



Interfood Shareholding Company

Special-purpose Separate Financial Statements for
compliance with Circular No.244/2009/TT-BTC
for the year ended 31 December 2012

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

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	Michio Nagabayashi	Chairman
	Ryoichi Yonemura	Member (until 12 April 2012)
	Toru Yamasaki	Member (from 12 April 2012)
	Hiroshi Fujikawa	Member
	Nguyen Thi Kim Lien	Member
	Pang Tze Wei	Member

Board of Directors	Michio Nagabayashi	General Director
	Hajime Kobayashi	Director/General Manager of Corporate Planning
	Kazufumi Nagashima	Director/General Manager of Factory
	Hidefumi Matsuo	Director/General Manager of Administration
	Nguyen Thi Kim Lien	Director/General Manager of Finance
	Takaaki Suemitsu	Director/General Manager of Sales and Marketing (from 15 August 2012)

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 special-purpose separate financial statements in accordance with the basis of accounting as described in Note 2(a). In the opinion of the Board of Directors:

- (a) the special-purpose separate financial statements set out on pages 5 to 36 are prepared and presented in accordance with the basis of accounting as described in Note 2(a); 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 special-purpose separate financial statements for issue.

On behalf of the Board of Management




Michio Nagabayashi
Chairman – cum General Director

Ho Chi Minh City, 29 March 2013



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street
District 1, Ho Chi Minh City
The Socialist Republic of Vietnam

Telephone +84 (8) 3821 9266
Fax +84 (8) 3821 9267
Internet www.kpmg.com.vn

INDEPENDENT AUDITORS' REPORT

To the Shareholders Interfood Shareholding Company

Scope

We have audited the accompanying special-purpose separate balance sheet of Interfood Shareholding Company ("the Company") as of 31 December 2012, the related special-purpose separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 29 March 2013, as set out on pages 5 to 36. The special-purpose separate financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these special-purpose separate financial statements based on our audit. The special-purpose separate financial statements of the Company as of and for the year ended 31 December 2011 were audited by another firm of auditors whose report dated 24 March 2012 expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the special-purpose separate financial statements of Interfood Shareholdings Company as of and for the year ended 31 December 2012 have been prepared in accordance with the basis of accounting as described in Note 2(a).



Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(a) to the special-purpose separate financial statements, which describes that the Company's separate financial statements prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements are presented in United States Dollars. The accompanying special-purpose separate financial statements which are presented in Vietnam Dong have been prepared on the basis of accounting described in Note 2(a) to the special-purpose financial statements solely for the purpose of filing with the Vietnamese authorities for compliance with Circular No. 244/2009/TT-BTC issued by the Ministry of Finance on 31 December 2009. As a result, the accompanying special-purpose separate financial statements may not be suitable for another purpose.

This report is intended solely for the information and use of the Board of Directors of Interfood Shareholding Company for the purpose of filing with the Vietnamese authorities pursuant to the above guidance and is not intended to be and should not be used for any other purpose.

KPMG Limited

Vietnam

Investment Licence No: 011043000345

Audit Report No: 12-01-204



Nguyen Thanh Nghi

CPA No. 0304/KTV

Deputy General Director



Chong Kwang Puay

CPA No. N0864/KTV

Ho Chi Minh City, 29 March 2013

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Separate balance sheet as at 31 December 2012

Form B 01 – DN

	Code	Note	31/12/2012 VND'000	31/12/2011 VND'000
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		394,740,754	368,713,752
Cash	110	4	81,642,948	40,965,781
Accounts receivable	130	5	154,689,431	187,156,201
Accounts receivable – trade	131		14,959,024	8,675,820
Prepayments to suppliers	132		3,035,244	4,714,126
Intra-company receivables	133		131,506,846	173,673,966
Other receivables	135		5,188,317	92,289
Inventories	140	6	157,649,819	137,423,519
Inventories	141		164,125,515	137,423,519
Allowance for inventories	149		(6,475,696)	-
Other current assets	150		758,556	3,168,251
Short-term prepayments	151		12,726	69,211
Taxes and other receivables from State				
Treasury	154		-	2,226,659
Other current assets	158		745,830	872,381
Long-term assets (200 = 210 + 220 + 250 + 260)	200		320,730,559	383,612,395
Accounts receivable – long-term	210	5	24,993,600	-
Intra-company long-term receivables	213		24,993,600	-
Fixed assets	220		196,391,440	247,098,872
Tangible fixed assets	221	7	187,993,216	240,003,314
Cost	222		379,932,567	490,567,049
Accumulated depreciation	223		(191,939,351)	(250,563,735)
Construction in progress	230	8	8,398,224	7,095,558
Long-term investments	250	9	94,145,809	93,726,000
Investments in subsidiary	251		94,145,809	93,726,000
Other long-term assets	260		5,199,710	42,787,523
Long-term prepayments	261	10	3,684,952	-
Deferred tax assets	262	11	-	42,787,523
Other long-term assets	268		1,514,758	-
TOTAL ASSETS (270 = 100 + 200)	270		715,471,313	752,326,147

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

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Separate balance sheet as at 31 December 2012 (continued)

Form B 01 – DN

	Code	Note	31/12/2012 VND'000	31/12/2011 VND'000 (Restated)
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		676,501,188	580,518,995
Current liabilities	310		466,528,559	504,757,457
Short-term borrowings	311	12	364,490,000	395,732,000
Accounts payable – trade	312	13	66,406,162	64,621,994
Advances from customers	313		6,552,905	3,150,360
Taxes payable to State Treasury	314	14	2,516,127	2,844,563
Payables to employees	315		8,421,739	7,004,748
Accrued expenses	316	15	16,956,554	8,636,913
Other payables	319	16	1,185,072	22,766,879
Long-term borrowings and liabilities	330		209,972,629	75,761,538
Other long-term liabilities	333		26,139	26,140
Long-term borrowings	334	17	206,841,368	71,459,368
Provision for severance allowance	337	18	3,105,122	4,276,030
EQUITY (400 = 410)	400		38,970,125	171,807,152
Equity	410	19	38,970,125	171,807,152
Share capital	411	20	381,443,888	381,443,888
Share premium	412		85,035,704	85,035,704
Accumulated losses	420		(427,509,467)	(294,672,440)
TOTAL RESOURCES (440 = 300 + 400)	440		715,471,313	752,326,147
OFF BALANCE SHEET ITEMS				
			31/12/2012 VND'000	31/12/2011 VND'000
Foreign currency (VND)			48,186,786	5,407,115

29 March 2013

Prepared by:



Nguyen Hong Phong
Chief Accountant

Approved by:



Michio Nagabayashi
Chairman cum General Director

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

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Separate statement of income for the year ended 31 December 2012

Form B 02 – DN

	Code	Note	2012 VND'000	2011 VND'000
Total revenue	01	21	879,382,008	914,115,926
Less sales deductions	02	21	25,594,821	23,916,896
Net revenue (10 = 01 - 02)	10	21	853,787,187	890,199,030
Cost of sales	11	22	673,469,089	755,121,994
Gross profit (20 = 10 - 11)	20		180,318,098	135,077,036
Financial income	21	23	4,027,864	40,287,975
Financial expenses	22	24	9,546,014	52,226,335
<i>In which: Interest expenses</i>	23		7,902,206	28,461,379
Selling expenses	24		215,082,987	148,843,448
General and administration expenses	25		28,525,321	33,790,847
Net operating loss {30 = 20 + (21 - 22) - (24 + 25)}	30		(68,808,360)	(59,495,619)
Other income	31	25	25,958,311	2,436,834
Other expenses	32	26	43,050,497	11,232,332
Results of other activities (40 = 31 - 32)	40		(17,092,186)	(8,795,498)
Loss before tax (50 = 30 + 40)	50		(85,900,546)	(68,291,117)
Income tax expense – current	51	27	4,148,958	-
Income tax expense – deferred	52	27	42,787,523	1,681,299
Net loss after tax (60 = 50 - 51 - 52)	60		(132,837,027)	(69,972,416)

29 March 2013

Prepared by:



Nguyen Hong Phong
Chief Accountant

Approved by:



Michio Nagabayashi
Chairman / General Director

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

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Separate statement of cash flows for the year ended 31 December 2012
(Indirect method)

Form B 03 – DN

	Code	Note	2012 VND'000	2011 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	01		(85,900,546)	(68,291,117)
Adjustments for				
Depreciation and amortisation	02		31,583,350	31,708,443
Allowances and provisions	03		7,499,392	(3,561,317)
Unrealised foreign exchange gains	04		-	(74,127)
Loss on disposal of fixed assets	05		28,542,712	1,458,564
Interest income	05		(3,417,832)	(10,870,341)
Interest expense	06		7,902,206	28,461,379
Operating loss before changes in working capital	08		(13,790,718)	(21,168,516)
Change in receivables	09		37,501,272	(25,399,538)
Change in inventories	10		(26,701,996)	21,469,273
Change in payables and other liabilities	11		5,377,748	(19,440,626)
Change in prepayments	12		(3,628,467)	69,566
			(1,242,161)	(44,469,841)
Interest paid	13		(4,279,925)	(26,527,916)
Income tax paid	14		(1,922,299)	-
Other payments for operating activities	16		(1,514,758)	-
Net cash flows from operating activities	20		(8,959,143)	(70,997,757)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(9,418,630)	(5,738,760)
Payments for purchase of debt instrument of the subsidiary	23		(24,678,889)	-
Receipts of interests	27		421,829	219,152
Net cash flows from investing activities	30		(33,675,690)	(5,519,608)

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

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Separate statement of cash flows for the year ended 31 December 2012
(Indirect method - continued)

Form B 03 – DN

	Code	Note	2012 VND'000	2011 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term borrowings	33		83,312,000	931,385,608
Payments to settle loan principals	34		-	(816,354,563)
Net cash flows from financing activities	40		83,312,000	115,031,045
Net cash flows during the year (50 = 20 + 30 + 40)	50		40,677,167	38,513,680
Cash at the beginning of the year	60		40,965,781	2,452,101
Cash at the end of the year (70 = 50 + 60)	70	4	81,642,948	40,965,781

NON-CASH INVESTING AND FINANCING ACTIVITIES

	2012 VND'000	2011 VND'000
Transfer from other payables to short-term borrowings	20,828,000	-
Net off intra-company receivables against payments for loan principal and interest from the subsidiary	41,852,408	-
Investment in the subsidiary not yet paid	419,809	-

29 March 2013

Prepared by:



Nguyen Hong Phong
Chief Accountant

Approved by:



Michio Nagabayashi
Chairman cum General Director

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

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Notes to the separate financial statements for the year ended 31 December 2012

Form B 09 – DN

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

1. Reporting Entity

Interfood Shareholding Company (“the Company”) is a joint stock company incorporated in Vietnam. The principal activities of the Company are to produce agricultural and aquatic products into canned, dried, frozen, salted, and pickled products and the production of biscuits and snack food, carbonated fruit juice and fruit juice with 5% alcohol content, bottled filtered water and PET bottle; and to manufacture packaging for foods and beverages.

The Company’s shares are 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.

As at 31 December 2012, the Company had 1,196 employees (31/12/2011: 674 employees).

2. Basis of preparation

(a) Statement of compliance

The Company maintains its accounting records in United States Dollars (“USD”) and presents its financial statements prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements in USD. The accompanying special-purpose financial statements which are presented in Vietnam Dong rounded to the nearest thousand (“VND’000”) have been prepared solely for the purpose of filing with the Vietnamese authorities for compliance with Circular No. 244/2009/TT-BTC (“Circular 244”) issued by the Ministry of Finance on 31 December 2009. These VND’000 financial statements, including amounts presented for the corresponding figures, have been translated from the USD financial statements at the inter-bank exchange rate ruling at the reporting date as announced by the State bank of Vietnam of VND20,828 for USD1 in accordance with the guidance in Circular 244. This method of translation does not comply with Vietnamese Accounting Standard No. 10, “The Effect of Changes in Foreign Exchange Rates” and accordingly, the accompanying special-purpose financial statements are not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements.

(b) Basis of measurement

The special-purpose 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.

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Notes to the separate financial statements for the year ended 31 December 2012
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(c) Going concern assumption

The special-purpose separate financial statements have been prepared on a going concern basis. The Company incurred net loss after tax of VND132,837 million (2011: VND69,972 million) during the year and at the balance sheet date, current liabilities exceeded current assets by VND71,787 million (31/12/2011: VND136,043 million). Furthermore, the Company has 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 Company maintains its accounting records in United States Dollars (“USD”) and presents its financial statements in USD as approved by the Ministry of Finance in its Official Letter No. 550 TC/CDKT dated 5 September 1998.

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 USD are translated into USD at rates of exchange ruling at the balance sheet date. Transactions in currencies other than USD during the year have been translated into USD at rates approximating those 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

**Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Notes to the separate financial statements for the year ended 31 December 2012
(continued)**

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(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 subsequent increase in recoverable amount can be related objectively to an event occurring 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 inventory.

(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 and location for its intended use. Expenditures incurred after tangible fixed assets have been put into operation, such as repairs and 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 expenditures have 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.

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Notes to the separate financial statements for the year ended 31 December 2012
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(ii) Depreciation

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

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

(g) 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.

(h) Long-term prepayments

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.

(i) Trade and other payables

Trade and other payables are stated at their cost.

(j) 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 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.

Interfood Shareholding Company

**Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Notes to the separate financial statements for the year ended 31 December 2012
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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. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the Government from time to time. 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 2012 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.

(k) Classification of financial instruments

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

(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 at fair value through profit or loss.

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 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.

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Notes to the separate financial statements for the year ended 31 December 2012
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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.

The Company's financial assets, comprising cash in bank, accounts receivable and other receivables, are under the category of loans and receivables.

(ii) *Financial liabilities*

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 at fair value through profit or loss.

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Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Notes to the separate financial statements for the year ended 31 December 2012
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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 Company's financial liabilities, comprising borrowings, accounts payable and other payables, are under the category of 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.

(l) 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.

(m) Revenue

Goods sold

Revenue from the sale 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.

Interfood Shareholding Company**Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC****Notes to the separate financial statements for the year ended 31 December 2012**

(continued)

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(n) 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.

(o) 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.

(p) Related companies

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.

4. Cash

	31/12/2012 VND'000	31/12/2011 VND'000
Cash on hand	105,514	187,744
Cash in banks	81,537,434	40,778,037
	<hr/> 81,642,948	<hr/> 40,965,781

5. Accounts receivable short-term and long-term

Intra-company receivables comprised:

	31/12/2012 VND'000	31/12/2011 VND'000
Short-term		
Short-term loan granted to a related company (a)	131,506,846	170,750,464
Others	-	2,923,502
	<hr/> 131,506,846	<hr/> 173,673,966
Long-term		
Long-term loan granted to a related company (b)	24,993,600	-

Interfood Shareholding Company**Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC****Notes to the separate financial statements for the year ended 31 December 2012****(continued)****Form B 09 – DN**

- (a) This amount represented the 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 applicable interest rates range from 1.731% to 1.896% per annum during the year (year ended 31 December 2011: 1.732% per annum for loans in USD).

- (b) This amount represented long-term loan granted to Avafood which was unsecured and earns fixed interest rate of 1.896% per annum during the year. The principal and related interest is due in May 2017.

Other receivables comprised:

	31/12/2012 VND'000	31/12/2011 VND'000
Marketing support receivable from Kirin Holdings Singapore Pte, Ltd. (c)	5,087,364	-
Others	100,953	92,289
	<hr/> 5,188,317	<hr/> 92,289

- (c) The amount represented the financial support for marketing activities by Kirin Holdings Singapore Pte, Ltd., a related company, which is expected to be received within 2013.

6. Inventories

	31/12/2012 VND'000	31/12/2011 VND'000
Raw materials	63,741,782	39,033,359
Tools and supplies	8,727,411	8,542,292
Work in progress	4,413,016	12,879,265
Finished goods	87,243,306	76,968,603
	<hr/> 164,125,515	<hr/> 137,423,519
Allowance for inventories	(6,475,696)	-
	<hr/> 157,649,819	<hr/> 137,423,519

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

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7. Tangible fixed assets

	Machinery and equipment VND'000	Motor vehicles VND'000	Office equipment VND'000	Total VND'000
Cost				
Opening balance	475,496,054	10,435,515	4,635,480	490,567,049
Additions	3,932,035	3,073,963	1,109,966	8,115,964
Written off	(112,937,560)	(4,315,228)	(1,497,658)	(118,750,446)
Closing balance	366,490,529	9,194,250	4,247,788	379,932,567
Accumulated depreciation				
Opening balance	238,594,071	9,197,249	2,772,415	250,563,735
Charge for the year	30,389,968	725,023	468,359	31,583,350
Written off	(84,557,306)	(4,311,729)	(1,338,699)	(90,207,734)
Closing balance	184,426,733	5,610,543	1,902,075	191,939,351
Net book value				
Opening balance	236,901,983	1,238,266	1,863,065	240,003,314
Closing balance	182,063,796	3,583,707	2,345,713	187,993,216

Included in the cost of tangible fixed assets were assets costing VND16,435 million which were fully depreciated as of 31 December 2012 (31/12/2011: VND31,069 million), but are still in active use.

The carrying amount of temporarily idle tangible fixed assets amounted to VND2,177 million as of 31 December 2012 (31/12/2011: VND32,627 million).

8. Construction in progress

	2012 VND'000	2011 VND'000
Opening balance	7,095,558	3,934,326
Additions during the year	1,302,666	3,161,232
Closing balance	8,398,224	7,095,558

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9. 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, bottled filtered water, biscuits, jams and sweets of all kinds, and from agricultural and aquatic products as well as livestock and lease a workshop under the Investment Licence No. 48/GP-ĐN issued by the People’s Committee of Dong Nai Province on 19 July 2002.

In July to December 2012, the Company acquired a further 0.4% shareholding in Avafood for a consideration of VND420 million increasing its equity interest in Avafood from 90% to 90.4%.

10. Long-term prepayments

	2012 VND’000
Opening balance	-
Additions	4,310,438
Amortisation for the year	(625,486)
	<hr/>
Closing balance	3,684,952
	<hr/> <hr/>

11. Deferred tax assets

Unrecognised deferred tax assets

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

	31/12/2012		31/12/2011	
	Temporary difference VND’000	Tax value VND’000	Temporary difference VND’000	Tax value VND’000
Deductible temporary differences	48,587,663	12,146,916	10,821,083	2,705,271
Tax losses	79,723,544	19,930,886	136,225,784	34,056,446
	<hr/>		<hr/>	
	128,311,207	32,077,802	147,046,867	36,761,717
	<hr/> <hr/>		<hr/> <hr/>	

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
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The tax losses expire in the following years:

Year of expiry	Status of tax review	Tax losses available VND'000
2013	Finalised	8,471,622
2016	Outstanding	59,582,993
2017	Outstanding	11,668,929
		79,723,544

During the year, the Company's 2007, 2008 and 2009 open tax years were reviewed and finalised by the Tax Authorities. Based on the assessments made, the Company's previous tax losses were reduced by VND239,522 million. The Company annually assesses changes that impact its projected performance and resulting projected taxable profits of its business.

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 benefits therefrom.

12. Short-term borrowings

	31/12/2012 VND'000	31/12/2011 VND'000
Loans from Kirin Holdings Company, Limited	364,490,000	395,732,000

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

	Currency	Nominal interest rate	31/12/2012 VND'000	31/12/2011 VND'000
Loan 1	USD	LIBOR plus 0.8% p.a.	145,796,000	145,796,000
Loan 2	USD	LIBOR plus 0.8% p.a.	52,070,000	52,070,000
Loan 3	USD	LIBOR plus 0.8% p.a.	62,484,000	62,484,000
Loan 4	USD	LIBOR plus 0.8% p.a.	-	135,382,000
Loan 5	USD	LIBOR plus 0.8% p.a.	104,140,000	-
			364,490,000	395,732,000

The applicable interest rates of these loans range from 1.456% to 1.928% per annum during the year (year ended 31 December 2011: 1.425% to 1.749%).

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13. Accounts payable - trade

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

	31/12/2012 VND'000	31/12/2011 VND'000
Amounts due to Vietnam Kirin Beverage Company Limited	3,176,332	-
Amount due other related parties	-	25,127,087
	<hr/>	<hr/>

The amount due to Vietnam Kirin Beverage Company Limited, was the processing fee payable, which was unsecured, interest free and are payable on demand.

14. Taxes payable to State Treasury

	31/12/2012 VND'000	31/12/2011 VND'000
Value added tax	1,580,137	2,043,560
Import-export tax	591,662	-
Personal income tax	243,979	410,915
Foreign contractor tax	100,349	390,088
	<hr/>	<hr/>
	2,516,127	2,844,563
	<hr/>	<hr/>

15. Accrued expenses

	31/12/2012 VND'000	31/12/2011 VND'000
Transportation fees	3,802,151	2,979,904
Sales discounts and commission	2,021,795	973,167
Loans interest payable	5,555,744	1,933,463
Secondment fee payable (*)	5,021,464	1,975,286
Others	555,400	775,093
	<hr/>	<hr/>
	16,956,554	8,636,913
	<hr/>	<hr/>

(*) According to the Secondment Agreement dated 1 July 2011, the Company agreed to pay the 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.

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16. Other payables

Other payables comprised:

	31/12/2012 VND'000	31/12/2011 VND'000
Dividends payable	505,391	505,391
Trade union, social and health insurance	164,229	166,666
Payable to related companies	-	21,492,434
Others	515,452	602,388
	1,185,072	22,766,879

Other payables included the following amounts due to related companies:

	31/12/2012 VND'000	31/12/2011 VND'000
Amounts due to Kirin Holdings Company, Limited (*)	-	20,828,000
Amounts due to Wonderfarm Biscuits & Confectionery Sdn. Bhd.	-	664,434
	-	21,492,434

(*) During the year, this amount was converted to short-term loan according to the revolving loan agreement dated 27 November 2011 (Note 12).

17. Long-term borrowings

	Currency	Interest rate	Year of maturity	31/12/2012 VND'000	31/12/2011 VND'000
Loan from Trade Ocean Holdings Sdn. Bhd. (a)	USD	three-month SIBOR minus 1% p.a.	2014	71,459,368	71,459,368
Unsecured loan from Kirin Holdings Company, Limited (b)	USD	1.896% p.a.	2017	135,382,000	-
				206,841,368	71,459,368

(a) The loan was unsecured and bore effective interest at 0% during the year as the interest at three-month SIBOR minus 1% per annum was negative (year ended 31 December 2011: 0%).

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

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18. Provision for severance allowance

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

	2012 VND'000
Opening balance – as restated (Note 33)	4,276,030
Provision made during the year	1,023,696
Utilised during the year	(2,194,604)
	<hr/>
Closing balance	3,105,122
	<hr/>

During the year, the Company contributed VND701 million (year ended 31 December 2011: VND412 million) to the unemployment insurance fund and the amount is recorded as part of labour and staff costs in the separate statement of income.

19. Movement in owner's equity

	Share capital VND'000	Share premium VND'000	Accumulated losses VND'000	Total VND'000
Balance at 31 December 2010 – as previously stated	381,443,888	85,035,704	(222,981,714)	243,497,878
Impact of prior year's adjustment (Note 33)	-	-	(1,718,310)	(1,718,310)
	<hr/>			
Balance at 31 December 2010 – as restated	381,443,888	85,035,704	(224,700,024)	241,779,568
Net loss for the year	-	-	(69,972,416)	(69,972,416)
	<hr/>			
Balance at 31 December 2011 – as restated	381,443,888	85,035,704	(294,672,440)	171,807,152
Net loss for the year	-	-	(132,837,027)	(132,837,027)
	<hr/>			
Balance at 31 December 2012	381,443,888	85,035,704	(427,509,467)	38,970,125
	<hr/>			

Interfood Shareholding Company

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20. Share capital

The Company's authorised and issued share capital is:

	31/12/2012		31/12/2011	
	Number of shares	VND'000	Number of shares	VND'000
Authorised and issued share capital				
Ordinary shares	29,140,992	381,443,992	29,140,992	381,443,992
<hr/>				
Shares in circulation				
Ordinary shares	29,140,984	381,443,888	29,140,984	381,443,888
<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 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 in share capital during the year.

21. Total revenue

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

Net revenue comprised:

	2012 VND'000	2011 VND'000
Total revenue		
▪ Sales of drinks	795,969,367	801,978,203
▪ Sales of biscuits	29,868,164	30,483,673
▪ Sales of other products	53,544,477	81,654,050
Less sales deductions		
▪ Sales allowance	25,180,156	23,484,257
▪ Sales returns	414,665	432,639
<hr/>		
Net revenue	853,787,187	890,199,030
<hr/>		

Interfood Shareholding Company**Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC****Notes to the separate financial statements for the year ended 31 December 2012****(continued)**

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22. Cost of sales

	2012 VND'000	2011 VND'000
Total cost of sales		
▪ Cost of drinks	603,878,888	636,313,229
▪ Cost of biscuit	31,801,586	31,094,767
▪ Cost of other products	37,788,615	87,713,998
	<hr/> 673,469,089	<hr/> 755,121,994

23. Financial income

	2012 VND'000	2011 VND'000
Interest income from bank deposits	421,829	219,152
Interest income from loan to Avafood	2,996,003	10,651,189
Realised foreign exchange gains	610,032	29,343,507
Unrealised foreign exchange gains	-	74,127
	<hr/> 4,027,864	<hr/> 40,287,975

24. Financial expenses

	2012 VND'000	2011 VND'000
Interest expense	7,902,206	28,461,379
Realised foreign exchange losses	1,643,808	23,600,852
Other finance expenses	-	164,104
	<hr/> 9,546,014	<hr/> 52,226,335

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25. Other income

	2012 VND'000	2011 VND'000
Support for marketing activities from Kirin Holdings Singapore Pte, Ltd. (note 5)	10,244,668	-
Reimbursement received for tax penalty payment	10,026,016	-
Others	5,687,627	2,436,834
	<hr/> 25,958,311	<hr/> 2,436,834

26. Other expenses

	2012 VND'000	2011 VND'000
Book value of tangible fixed assets written off	28,542,712	1,458,564
Tax penalties	7,605,365	1,804,246
Depreciation of idle fixed assets	6,255,086	6,522,038
Others	647,334	1,447,484
	<hr/> 43,050,497	<hr/> 11,232,332

27. Income tax**(a) Recognised in the statement of income**

	2012 VND'000	2011 VND'000
Current tax expense		
Under provision in prior years	4,148,958	-
Deferred tax expense		
Written down of deferred tax asset	42,787,523	1,681,299
	<hr/> 46,936,481	<hr/> 1,681,299

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(b) Reconciliation of effective tax rate

	2012 VND'000	2011 VND'000
Loss before tax	(85,900,546)	(68,291,117)
Tax at the Company's tax rate	(21,475,137)	(17,072,779)
Non-deductible expenses	9,116,260	2,128,147
Deferred tax assets not recognised	12,358,877	14,944,632
Written down of deferred tax assets	42,787,523	1,681,299
Under provision in prior years	4,148,958	-
	46,936,481	1,681,299

(c) 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 at the rate 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.

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 122/2011ND-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.

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28. 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.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board 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.

(i) Exposure to credit risk

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 follow:

	Note	31/12/2012 VND'000	31/12/2011 VND'000
Cash in bank	(ii)	81,537,434	40,778,037
Trade and other receivables	(iii)	151,654,187	182,442,075
Long-term loan receivable	(iv)	24,993,600	-
		258,185,221	223,220,112

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(ii) Cash in bank

The cash at bank 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 45 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.

Based on historic default rates, the Company believes that no allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables as of 31 December 2012.

The aging of trade and other receivables at year-end that were past due but not impaired is as follows:

	31/12/2012	31/12/2011
	VND'000	VND'000
Past due 0 – 30 days	3,466,342	2,196,000
Past due 31 – 180 days	3,090,709	985,935
Past due more than 180 days	806,148	85,582
	<hr/>	<hr/>
	7,363,199	3,267,517
	<hr/>	<hr/>

(iv) Loan and other receivables from subsidiary

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

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(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 companies by managing the financing terms with the related companies.

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

31 December 2012

	Carrying amount VND'000	Contractual cash flows VND'000	Within 1 year VND'000	1 – 2 years VND'000	2 – 5 years VND'000
Trade and other payables	92,969,527	92,969,527	92,969,527	-	-
Short-term borrowings	364,490,000	368,196,343	368,196,343	-	-
Long-term borrowings	206,841,368	218,037,044	74,033,251	2,573,883	141,429,910
	664,300,895	679,202,914	535,199,121	2,573,883	141,429,910

31 December 2011

	Carrying amount VND'000	Contractual cash flows VND'000	Within 1 year VND'000	1 – 2 years VND'000	2 – 5 years VND'000
Trade and other payables	103,030,534	103,030,534	103,030,534	-	-
Short-term borrowings	395,732,000	398,756,246	398,756,246	-	-
Long-term borrowings	71,459,368	71,459,368	-	71,459,368	-
	570,221,902	573,246,148	501,786,780	71,459,368	-

The Company manages its ability to meet the expected operational expenses and servicing its debts by maintaining several financial facilities as follow:

- USD10 million unused short-term loan facility which renew automatically at the option of the Company. Interest would be payable at rates of Libor + 0.8% per annum.

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(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 and purchases that are denominated in a currency other than the accounting currency of Company. The currency in which these transactions primarily are denominated is VND.

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.

Exposure to currency risk

At 31 December 2012 and 2011, the Company had the following net monetary asset position exposed to currency risk. The following balances are presented in original currency:

	31/12/2012 VND'000	31/12/2011 VND'000
Cash	48,157,077	5,406,899
Accounts receivable – trade	11,653,021	7,218,162
Intra-company receivables	131,506,846	173,673,966
Intra-company long-term receivables	24,993,600	-
Account payables	(62,606,200)	(62,172,268)
Other receivables	100,953	83,888
Short-term deposit	279,344	675,578
Long-term deposit	1,514,758	-
Payables to employees	(6,914,479)	(7,003,721)
Other payables	(1,089,428)	(1,247,783)
	<hr/>	<hr/>
	147,595,492	116,634,721
	<hr/>	<hr/>

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

	Exchange rate as at 31/12/2012 VND	31/12/2011 VND
USD 1	20,828	20,828
	<hr/>	<hr/>

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Below is an analysis of the possible impact on the net loss of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 31 December 2012. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Decrease in net loss VND'000
31 December 2012 VND (1% weakening)	1,106,966
31 December 2011 VND (9% weakening)	7,963,065

The opposite movement of the currencies would have the equal but opposite effect to the net loss of the Company.

(ii) Interest rate risk

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

	Carrying amount	
	31/12/2012 VND'000	31/12/2011 VND'000
Fixed rate instruments		
Financial assets	24,993,600	-
Financial liabilities	(135,382,000)	-
	(110,388,400)	-
Variable rate instruments		
Financial assets	213,044,280	214,452,003
Financial liabilities	(435,949,368)	(467,191,368)
	(222,905,088)	(252,739,365)

A change of 100 basis points in interest rates would have increased net losses of the Company by VND1,672 million (2011: VND1,896 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.

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(e) Fair values

The Company has not determined fair values of financial assets and liabilities in accordance with Article 28 of Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance because (i) quoted prices in active market are not available for these financial assets and liabilities and (ii) Vietnamese Accounting Standards and the Vietnamese Accounting System do not provide guidance on measurement of fair values in the case where quoted prices in active market are not available. Fair values of these financial instruments may be different from their carrying values.

29. 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	
	2012	2011
	VND'000	VND'000
<i>Shareholders</i>		
Trade Ocean Holdings Sdn. Bhd.		
Parent company		
Long-term loan	-	71,459,368
<i>Related companies</i>		
Kirin Holding Company, Limited		
Ultimate Parent Company		
Short-term loan received	83,312,000	395,732,000
Other cash transferred	-	20,828,000
Interest expenses	7,902,206	2,425,275
Secondment fee	8,718,434	1,975,286
Avafood Shareholding Company		
Short-term loan granted	24,678,889	68,661,981
Interest income	2,996,004	10,651,189
Processing service	35,094,638	37,945,888
Office and factory rental fee	5,927,795	6,571,296
Sale of drink products	-	302,214
Payment on behalf	-	15,429,549
Advance to Avafood	-	2,923,501
Kirin Holding Singapore Pte, Ltd.		
Financial support for marketing activities	10,244,668	-
Vietnam Kirin Beverage Company, Limited		
Purchase of goods	17,209,468	-
Processing fee	21,552,564	11,569,350

Interfood Shareholding Company**Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC****Notes to the separate financial statements for the year ended 31 December 2012****(continued)****Form B 09 – DN**

	Transaction value	
	2012	2011
	VND'000	VND'000
Board of Directors and Board of Management		
Secondment fees	8,582,386	-
Salary	1,304,270	6,725,715

30. Commitments

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

	31/12/2012	31/12/2011
	VND'000	VND'000
Within one year	11,271,343	7,145,129
Within two to five years	31,492,769	23,925,748
Over five years	17,387,506	23,529,850
	<u>60,151,618</u>	<u>54,600,727</u>

31. Post balance sheet event

Subsequent to the year end, on 1 March 2013, Trade Ocean Holding Sdn. Bhd., a shareholder ("the Lender"), issued a Deed of Release ("Deed") to waive the loan of VND71,459 million ("the Loan") granted to the Company under the Loan Novation Agreement date 28 February 2011. According to the Deed, the Lender irrevocably releases and discharges the Company, without any representation or warranty and without any recourse of any nature whatsoever (whether past, present or future and whether actual or contingent), from any and all of its obligations to repay the Loan to the Lender and also releases the Company from all of its liabilities (including the interest) in all aspects whatsoever in respect of the Loan.

Interfood Shareholding Company
Special-purpose financial statements for compliance with Circular No. 244/2009/TT-BTC
Notes to the separate financial statements for the year ended 31 December 2012
(continued)

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32. Production and business costs by element

	2012 VND'000	2011 VND'000
Raw material costs included in production costs	601,653,437	649,265,162
Labour costs and staff costs	98,154,158	79,771,302
Depreciation and amortisation	31,583,350	31,708,443
Outside services	160,054,057	119,558,593
Other expenses	86,163,728	63,438,735

33. Prior year adjustment

The Company had retrospectively adjusted the prior year's financial statements to correct the misstatements relating to the understatement of allowance for severance allowance.

Balance sheet

	31/12/2011 (as previously reported) VND'000	Adjustments VND'000	31/12/2011 (as restated) VND'000
Severance allowance	2,557,720	1,718,310	4,276,030
Accumulated losses	(292,954,130)	(1,718,310)	(294,672,440)

29 March 2013

Prepared by:



Nguyen Hong Phong
Chief Accountant

Approved by:




Michio Nagabayashi
Chairman – cum General Director

