

**Interfood Shareholding Company**  
 Lot 13, Tam Phuoc IZ,  
 Bien Hoa City, Dong Nai  
 No : ...../CV-IFS-2014

**SOCIALIST REPUBLIC OF VIETNAM**  
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**Bien Hoa, 14th February 2014**

**To : State Securities Commission**

*(Re: Explanatory for Separated business results of 4th quarter 2013)*

First we would like to thank for your support recently.

We would like to provide the result of consolidation income statement for the 4th quarter of year 2013 as following:

Descriptions	Quarter 4 - 2013	%	Quarter 4 - 2012	%	Variance	%
	Thousand VND		Thousand VND		Thousand VND	
Gross sales	295,632,884		218,495,417		77,137,467	35%
Less deductions:	8,447,877		6,408,558		2,039,319	32%
Net sales	287,185,007	100%	212,086,859	100%	75,098,148	35%
Cost of sales	205,740,754	72%	168,604,166	79%	37,136,588	22%
Gross profit	81,444,253	28%	43,482,693	21%	37,961,560	87%
Income from financial activities	2,380,006	0.8%	1,349,158	1%	1,030,848	76%
Expenses for financial activities	4,587,002	2%	2,781,059	1%	1,805,943	65%
<i>Including: interest expense</i>	2,045,324	1%	2,258,548	1%	(213,224)	-9%
Selling expenses	114,574,592	40%	83,537,600	39%	31,036,992	37%
General and administration expenses	10,105,322	4%	8,302,295	4%	1,803,027	22%
Operating profit (loss)	(45,442,657)	-16%	(49,789,103)	-23%	4,346,446	-9%
Other income	6,318,689	2%	12,829,157	6%	(6,510,468)	-51%
Other expenses	(105,013)	0%	37,903,539	18%	(38,008,552)	-100%
Profit (loss) before tax	(39,018,955)	-14%	(74,863,485)	-35%	35,844,530	-48%
CIT for the current year	-	0%	4,148,958	2%	(4,148,958)	
Deferred CIT	-	0%	42,787,523	20%	(42,787,523)	0%
Profit(loss) after tax	(39,018,955)	-14%	(121,799,966)	-57%	82,781,011	-68%

We would like to explain several factors related to the results of separated operations as of the reporting period as follows:

Net sales in 4th Quarter 2013 increased by 35% compared to the same period in year 2012, because this is time for the company to perform its best efforts to achieve the sale target of year 2013. To gain this result, the company have fully prepared goods, to ensure the best quality and variety of product design and packaging, supplement for main product meet the needs of customers for the year end and Chinese New Year 2014. In addition, the company had at competitive prices policy, increasing TVC program, open new sale channel which contributing to strong sales in the second quarter of year 2013.

Cost of goods sold in 4th Quarter of 2013 decreased compared to the same last year period and decreased to 71% of net sales compared to 79% last year. This is the result of efforts to reduce production costs of companies such as: reduce of empty can from main supplier due to increase of production volume, reduce cost of husk boiler and the wastewater treatment systems's operation, and efficient use of raw materials.

Financial revenue in the 4th Quarter 2013 increased compared to the same period last year, mostly related to the difference of exchange rate due to revaluation of cash and receivable items according to the regulations.

Financial expenses in the 4th Quarter 2013 significant increased compared last period and took 2% of net sale, due to the impact of the changing in the exchange rate. Besides, the loan interest expenses still kept at 1% per net sale due to the Company is still maintaining the inter-company off-shore loans with interest rates about 1.9% per annual.

In the 4th Quarter 2013, the company continues promoting the promotion, TVC advertising and supporting programs for distributors, shops and sales staff, for the purposes of sales growth for the new year, which puts the cost of sales to the high level, accounting for 40% of revenue and 37% increase over the same period last year.

4th Quarter 2013, general and administration expenses increased compared to the same period in 2012 and kept at 4% net sale, caused the company to have to expand the operation such as restructure for human resources, or the increase of outsourcing such as office renting fee and other facilities.

Other income in this period is only relating to the income of several disposal material.

Other expenses decreased due to in last year Quarter 4, company have to pay for the tax arrears and penalties for tax inspection for period of 2007-2009 and also the cost due to liquidate of idle assets.

Above are some explanation for operating results of 4th Quarter 2013.

Thanks and best regards!

**ON BEHALF OF THE COMPANY**

Signed and sealed

**Michio Nagabayashi**  
**Chairman, General Director**