,927,143		(3,154,190)	-
	21,518,742	110,899,604	(51,288,280)	(61,849,155)	19,280,911

15 Accrued expenses

	30/06/2024	31/12/2023
	VND'000	VND'000
Sales discounts and commission	10,050,269	12,786,174
Promotion expenses	6,119,943	9,217,533
Incentives for salesman	4,796,429	6,119,096
Secondment fee (*)	4,149,658	3,965,729
Transportation fee	3,908,233	3,137,037
Others	13,766,874	24,266,783
	42,791,406	59,492,352

(*) According to the Secondment Agreement dated 1 July 2011, the Group agreed to pay secondment fee to Kirin Holdings Company, Limited, a related party, who provides strategic and management advice and assistance to the Group at fixed amounts stipulated in the agreement with each seconded employee.

Interfood Shareholding Company

Notes to the financial statements

16 Other short-term payables

	30/06/2024	31/12/2023
	VND'000	VND'000
Dividends payable	528,149	528,149
Non-trade amounts due to a related party	662,785	410,346
Other payable	1,084,364	623,814
	<u>2,275,298</u>	<u>1,562,309</u>

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

17 Provision - long-term

	Severance allowance	Severance allowance
	30/06/2024	31/12/2023
	VND'000	VND'000
Movements of provision during the year were as follow:		
Opening balance	2,323,276	3,584,147
Provision made during the year	1,199,174	194,097
Provision utilised during the year	(211,427)	(1,454,968)
Closing balance	<u>3,311,023</u>	<u>2,323,276</u>

18 Changes in owners' equity

	Share capital VND'000	Share premium VND'000	Other Reserves VND'000	Retained profits VND'000	Total VND'000
Balance as at					
01/01/2023	871,409,840	85,035,704	90,034,048	155,884,533	1,202,364,125
Net profit for the year				208,594,769	208,594,769
Dividends (Note 21)				(155,310,284)	(155,310,284)
Balance as at					
31/12/2023	<u>871,409,840</u>	<u>85,035,704</u>	<u>90,034,048</u>	<u>209,169,019</u>	<u>1,255,648,610</u>
Net profit for the year				104,991,195	104,991,195
Dividends (Note 21)					-
Balance as at					
30/06/2024	<u>871,409,840</u>	<u>85,035,704</u>	<u>90,034,048</u>	<u>314,160,214</u>	<u>1,360,639,806</u>

Interfood Shareholding Company

Notes to the financial statements

19 Share capital

The Company's authorised and issued share capital is:

	30/06/2024		31/12/2023	
	Number of shares	VND'000	Number of shares	VND'000
Authorised and issued share capital				
Ordinary shares	87,140,992	871,409,920	87,140,992	871,409,920
Shares in circulation				
Ordinary shares	87,140,984	871,409,840	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 dividend 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 report period:

20 Other equity funds

(b) 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 (Circular 244). Accordingly, all balances in USD as at 31 December 2012 have been translated to VND at the exchange rate of VND20,828 to USD1. This amount represents the difference between the converted value and par value of ordinary shares in VND. The difference between the converted value and par value of ordinary shares of VND90,034,048,000 is reflected as other reserves.

21 Off balance sheet items

(a) Lease

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

	30/06/2024		31/12/2023	
		VND'000		VND'000
Within one year		4,105,089		4,105,089
Within two to five years		3,556,616		5,609,160
		<u>7,661,705</u>		<u>9,714,249</u>

(b) Foreign currencies

	30/06/2024		31/12/2023	
	Original currency	VND'000	Original currency	VND'000
USD	109,068	2,623,501	108,217	2,642,670
		<u>2,623,501</u>		<u>2,642,670</u>

Interfood Shareholding Company

Notes to the financial statements

22 Revenues from sales of goods

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

Net revenue comprised:

	Q2-2024 VND'000	Q2-2023 VND'000	YTD2024Q2 VND'000	YTD2023Q2 VND'000
Total revenue				
■ Sales of drinks	457,090,215	416,810,740	856,080,288	765,923,080
■ Sales of food stuff	100,272,657	88,716,384	178,232,025	160,019,996
■ Sales of scraps	1,768,826	1,295,394	3,222,114	2,473,211
	559,131,698	506,822,518	1,037,534,427	928,416,287
Less revenue deductions:				
■ Sales allowances - drinks	31,712,453	26,052,879	60,889,843	49,521,337
■ Sales allowances - food stuff	2,715,273	3,867,535	4,818,286	6,795,565
■ Sales return	-	-	-	-
	34,427,726	29,920,414	65,708,129	56,316,902
Net revenue	524,703,972	476,902,104	971,826,298	872,099,385

23 Cost of sales

	Q2-2024 VND'000	Q2-2023 VND'000	YTD2024Q2 VND'000	YTD2023Q2 VND'000
Total cost of sales				
■ Cost of drinks	272,001,683	257,746,237	517,640,851	496,609,635
■ Cost of other products	59,032,814	41,264,202	106,815,322	70,442,659
	331,034,497	299,010,439	624,456,173	567,052,294

24 Financial income

	Q2-2024 VND'000	Q2-2023 VND'000	YTD2024Q2 VND'000	YTD2023Q2 VND'000
Interest income from bank deposits	4,827,087	9,907,346	8,773,922	20,072,547
Foreign exchange gains	77,467	129,391	113,065	276,542
	4,904,554	10,036,737	8,886,987	20,349,089

25 Financial expenses

	Q2-2024 VND'000	Q2-2023 VND'000	YTD2024Q2 VND'000	YTD2023Q2 VND'000
Foreign exchange losses	195,175	14,429	227,185	73,082
	195,175	14,429	227,185	73,082

Interfood Shareholding Company

Notes to the financial statements

26 Selling expenses

	Q2-2024	Q2-2023	YTD2024Q2	YTD2023Q2
	VND'000	VND'000	VND'000	VND'000
Staff costs	46,436,919	43,713,976	88,718,999	90,035,687
Advertisement and promotion expenses	29,348,291	16,158,351	46,147,723	30,760,732
Transportation fee	26,188,559	24,099,751	48,251,186	44,921,542
Rental fee	2,970,418	3,090,845	5,340,722	5,293,617
Others	4,210,468	4,081,998	6,508,433	6,793,488
	109,154,655	91,144,921	194,967,063	177,805,066

27 General and administration expenses

	Q2-2024	Q2-2023	YTD2024Q2	YTD2023Q2
	VND'000	VND'000	VND'000	VND'000
Staff costs	3,611,543	4,611,084	6,782,430	9,007,580
Consultant fee	1,628,294	709,250	2,458,344	1,471,950
Rental fee	484,978	566,309	959,374	646,207
Depreciation and amortisation	356,757	637,768	709,807	1,549,354
Allowance	1,401,158	-	1,449,613	44,020
Others	7,517,903	4,028,146	11,783,173	6,897,002
	15,000,633	10,552,557	24,142,741	19,616,113

28 Other expenses

	Q2-2024	Q2-2023	YTD2024Q2	YTD2023Q2
	VND'000	VND'000	VND'000	VND'000
Depreciation of idle tangible fixed assets	10,918	10,918	21,836	21,836
Others	3,014,126	1,408,042	3,387,171	1,540,221
	3,025,044	1,418,960	3,409,007	1,562,057

29 Production and business costs by element

	Q2-2024	Q2-2023	YTD2024Q2	YTD2023Q2
	VND'000	VND'000	VND'000	VND'000
Raw material costs included in production cost	211,272,947	188,026,519	340,007,929	403,058,568
Labour costs and staff costs	61,853,044	60,536,245	117,315,266	122,898,640
Depreciation and amortisation	2,552,827	2,710,363	4,967,999	6,513,482
Outside services	160,812,787	134,306,709	287,261,163	253,542,649
Other expenses	13,608,747	5,886,051	18,313,938	10,380,075
	450,100,351	391,465,888	767,866,295	796,393,414

Interfood Shareholding Company

Notes to the financial statements

30 Corporate Income Taxes

(a) Recognised in the consolidated statement of income

	30/06/2024 VND'000	31/12/2023 VND'000
Current tax expense		
Current year	<u>26,725,247</u>	<u>53,037,799</u>
Deferred tax income		
Origination and reversal of temporary differences	<u>2,755,440</u>	<u>570,399</u>
	2,755,440	570,399
Income tax expense	<u>29,480,687</u>	<u>53,608,198</u>

(b) Reconciliation of effective tax rate

	30/06/2024 VND'000	31/12/2023 VND'000
Accounting profit (loss) before tax	<u>134,471,882</u>	<u>262,202,967</u>
Tax at the Company's tax rate	26,894,376	52,440,593
Non-deductible expenses	703,113	1,167,605
Under provision in prior years	1,883,198	-
	<u>29,480,687</u>	<u>53,608,198</u>

(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%).

31 Basic earnings per share

(a) Net profit attributable to ordinary shareholders

	30/06/2024 VND'000	31/12/2023 VND'000
Net profit attributable to ordinary shareholders	<u>104,991,195</u>	<u>208,594,769</u>

(b) Weighted average number of ordinary shares

Weighted average number of ordinary shares for	<u>87,140,984</u>	<u>87,140,984</u>
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Interfood Shareholding Company

Notes to the financial statements

32 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	
	YTD2024Q2 VND'000	YTD2023Q2 VND'000
Related companies		
Kirin Holdings Company, Limited - Ultimate Parent Company		
Secondment fee	4,237,200	3,901,719
Purchases of services	6,717	63,488
Vietnam Kirin Beverage Company, Limited		
Processing fee	159,804,215	140,448,464
Purchases of services	2,337,070	1,697,480
Sale of finished goods	174,630	35,421
Purchases of goods	30,433	22,477
Kyowa Hakko Bio Singapore Pte,Ltd		
Purchases of goods	5,549,730	2,367,100
Kirin Engineering Company, Limited - Taipei Branch		
Purchases of goods	11,254,266	-
Kirin Engineering Company, Limited - Vietnam Branch		
Purchases of goods	14,333,338	-
Kirin Holdings Singapre Pte, Ltd		
Purchases of services	-	-
Dividend paid	-	-
Board of Directors and Board of Management		
Secondment fees	2,412,640	2,280,000
Salary	-	961,442

Interfood Shareholding Company**Notes to the financial statements**

Dong Nai, dated 16th July 2024.

Prepared by:

Approved by:

(Signed)

(Signed and sealed)

Nguyễn Hồng Phong
Chief Accountant

Daisuke Hattori
General Director