

Interfood Shareholding Company

Separate Financial Statements for the year
ended 31 December 2014

Interfood Shareholding Company
Corporate information

Investment Licence No. 270/GP 16 November 1991

Investment Certificate 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

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.

Board of Management	Toru Yamasaki	Chairman (from 16 March 2015)
	Toru Yamasaki	Member (until 16 March 2015)
	Michio Nagabayashi	Chairman (until 16 March 2015)
	Hiroshi Fujikawa	Member
	Nguyen Thi Kim Lien	Member
	Takayuki Morisawa	Member
Board of Directors	Toru Yamasaki	Genral Director (from 16 March 2015)
	Michio Nagabayashi	General Director (until 16 March 2015)
	Kazufumi Nagashima	Director/General Manager of Factory (until 24 March 2014)
	Yoshihisa Fujiwara	Director/General Manager of Factory (from 24 March 2014)
	Hidefumi Matsuo	Director/General Manager of Administration (until 24 September 2014)
	Takayuki Morisawa	Director/General Manager of Administration (from 24 September 2014)
	Nguyen Thi Kim Lien	Director/General Manager of Finance
	Taiichiro Iizumi	Director/General Manager of Sales and Marketing
Yutaka Ogami	Director/General Manager of Finance Controller	

Interfood Shareholding Company
Corporate information (continued)

Registered Office Lot 13, Tam Phuoc Industrial Zone
Bien Hoa City
Dong Nai Province
Vietnam

Auditors KPMG Limited
Vietnam

Interfood Shareholding Company
Statement of the Board of Directors

The Board of Directors is responsible for the preparation and presentation of the separate 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 separate financial statements set out on pages 6 to 40 give a true and fair view of the unconsolidated financial position of Interfood Shareholding Company (“the Company”) as at 31 December 2014, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company 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 Board of Directors has, on the date of this statement, authorised these separate financial statements for issue.

On behalf of the Board of Directors

(Signed and sealed)

Toru Yamasaki
Chairman – cum General Director

Ho Chi Minh City, 27 March 2015

Interfood Shareholding Company
Separate balance sheet as at 31 December 2014

Form B 01 – DN

	Code	Note	31/12/2014 VND'000	31/12/2013 VND'000
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		436,632,039	423,371,659
Cash	110	4	111,277,531	96,582,678
Accounts receivable – short-term	130	5	144,159,414	144,730,352
Accounts receivable – trade	131		36,547,087	27,402,646
Prepayments to suppliers	132		4,579,446	2,631,416
Intra-company receivables	133		104,673,603	116,644,475
Other receivables	135		404,746	97,283
Allowance for doubtful debts	139		(2,045,468)	(2,045,468)
Inventories	140	6	179,430,711	180,423,407
Inventories	141		182,865,732	180,423,407
Allowance for inventories	149		(3,435,021)	-
Other current assets	150		1,764,383	1,635,222
Short-term prepayments	151		1,192,488	650,029
Taxes receivable from State Treasury	154		-	529,403
Other current assets	158		571,895	455,790
Long-term assets (200 = 210 + 220 + 250 + 260)	200		277,382,447	297,092,300
Accounts receivable – long-term	210	5	24,993,600	24,993,600
Intra-company receivables	213		24,993,600	24,993,600
Fixed assets	220		154,143,793	172,202,425
Tangible fixed assets	221	7	143,753,982	163,978,859
Cost	222		383,245,792	378,446,061
Accumulated depreciation	223		(239,491,810)	(214,467,202)
Intangible fixed assets	227	8	8,954,046	8,223,566
Cost	228		10,815,193	8,926,021
Accumulated amortisation	229		(1,861,147)	(702,455)
Construction in progress	230	9	1,435,765	-
Long-term investments	250	10	94,145,809	94,145,809
Investment in subsidiary	251		94,145,809	94,145,809
Other long-term assets	260		4,099,245	5,750,466
Long-term prepayments	261	11	2,537,743	4,299,991
Other long-term assets	268		1,561,502	1,450,475
TOTAL ASSETS (270 = 100 + 200)	270		714,014,486	720,463,959

The accompanying notes are an integral part of these separate financial statements

Interfood Shareholding Company
Separate balance sheet as at 31 December 2014 (continued)

Form B 01 – DN

	Code	Note	31/12/2014 VND'000	31/12/2013 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		553,953,776	588,871,862
Current liabilities	310		412,178,083	448,951,728
Short-term borrowings	311	12	245,870,000	326,740,000
Accounts payable – trade	312	13	95,168,043	85,727,963
Advances from customers	313		3,316,859	6,118,814
Taxes payable to State Treasury	314	14	5,729,562	231,016
Payables to employees	315		9,496,505	12,367,541
Accrued expenses	316	15	51,940,032	17,089,922
Other payables	319	16	657,082	676,472
Long-term borrowings and liabilities	330		141,775,693	139,920,134
Other long-term liabilities	333		-	26,139
Long-term borrowings	334	17	138,970,000	137,020,000
Provision for severance allowance	337	18	2,805,693	2,873,995
EQUITY (400 = 410)	400		160,060,710	131,592,097
Owners' equity	410	19	160,060,710	131,592,097
Share capital	411	20	711,409,840	591,443,888
Share premium	412		85,035,704	85,035,704
Other reserves	418	21	90,034,048	-
Accumulated losses	420		(726,418,882)	(544,887,495)
TOTAL RESOURCES (440 = 300 + 400)	440		714,014,486	720,463,959

OFF BALANCE SHEET ITEMS

	31/12/2014 VND'000	31/12/2013 VND'000
Foreign currency		
• USD	47,661,063	43,639,871
• EUR	8,938	10,426

27 March 2015

Prepared by:

(Signed)

Nguyen Hong Phong
Chief Accountant

Approved by:

(Signed and sealed)

Toru Yamasaki
Chairman – cum General Director

The accompanying notes are an integral part of these separate financial statements

Interfood Shareholding Company
Separate statement of income for the year ended 31 December 2014

Form B 02 – DN

	Code	Note	2014 VND'000	2013 VND'000
Total revenue	01	22	1,185,919,021	1,022,018,674
Less revenue deductions	02	22	38,707,794	28,872,788
Net revenue (10 = 01 - 02)	10	22	1,147,211,227	993,145,886
Cost of sales	11	23	846,280,556	721,964,445
Gross profit (20 = 10 - 11)	20		300,930,671	271,181,441
Financial income	21	24	12,763,212	5,368,283
Financial expenses	22	25	23,909,833	15,935,655
<i>In which: Interest expense</i>	23		6,959,861	8,402,063
Selling expenses	24		449,269,706	414,545,956
General and administration expenses	25		31,012,598	33,654,493
Net operating loss {30 = 20 + (21 - 22) - (24 + 25)}	30		(190,498,254)	(187,586,380)
Other income	31	26	10,086,852	82,068,031
Other expenses	32	27	1,119,985	8,687,084
Results of other activities (40 = 31 - 32)	40		8,966,867	73,380,947
Loss before tax (50 = 30 + 40)	50		(181,531,387)	(114,205,433)
Income tax expense – current	51	28	-	3,172,595
Income tax expense – deferred	52	28	-	-
Net loss after tax (60 = 50 - 51 - 52)	60		(181,531,387)	(117,378,028)

27 March 2015

Prepared by:

(Signed)

Approved by:

(Signed and sealed)

Nguyen Hong Phong
Chief Accountant

Toru Yamasaki
Chairman – cum General Director

The accompanying notes are an integral part of these separate financial statements

Interfood Shareholding Company
Separate statement of cash flows for the year ended 31 December 2014
(Indirect method)

Form B 03 – DN

	Code	Note	2014 VND'000	2013 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	01		(181,531,387)	(114,205,433)
Adjustments for				
Depreciation and amortisation	02		26,183,300	26,168,340
Allowances and provisions	03		3,435,021	(4,548,075)
Unrealised foreign exchange losses	04		4,893,279	3,473,758
Income from loan waiver	05		-	(71,459,368)
Interest income	05		(2,835,768)	(3,506,790)
Interest expense	06		6,959,861	8,402,063
Operating loss before changes in working capital	08		(142,895,694)	(155,675,505)
Change in receivables	09		(11,055,131)	(8,008,160)
Change in inventories	10		(2,442,325)	(16,297,892)
Change in payables and other liabilities	11		99,902,710	72,124,605
Change in prepayments	12		1,219,789	181,878
			(55,270,651)	(107,675,074)
Interest paid	13		(7,928,475)	(10,820,621)
Income tax paid	14		-	(3,172,595)
Other payments for operating activities	16		(55,039)	-
Net cash flows from operating activities	20		(63,254,165)	(121,668,290)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(8,124,668)	(3,479,616)
Loan granted to a related company	23		(40,400,000)	(31,050,000)
Receipts of interests from bank deposits	27		328,686	726,483
Net cash flows from investing activities	30		(48,195,982)	(33,803,133)

The accompanying notes are an integral part of these separate financial statements

Interfood Shareholding Company
Separate statement of cash flows for the year ended 31 December 2014
(Indirect method – continued)

Form B 03 – DN

	Code	Note	2014 VND'000	2013 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from shares issued	31		210,000,000	210,000,000
Proceeds from short-term borrowings	33		126,945,000	199,842,000
Payments to settle loan principals	34		(210,800,000)	(239,522,000)
Net cash flows from financing activities	40		126,145,000	170,320,000
Net cash flows during the year (50 = 20 + 30 + 40)	50		14,694,853	14,848,577
Cash at beginning of the year	60		96,582,678	81,642,948
Effect of exchange rate fluctuations on cash	61		-	91,153
Cash at end of the year (70 = 50 + 60 + 61)	70	4	111,277,531	96,582,678

27 March 2015

Prepared by:

(Signed)

Nguyen Hong Phong
Chief Accountant

Approved by:

(Signed and sealed)

Toru Yamasaki
Chairman – cum General Director

The accompanying notes are an integral part of these separate financial statements

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014

Form B 09 – DN

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

1. Reporting entity

Interfood Shareholding Company (“the Company”) is incorporated as a joint stock company in Vietnam. 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; and to export, import products in accordance with business operation.

The Company’s shares were listed on the Ho Chi Minh Stock Exchange in accordance with the Listing License No. 61/UBCK-GPNY issued by the Ho Chi Minh City Stock Exchange on 29 September 2006.

According to the Announcement No. 395/2013 of Ho Chi Minh Stock Exchange, the Company’s shares were delisted on 3 May 2013 and thereafter traded on Vietnam Security Depository.

As at 31 December 2014, the Company had 1,404 employees (31/12/2013: 1,288 employees).

2. Basis of preparation

(a) Statement of compliance

The separate 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.

The Company separately prepares and issues consolidated financial statements.

(b) Basis of measurement

The separate financial statements, except for the separate statement of cash flows, are prepared on the accrual basis using the historical cost concept. The separate statement of cash flows is prepared using the indirect method.

(c) Going concern assumption

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

The separate financial statements have been prepared on a going concern basis. The Company incurred net loss after tax of VND181,531 million (2013: VND117,378 million) during the year. Furthermore, the Company had significant loans that will require refinancing within the next 12 months (Note 12). The validity of the going concern assumption fundamentally depends on the ultimate majority shareholder continuing to provide such financial assistance as is necessary to enable the Company to meet its liabilities as and when they fall due and to maintain the Company in existence as a going concern for the foreseeable future.

At the time of this report, there is no reason for the management to believe that the ultimate majority shareholder will not continue its support.

(d) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(e) Accounting currency

The separate financial statements are prepared and presented in Vietnam Dong (“VND”) 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 separate financial statements.

(a) Foreign currency

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates of exchange ruling at the transaction dates.

All foreign exchange differences are recorded in the statement of income.

(b) Cash

Cash comprises cash balances and call deposits.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

(c) Investments

Investments are stated at cost. An allowance is made for reductions in investment values if market value of the investment falls below cost or if the investee has suffered a loss. The allowance is reversed if the recoverable amount is subsequently increased after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) 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 inventories.

(f) 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 costs, is charged to the statement of income in the year in which the costs are 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

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

- machinery and equipment 10 – 15 years
- motor vehicles 6 years
- office equipment 10 years

(g) Intangible fixed assets

Software

Cost of acquiring 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.

(h) Construction in progress

Construction in progress represents the cost of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction or installation.

(i) Long-term prepayments

(i) Renovation expenses

Renovation expenses are initially stated at cost and are amortised on a straight line basis over 3 years starting from the date of completion of the renovation.

(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 Circular 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance which provides guidance on management, use and depreciation of fixed assets. Cost of tools and supplies are amortised on a straight-line basis over 3 years.

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) 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

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

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 employees who have worked for 12 months or more (“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 employees’ compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009 the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as of 31 December 2014 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

(l) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company’s unconsolidated financial position and unconsolidated results of operations and the nature and extent of risk arising from financial instruments, the Company classifies its financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as financial assets at fair value through profit or loss.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company has the positive intention and ability to hold to maturity, other than:

- those that the Company upon initial recognition designates as financial assets at fair value through profit or loss;
- those that the Company designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Company intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Company upon initial recognition designates as available-for-sale; or
- for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

(ii) *Financial liabilities*

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held for trading. A financial liability is considered as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as financial liabilities at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

(m) 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.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

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.

(n) Revenue and other income

(i) Goods sold

Revenue from sales of goods is recognised in the statement of income when the 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.

(ii) Interest income

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

(o) Operating 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 in the statement of income as an integral part of the total lease expense.

(p) 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.

(q) Related parties

Parties are considered to be related 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. Parties are also considered to be related if they are subject to common control or common significant influence.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

4. Cash

	31/12/2014	31/12/2013
	VND'000	VND'000
Cash on hand	159,047	142,279
Cash at banks	111,118,484	96,440,399
	<hr/>	<hr/>
	111,277,531	96,582,678
	<hr/> <hr/>	<hr/> <hr/>

5. Accounts receivable – short-term and long-term

Intra-company receivables comprised:

	31/12/2014	31/12/2013
	VND'000	VND'000
Short-term		
Short-term loan granted to a related company (a)	104,673,603	116,644,475
	<hr/>	<hr/>
Long-term		
Long-term loan granted to a related company (b)	24,993,600	24,993,600
	<hr/> <hr/>	<hr/> <hr/>

- (a) The amount due from a related company represented a short-term loan receivable from Avafood Shareholding Company (“Avafood”), a subsidiary.

The short-term loan to Avafood with credit limit of VND145,796 million was unsecured and earns interest at Libor plus 1% per annum. The interest rates were ranging from 1.731% to 1.869% per annum during the year (2013: 1.896% per annum).

- (b) The amount due from a related company represented a long-term loan receivable from Avafood which was unsecured and earned fixed interest rate of 1.896% per annum during the year (2013: 1.896% per annum). The principal and related interest are due in May 2017.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

6. Inventories

	31/12/2014	31/12/2013
	VND'000	VND'000
Raw materials	52,314,741	57,807,048
Tools and supplies	10,882,858	10,352,938
Work in progress	13,602,577	2,439,256
Finished goods	106,065,556	109,824,165
	<hr/>	<hr/>
	182,865,732	180,423,407
Allowance for inventories	(3,435,021)	-
	<hr/>	<hr/>
	179,430,711	180,423,407
	<hr/>	<hr/>

The outstanding balance of the allowance for inventories represented allowance made during the year.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

7. Tangible fixed assets

	Machinery and equipment VND'000	Motor vehicles VND'000	Office equipment VND'000	Total VND'000
Cost				
Opening balance	366,322,805	8,750,844	3,372,412	378,446,061
Additions	1,513,536	120,000	892,169	2,525,705
Transfers from construction in progress	2,164,026	110,000	-	2,274,026
Closing balance	370,000,367	8,980,844	4,264,581	383,245,792
Accumulated depreciation				
Opening balance	206,765,331	5,727,482	1,974,389	214,467,202
Charge for the year	23,795,933	682,687	545,988	25,024,608
Closing balance	230,561,264	6,410,169	2,520,377	239,491,810
Net book value				
Opening balance	159,557,474	3,023,362	1,398,023	163,978,859
Closing balance	139,439,103	2,570,675	1,744,204	143,753,982

Included in the cost of tangible fixed assets were assets costing VND26,263 million which were fully depreciated as of 31 December 2014 (31/12/2013: VND23,105 million), but are still in active use.

The net book value of temporarily idle tangible fixed assets amounted to VND1,415 million as of 31 December 2014 (31/12/2013: VND1,706 million).

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

8. Intangible fixed assets

	Software VND'000
Cost	
Opening balance	8,926,021
Additions	1,851,372
Transfers from construction in progress	37,800
	<hr/>
Closing balance	10,815,193
	<hr/>
Accumulated amortisation	
Opening balance	702,455
Charge for the year	1,158,692
	<hr/>
Closing balance	1,861,147
	<hr/>
Net book value	
Opening balance	8,223,566
Closing balance	8,954,046
	<hr/> <hr/>

9. Construction in progress

	2014 VND'000	2013 VND'000
Opening balance	-	8,398,224
Additions during the year	3,747,591	1,650,313
Transfers to tangible fixed assets	(2,274,026)	(1,107,435)
Transfers to intangible fixed assets	(37,800)	(8,875,031)
Written off	-	(66,071)
	<hr/>	<hr/>
Closing balance	1,435,765	-
	<hr/> <hr/>	<hr/> <hr/>

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

10. Long-term investments

Investment in subsidiary represented 90.4% shareholding investment in Avafood Shareholding Company (“Avafood”) whose principal activities are to provide processing service and produce products including fruit juice, beverage, bottled filtered water; biscuits, jams and sweets, snack food; and agricultural, aquatic and livestock products; lease a workshop, office; and to export, import products in accordance with business operation under the Investment Licence No. 48/GP-DN issued by the People’s Committee of Dong Nai Province on 19 July 2002.

11. Long-term prepayments

Movements of long-term prepayments during the year were as follow:

	Renovation expenses VND’000	Tools and supplies VND’000	Total VND’000
Opening balance	1,350,129	2,949,862	4,299,991
Additions	-	930,131	930,131
Amortisation for the year	(874,287)	(1,818,092)	(2,692,379)
Closing balance	475,842	2,061,901	2,537,743

12. Short-term borrowings

	31/12/2014 VND’000	31/12/2013 VND’000
Loans from Kirin Holdings Company, Limited	245,870,000	326,740,000

Terms and conditions of unsecured outstanding short-term borrowings were as follow:

	Currency	Annual interest rate	31/12/2014 VND’000	31/12/2013 VND’000
Loan 1	USD	Libor plus 0.8%	149,660,000	147,560,000
Loan 2	USD	Libor plus 0.8%	-	179,180,000
Loan 3	USD	Libor plus 0.8%	96,210,000	-
			245,870,000	326,740,000

The applicable interest rates of these borrowings ranged from 0.954% to 1.492% per annum during the year (2013: 1.077% to 1.487% per annum).

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

13. Accounts payable - trade

Accounts payable - trade included the following amounts due to a related company:

	31/12/2014	31/12/2013
	VND'000	VND'000
Amounts due to Vietnam Kirin Beverage Company Limited	38,979,224	2,502,632

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

	31/12/2014	31/12/2013
	VND'000	VND'000
Value added tax	5,338,398	-
Personal income tax	310,347	130,661
Foreign contractor tax	80,817	100,355
	<u>5,729,562</u>	<u>231,016</u>

15. Accrued expenses

	31/12/2014	31/12/2013
	VND'000	VND'000
Sales discounts and commission	15,373,539	2,110,356
Transportation fees	7,920,713	5,378,039
Secondment fee payable (*)	4,742,113	4,591,183
Loans interest payable	2,168,572	3,137,186
Display expenses	3,090,617	-
Promotion expenses	5,745,365	-
Others	12,899,113	1,873,158
	<u>51,940,032</u>	<u>17,089,922</u>

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

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

16. Other payables

Other payables comprised:

	31/12/2014	31/12/2013
	VND'000	VND'000
Dividends payable	505,391	505,391
Trade union, social and health insurance	137,776	122,077
Others	13,915	49,004
	<hr/>	<hr/>
	657,082	676,472
	<hr/>	<hr/>

17. Long-term borrowings

	Currency	Annual interest rate	Year of maturity	31/12/2014	31/12/2013
				VND'000	VND'000
Unsecured borrowings from Kirin Holdings Company, Limited	USD	1.896%	2017	138,970,000	137,020,000
				<hr/>	<hr/>

The unsecured borrowings bore fixed interest rate of 1.896% per annum during the year (2013: 1.896% per annum), which is based on USD Swap Semi 30/360 5-year plus 0.8% per annum according to current Kirin Group's financial rules.

18. Provision for severance allowance

Movements of provision for severance allowance during the year were as follow:

	2014	2013
	VND'000	VND'000
Opening balance	2,873,995	3,105,122
Utilised during the year	(68,302)	(113,280)
Provision reversed during the year	-	(117,847)
	<hr/>	<hr/>
Closing balance	2,805,693	2,873,995
	<hr/>	<hr/>

During the year, the Company contributed VND1,093 million (2013: VND964 million) to the unemployment insurance fund and the amount is recorded as part of labour and staff costs in the separate statement of income.

Interfood Shareholding Company

Notes to the separate financial statements for the year ended 31 December 2014 (continued)

Form B 09 – DN

19. Movements in owners' equity

	Share capital VND'000	Share premium VND'000	Other reserves VND'000	Accumulated losses VND'000	Total VND'000
Balance at 31 December 2012	381,443,888	85,035,704	-	(427,509,467)	38,970,125
Share capital issued	210,000,000	-	-	-	210,000,000
Net loss for the year	-	-	-	(117,378,028)	(117,378,028)
Balance at 31 December 2013	591,443,888	85,035,704	-	(544,887,495)	131,592,097
Share capital issued	210,000,000	-	-	-	210,000,000
Net loss for the year	-	-	-	(181,531,387)	(181,531,387)
Reclassifications (Note 21)	(90,034,048)	-	90,034,048	-	-
Balance at 31 December 2014	711,409,840	85,035,704	90,034,048	(726,418,882)	160,060,710

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

20. Share capital

The Company's authorised and issued share capital is:

	31/12/2014	
	Number of shares	VND'000
Authorised and issued share capital		
Ordinary shares	71,140,992	711,409,920
<hr/>		
Shares in circulation		
Ordinary shares	71,140,984	711,409,840
<hr/>		

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.

Please refer to Notes 19 and 21 for movements in share capital.

21. Other reserves

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. During 2014, the Company adjusted the share capital to reflect the issued capital at par. The difference between the converted value and par value of ordinary shares of VND90,034,048,000 is reflected as other reserves.

22. Total revenue

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

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

Net revenue comprised:

	2014	2013
	VND'000	VND'000
Total revenue		
▪ Sales of drinks	1,027,224,926	888,947,223
▪ Sales of biscuits	22,852,895	28,550,969
▪ Sales of other products	135,841,200	104,520,482
	<hr/> 1,185,919,021	<hr/> 1,022,018,674
Less revenue deductions		
▪ Sales allowance	34,815,472	28,842,246
▪ Sales returns	3,892,322	30,542
	<hr/> 38,707,794	<hr/> 28,872,788
Net revenue	<hr/> 1,147,211,227	<hr/> 993,145,886

23. Cost of sales

	2014	2013
	VND'000	VND'000
Total cost of sales		
▪ Cost of drinks	720,636,381	632,621,466
▪ Cost of biscuits	20,815,688	26,578,647
▪ Cost of other products	104,828,487	62,764,332
	<hr/> 846,280,556	<hr/> 721,964,445

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

24. Financial income

	2014 VND'000	2013 VND'000
Interest income from bank deposits	328,686	726,483
Interest income from loan to Avafood	2,507,082	2,780,307
Realised foreign exchange gains	9,885,375	1,763,019
Unrealised foreign exchange gains	42,069	98,474
	<hr/>	<hr/>
	12,763,212	5,368,283
	<hr/> <hr/>	<hr/> <hr/>

25. Financial expenses

	2014 VND'000	2013 VND'000
Interest expense	6,959,861	8,402,063
Realised foreign exchange losses	12,014,624	3,961,360
Unrealised foreign exchange losses	4,935,348	3,572,232
	<hr/>	<hr/>
	23,909,833	15,935,655
	<hr/> <hr/>	<hr/> <hr/>

26. Other income

	2014 VND'000	2013 VND'000
Compensation received for unqualified materials	4,523,606	-
Reimbursement received for tax penalty payment	-	4,824,380
Loan waiver from Trade Ocean Holdings Sdn. Bhd	-	71,459,368
Others	5,563,246	5,784,283
	<hr/>	<hr/>
	10,086,852	82,068,031
	<hr/> <hr/>	<hr/> <hr/>

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

27. Other expenses

	2014 VND'000	2013 VND'000
Tax penalties	2,576	6,282,256
Depreciation of idle fixed assets	457,099	423,905
Others	660,310	1,980,923
	<hr/>	<hr/>
	1,119,985	8,687,084
	<hr/> <hr/>	<hr/> <hr/>

28. Income tax

(a) Recognised in the statement of income

	2014 VND'000	2013 VND'000
Current tax expense		
Under provision in prior years	-	3,172,595
	<hr/>	<hr/>

(b) Reconciliation of effective tax rate

	2014 VND'000	2013 VND'000
Loss before tax	(181,531,387)	(114,205,433)
	<hr/>	<hr/>
Tax at the Company's tax rate	(39,936,905)	(28,551,358)
Non-deductible expenses	23,176,410	38,061,292
Effect of change in tax rate	1,821,622	-
Deferred tax assets not recognised	14,938,873	-
Tax losses utilised	-	(9,509,934)
Under provision in prior years	-	3,172,595
	<hr/>	<hr/>
	-	3,172,595
	<hr/> <hr/>	<hr/> <hr/>

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

(c) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	31/12/2014		31/12/2013	
	Temporary difference VND'000	Tax value VND'000	Temporary difference VND'000	Tax value VND'000
Deductible temporary differences	57,434,153	12,635,514	19,036,916	4,759,229
Tax losses	45,870,837	10,091,584	41,683,805	10,420,952
	103,304,990	22,727,098	60,720,721	15,180,181

The tax losses expire in the following years:

Year of expiry	Status of tax review	Tax losses available VND'000
2017	Outstanding	8,084,006
2019	Outstanding	37,786,831
		45,870,837

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

(d) Applicable tax rates

Under the terms of the Company's Investment Certificate, the Company has an obligation to pay the government income tax at the rate of 15% of taxable profits for the first 12 years starting from the first year of operation (1994). Thereafter, from 2006 onwards the Company is subject to income tax rate applicable to enterprises before any incentives of 25%.

According to Decree No. 24/2007/ND-CP dated 14 February 2007 (which replaced Decree No. 164/2003/ND-CP dated 22 December 2003) the Company is entitled to tax incentives in relation to the relocation of its business activities out of an urban area. In 2006, the Company relocated one of its production lines from Bien Hoa City to Tam Phuoc Industrial Zone, Bien Hoa City. As a result, profit derived from this line is exempted from corporate income tax for two years and a reduction of 50% for the following six years. Also as stated in this Decree, the Company is entitled to tax incentives in relation to investments made in new production lines that are qualified under this Decree. The tax incentives include one year of exemption from corporate income tax and a reduction of 50% for the following four years applied to profit derived from the new production lines.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

Under Decree No. 124/2008/ND-CP dated 11 December 2008 (which replaced Decree No. 24/2007/ND-CP dated 14 February 2007) and Decree 122/2011/ND-CP dated 27 December 2012 (which provided a number of amendments to prevailing Decree No. 124/2008/ND-CP), the Company will continue to enjoy its tax incentives under Decree No. 24/2007/ND-CP dated 14 February 2007.

According to Letter No. 11924/TC-CST dated 20 October 2004 issued by the Ministry of Finance, the Company is entitled to a 50% reduction for two years after listing its shares in Ho Chi Minh City Securities Trading Centre. The Company has completed the registration with the tax authority to apply the incentives commencing from 2007.

The usual income tax rate applicable to enterprises before any incentives has been changed to 22% for 2014 and 2015, and will be reduced to 20% from 2016.

29. Financial instruments

(a) Financial risk management

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Company's Board of Directors oversees and monitors the Company's compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and a related company and deposits at banks.

(i) Exposure to credit risk

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	31/12/2014 VND'000	31/12/2013 VND'000
Cash at banks	(ii)	111,118,484	96,440,399
Trade and other receivables	(iii)	34,906,365	25,454,461
Short-term loan receivable	(iv)	104,673,603	116,644,475
Long-term loan receivable	(iv)	24,993,600	24,993,600
		<hr/>	<hr/>
		275,692,052	263,532,935
		<hr/>	<hr/>

(ii) Cash at banks

Cash at banks of the Company is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

(iii) Trade and other receivables

The carrying amount of receivables represents the maximum credit risk pertaining to receivables.

The Company's exposure to credit risk in relation to receivables is mainly influenced by the individual characteristics of each customer. In response to the risk, the Company has established a credit policy under which most customers have to settle payment in advance before the goods delivery is carried out. Only customers considered with high creditworthiness by the management are offered credit terms. Receivables are due within 30 days to 50 days from the date of billing. Debtors with balances that are overdue are requested to settle the balances and management will perform an assessment before further credit is granted. No collateral is collected from the customers.

Trade and other receivables that are neither past due nor impaired are mostly due from companies with good collection track records with the Company. Management believes that those receivables are of high credit quality.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

The aging of trade and other receivables is as follows:

	31/12/2014	31/12/2013
	VND'000	VND'000
Not past due	18,098,697	23,186,248
Past due 0 – 30 days	13,599,968	1,410,811
Past due 31 – 180 days	3,516,347	857,402
Past due more than 180 days	1,736,821	2,045,468
	<hr/>	<hr/>
	36,951,833	27,499,929
	<hr/>	<hr/>

There was no movement in allowance for doubtful debts during the year.

(iv) Short-term and long-term loan receivables

The Company believes that the amounts receivable from its subsidiary will be receivable through purchases from the subsidiary.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also manages its borrowings from related company by managing the financing terms with the related company.

Financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

31 December 2014

	Carrying amount	Contractual cash flows	Within year	1 – 2 years	2 – 5 years
	VND'000	VND'000	VND'000	VND'000	VND'000
Trade and other payables	157,261,662	157,261,662	157,261,662	2	-
Short-term borrowings	245,870,000	247,045,142	247,045,14	2	-
Long-term borrowings	138,970,000	145,257,095	2,634,871	2,634,871	139,987,353
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	542,101,662	549,563,899	406,941,675	2,634,871	139,987,353
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

31 December 2013

	Carrying amount VND'000	Contractual cash flows VND'000	Within year VND'000	1 – 2 years VND'000	2 – 5 years VND'000
Trade and other payables	115,861,898	115,861,898	115,861,898	-	-
Short-term borrowings	326,740,000	328,762,855	328,762,855	-	-
Other long-term liabilities	26,139	26,139	-	26,139	-
Long-term borrowings	137,020,000	145,753,212	2,605,017	2,605,017	140,543,178
	579,648,037	590,404,104	447,229,770	2,631,156	140,543,178

The Company manages its ability to meet the expected operational expenses and servicing its debts by maintaining the financial facility as follows:

- USD5 million unused short-term loan facility which renews automatically at the option of the Company. Interest would be payable at a rate of Libor + 0.8% per annum.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the accounting currency of the Company, which is the VND. The currency in which these transactions primarily are denominated is USD.

The Company's exposure to currency risk is managed by keeping the exposure to an acceptable level by entering into currency transactions to address short-term over-exposures.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

Exposure to currency risk

The Company had the following net monetary liabilities position exposed to currency risk. The following balances are presented in original currency:

	31/12/2014	31/12/2013
	USD	USD
Cash	2,229,236	2,071,930
Accounts receivable – trade	339,568	306,838
Short-term borrowings	(11,500,000)	(15,500,000)
Accounts payable – trade	(164,548)	(96,171)
Other monetary liabilities	(317,543)	-
Long-term borrowings	(6,500,000)	(6,500,000)
	<hr/>	<hr/>
	(15,913,287)	(19,717,403)
	<hr/>	<hr/>

The followings are the significant exchange rates applied by the Company:

	Exchange rate as at	
	31/12/2014	31/12/2013
	VND	VND
USD 1	21,380	21,080
	<hr/>	<hr/>

Below is an analysis of the possible impact on the net loss after tax of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Increase net loss VND'000
31 December 2014	
USD (1% strengthening of USD)	2,653,763
	<hr/>
31 December 2013	
USD (1% strengthening of USD)	4,160,372
	<hr/>

The opposite movement of the currency would have the equal but opposite effect to the net loss after tax of the Company.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

(ii) Interest rate risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amount	
	31/12/2014	31/12/2013
	VND'000	VND'000
Fixed rate instruments		
Financial assets	24,993,600	24,993,600
Financial liabilities	(138,970,000)	(137,020,000)
	<hr/>	<hr/>
	(113,976,400)	(112,026,400)
	<hr/> <hr/>	<hr/> <hr/>
Variable rate instruments		
Financial assets	215,792,087	213,084,874
Financial liabilities	(245,870,000)	(326,740,000)
	<hr/>	<hr/>
	(30,077,913)	(113,655,126)
	<hr/> <hr/>	<hr/> <hr/>

A change of 100 basis points in interest rates would have increased net loss after tax of the Company by VND235 million (2013: VND852 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

No policy was in place pertaining to the mitigation of any potential volatility of the interest rate.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

(e) Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	31/12/2014		31/12/2013	
	Carrying amount VND'000	Fair value VND'000	Carrying amount VND'000	Fair value VND'000
Categorised as loans and receivables:				
- Cash at banks	111,118,484	111,118,484	96,440,399	96,440,399
- Trade and other receivables	34,906,365	(*)	25,454,461	(*)
- Intra-company receivables – short-term	104,673,603	(*)	116,644,475	(*)
- Intra-company receivables – long-term	24,993,600	(*)	24,993,600	(*)
Categorised as liabilities at amortised cost:				
- Trade and other payables	(157,261,662)	(*)	(115,861,898)	(*)
- Short-term borrowings	(245,870,000)	(*)	(326,740,000)	(*)
- Other long-term liabilities	-		(26,139)	(*)
- Long-term borrowings	(138,970,000)	(*)	(137,020,000)	(*)
	(266,409,610)		(316,115,102)	

(*) The Company has not determined fair values of these financial instruments for disclosure in the separate financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the relevant requirements of the Vietnamese Accounting System for enterprises. The fair values of these financial instruments may differ from their carrying amounts.

30. Non-cash investing and financing activities

	2014 VND'000	2013 VND'000
Net off intra-company payables against receivables for loan principal and interest from the subsidiary	54,877,954	48,812,471
Waiver of long-term borrowings	-	71,459,368

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

31. Significant transactions with related parties

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

	Transaction value	
	2014	2013
	VND'000	VND'000
Ultimate Parent Company		
Kirin Holding Company, Limited		
Short-term borrowings	126,945,000	199,842,000
Shares issued	210,000,000	210,000,000
Interest expense	6,959,861	8,402,063
Secondment fees	9,626,009	9,087,597
Subsidiary		
Avafood Shareholding Company		
Short-term loan granted	40,400,000	31,050,000
Interest income	2,507,082	2,780,307
Processing service	43,955,455	38,445,194
Office and factory rental fee	5,932,230	5,929,780
Other related companies		
Vietnam Kirin Beverage Company, Limited		
Sales of goods	8,808	57,078
Processing fee	132,662,976	42,472,216
Member of Board of Directors		
Secondment fees	4,198,548	4,517,690
Salary	1,307,374	1,312,409

32. Commitments

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

	31/12/2014	31/12/2013
	VND'000	VND'000
Within one year	9,263,521	11,528,803
Within two to five years	24,862,422	27,499,588
Over five years	5,531,904	11,463,660
	39,657,847	50,492,051

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2014
(continued)

Form B 09 – DN

33. Production and business costs by element

	2014	2013
	VND'000	VND'000
Raw material costs included in production costs	639,452,313	632,248,251
Labour costs and staff costs	195,481,680	161,653,759
Depreciation and amortisation	26,183,300	26,168,340
Outside services	456,494,815	373,891,891
Other expenses	9,407,851	2,481,946

27 March 2015

Prepared by:

Approved by:

(Signed)

(Signed and sealed)

Nguyen Hong Phong
Chief Accountant

Toru Yamasaki
Chairman – cum General Director