

Interfood Shareholding Company
Lot 13, Tam Phuoc IZ, Tam Phuoc Ward
Bien Hoa City, Dong Nai

SOCIALIST REPUBLIC OF VIETNAM
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No : 179/CV/IFS/2024

Dong Nai, 15th March 2024

To : - State Securities Commission (SSC)
- Hanoi Stock Exchange (HNX)

(Re: Explanatory for audited business results of year 2023)

First we would like to thank you for your continued support.

We would like to provide the result of audited income statement for the year of year 2023 as following:

Unit: VND'000

Descriptions	Year 2023	Year 2022	Variance
Revenue from sale of goods	1,995,034,345	1,830,257,198	9%
Deductions	126,736,274	117,545,282	8%
<i>Percentage of deductions</i>	<i>6.4%</i>	<i>6.4%</i>	
Net revenue	1,868,298,071	1,712,711,916	9%
Cost of sales	1,197,411,653	1,151,195,520	4%
<i>Percentage of COGS</i>	<i>64.1%</i>	<i>67.2%</i>	
Gross profit	670,886,418	561,516,396	19%
<i>Percentage of gross profit</i>	<i>35.9%</i>	<i>32.8%</i>	
Financial income	35,526,772	22,130,875	61%
Financial expenses	215,678	466,995	-54%
<i>In which: interest expense</i>	-	-	
Selling expenses	398,247,290	359,312,454	11%
<i>Percentage of selling expenses</i>	<i>21.3%</i>	<i>21.0%</i>	
General and administration expenses	43,342,788	36,476,380	19%
Operating profit	264,607,434	187,391,442	41%
Other income	3,064,897	7,902,438	-61%
Other expenses	5,469,364	1,749,715	213%
Profit before tax	262,202,967	193,544,165	35%
CIT for the current year	53,037,799	36,151,167	47%
Deferred CIT	570,399	1,747,368	-67%
Profit after tax	208,594,769	155,645,630	34%
<i>Percentage of profit after tax</i>	<i>11.2%</i>	<i>9.1%</i>	

The company would like to explain the reason for profit after tax in year 2023 differs by more than 10% compared to 2022 as follows:

The year 2023 continues to mark the period when the Company transitions from a state of recovery to a stage of sustainable growth, as shown by the Company's profit after tax of 208 billion VND, an increase of 34% over the same period last year.

Regarding sales revenue, in 2023 the Company continue to focus on improving key brand such as launching a new PET bottled Winter Melon Tea product, adding Ice+ Tea products and an improved Latte product with a larger bottle capacity to meet the diverse needs of customers, at the same time continues to spread the health contribution function of Imuse strategic product to consumers. As a result, total sales revenue increased by more than 9% over the same period last year.

Cost of goods sold in 2023 decreased to 64% of net revenue compared to the same period last year of 67%. The reason is due to price fluctuations of some key raw materials purchased during the period as well as increased production volume in 2023, leading to a corresponding decrease in unit product cost.

Financial revenue increased in 2023 when the Company continues to maintain a short-term deposit of VND 700 billion at a bank with higher interest rates than the same period last year's interest.

In year of 2023, the company continued to implement communication campaigns to promote products to promote sales growth and continue to implement sales support costs, plus the unit price of shipping costs is still unstable due to the general situation, as the result in this period is that the total ratio of selling expenses to net revenue is still high at 21%, equal to the same period last year.

General administration costs increased by 2.3% compared to 2.1% in the same period last year related to some outsourced services.

Other income decreased because last year the Company received compensation from several suppliers but other expenses this year increased related to the cost of destroy processing products from suppliers.

Above are some explanation for operating results of the year of 2023.

Thanks and best regards.

ONBEHALF OF THE COMPANY

(Signed and sealed)

Daisuke Hattori
General Director