

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

SOCIALIST REPUBLIC OF VIETNAM
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No : 51/.../CV-IFS-2016

Bien Hoa, 20th April 2016

To : State Securities Commission

(Re: Explanatory for Separated business results of 1st Quarter 2016)

First we would like to thank for your support recently.

We would like to provide the result of Separated income statement for the 1st Quarter of year 2016 as following:

Descriptions	Quarter 1 - 2016	%	Quarter 1 - 2015	%	Variance	%
	Thousand VND		Thousand VND		Thousand VND	
Gross sales	255,098,022		234,456,514		20,641,508	9%
Less deduction:	8,070,369		6,617,847		1,452,522	22%
Net sales	247,027,653	100%	227,838,667	100%	19,188,986	8.4%
Cost of sales	172,342,550	70%	158,138,678	69%	14,203,872	9%
Gross profit	74,685,103	30%	69,699,989	31%	4,985,114	7%
Income from financial activities	6,833,809	2.8%	4,442,466	1.9%	2,391,343	54%
Expenses for financial activities	4,521,466	2%	7,539,325	3%	(3,017,859)	-40%
<i>Including: interest expense</i>	1,293,024	1%	1,291,763	1%	1,261	0%
Selling expenses	58,609,785	24%	77,828,770	34%	(19,218,985)	-25%
General and administration expenses	9,165,785	4%	7,495,109	3%	1,670,676	22%
Operating profit (loss)	9,221,876	4%	(18,720,749)	-8%	27,942,625	-149%
Other income	2,680,390	1%	953,458	0%	1,726,932	181%
Other expenses	23,271,714	9%	189,082	0%	23,082,632	12208%
Profit (loss) before tax	(11,369,448)	-5%	(17,956,373)	-8%	6,586,925	-37%
CIT for the current year	-	0%	-	0%	-	-
Deferred CIT	-	0%	-	0%	-	0%
Profit (loss) after tax	(11,369,448)	-5%	(17,956,373)	-8%	6,586,925	-37%

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

Net sales in 1st Quarter 2016 increased 8% compared to the same period in year 2015, caused by the company has expanded the sale outlets nationwide, deployed selling programs and launching new products from March.

Cost of good sold (COGS) in 1st Quarter accounting at 69% of net sales comparing to 68% of its respective period of last year because it included promotion cost reclassified from selling cost as per new regulation. Besides, the company also tried to reduce the production cost, it caused the COGS (not including promotion) reduce, comparing to last period.

Income from financial activities in the 1st Quarter 2016 increased, compared to the same period last year, mostly related to the gain due to the strengthening of VND during the 1st Quarter 2016.

Expenses for financial activities in the 1st Quarter 2016 reduced as same above reason. Besides, loan interest was kept at 1% per net sale due to the Company is still maintaining the inter-company off-shore loans with interest rates about 1.1% per annum.



In the 1st Quarter 2016, the company continued to promote the sales support programs such as discount program , the special promotions, sales volume bonus for distributors and sales team, outlet shop programs in order to maintain the volume of sales for beginning of the year 2016, causing selling expenses still in significant, accounting for 24 % of sales vs 34% of last same period.

General and administration expenses has maintained similar rate as same period in 201 at 4% net sale

Other income mostly refer to the sale of disposal unused fixed asset.

Other expenses mostly referred to the depreciation cost of several idled assets (973 million VND) and the loss of fixed asset disposal (Netbook value) (22,123 million VND)

Above are some explanation for operating results of the 1st Quarter 2015.

Thanks and best regards!



Tomu Yamasaki
Chairman cum General Director

