



INTERFOOD SHAREHOLDING COMPANY

ANNUAL REPORT 2020



Chúng tôi cam kết sẽ mang đến "**Sức khỏe và niềm vui**"
thông qua sản phẩm chất lượng cao đến người tiêu dùng Việt.

Contents

Message from chairman of the board.....	3
I. Company overview	5
1. General information	5
2. Company history	5
3. Business lines and localities.....	9
4. Organization and management structure	17
5. Development directions	21
II. Business operations.....	24
1. Situation of business operations.....	24
3. Situation of investment and project implementation	28
4. Financial situation	29
5. Shareholders structure and change in the owner's equity.....	30
III. Report and assessment of the board of directors	32
1. Assessment of operating results.....	32
2. Financial situation.....	32
3. Improvements in organizational structure, policies and management.....	32
4. Development plan in the future.....	34
5. Report on environmental and social responsibilities environmental initiatives	34
IV. Assessments of the board of management on the company's operation	36
1. Assessment on the company's operation	36
2. Assessment on performance of the board of directors.....	36
3. Future plan of the board of management	37
V. Corporate governance	38
1. Board of management	38
2. Supervisory board	40
3. Remuneration and expenses on activities of the BOM, other executive and SB.....	41
4. Share transactions of internal persons, major shareholders and affiliated persons.....	42
5. Contracts or transactions of internal persons, major shareholders and affiliated persons ...	42
VI. Financial statements.....	43

MESSAGE FROM CHAIRMAN OF THE BOARD

Dear our valued Stakeholders,

Established on November 16, 1991, with nearly 30 years of experience in the beverage industry, Interfood Shareholding Company (Interfood) is always proud to be one of the leading companies in manufacturing and business beverage in Vietnam market with good reputation and strong brand, the trust of many partners and the support of domestic and foreign customers.

The year 2020 has passed, and the Covid-19 pandemic is still remaining, what remains in each of us is the awareness that the most important factor for everyone is **"Health"**. Products that are prized for health such as fruit drinks and dairy products are on the rise. Interfood's orientation "Health drinks – Functional drinks" in the plan has responded to the trend of the times more than ever.

Let us consider Covid-19 as a test, is an opportunity for Interfood to look back on the steps and changes on the way towards development of the Company. On the development way of the Company is full of toughness and challenges, sustainable development becomes the top concern of Interfood and building a **"Company for Vietnamese People's Health and Happiness" through the drink business brings Safe – Secure products** that is a sustainable development strategy - ensuring the long-term development of Interfood's future.

In addition, we also realize that the **corporate philosophy** of Kirin Group has been thoroughly implemented by Interfood's the BOD to the departments and employees of Interfood, that is **the combination of economic value and societal value through CSV management**. This is a completely correct corporate philosophy, consistent with global development trends.

The year 2020 is a year of widespread economic crisis that causes companies to struggle, although Interfood did not achieve the expected results of the revenue and profit plan, but Interfood did not stop efforts to overcome difficulties and overcome economic crisis, at the same time, has controlled well all production and business activities of the Company, stable business operations with net revenue reaching 80% as planned and business has the total profit after-tax of 155 billion.

To achieve these results thanks to flexible, brave, innovative directions of the BOM and the BOD of the Company and efforts to implement the tasks of the employees that Interfood Company overcome difficulties and the results are stable and profitable business operations as above.

The year 2021 is supposed a very challenging year in the context of the ever fiercer competition in the beverage industry, which is also the year when Interfood entered the second phase of the **"Excellent & Growing Company"** should require each employee to be highly focused, making an effort to complete your own responsibilities and tasks well and the duties of the department under their charge. And more than that, we must perform well those tasks through the implementation of "Work in the right way" combined with the professionalism improvement proposals of departments and organizations.

The way ahead of Interfood will still face many difficulties and challenges, but with the support of valued shareholders, partners, customers, the efforts and solidarity of all employees of the Company, sense of responsibility, bravery, flexibility and innovation of the members of the BOM and the BOD, we can fully believe in accomplishing the strategic goals of the Company that builds the prestigious and strong KIRIN - WONDERFARM brand in the domestic and foreign markets, and at the same time brings practical values to all valued shareholders, partners and customers.

On behalf of the BOM, I would like to thank the trust of our shareholders, partners, customers and all employees of the Company who have accompanied Interfood during the process of conquering challenges, implementing the mission of making Interfood Company truly is the "**Company for Vietnamese People's Health and Happiness**".

Chairman of the Board of Management

(Signed and sealed)

TAKESHI FUKUSHIMA

I. COMPANY OVERVIEW

1. GENERAL INFORMATION

- Trading name: Interfood Shareholding Company (Interfood)
- Certificate of enterprise registration No.: 3600245631
- Charter capital: 871.409.920.000 VND
- Address: Lot 13, Tam Phuoc IZ, Tam Phuoc Ward, Bien Hoa, Dong Nai, Viet Nam
- Tel: (0251) 511 138 - Fax: (0251) 512 498
- Website: www.wonderfarmonline.com
- Securities code: IFS

2. COMPANY HISTORY

1991 Interfood Shareholding Company - formerly Interfood Processing Industry Ltd. (“IFPI”) - was established on 16th November 1991 in accordance with the Investment license No. 270/GP issued by State Committee of Co-operation and Investment (now the Ministry of Plan and Investment). IFPI was a 100% FDI enterprise operating under the Vietnam Foreign Investment Law. Interfood’s original owner was Trade Ocean Exporters Sdn. Bhd. (Penang, Malaysia). In 1996, Interfood’s owner was changed to Trade Ocean Holdings Sdn. Bhd. (Penang, Malaysia) in accordance with the License No. 270/GPDC5 dated 26th February 1996 issued by the Ministry of Planning and Investment.

Initial main activities of the Company were processing agricultural products, seafood to canned, dried, frozen, preserved and pickled products. Total initial investment capital was US\$1,140,000.

1994 The Company’s business was expanded by penetrating into the biscuits segment.

2003 The Company was approved to produce carbonated fruit juices and fruit juices with low alcohol content (5%), and its investment capital increased to US\$23,000,000.

2004 In April 2004, Interfood signed a processing agreement with AVA Food Industries Ltd. to mitigate Interfood’s production, space and logistic constraints at its Bien Hoa factory whereby AVA would provide the production facilities and Interfood would provide the technology and machinery to manufacture Interfood’s products

2005 In January 2005, the Company was approved to produce purified water and PET bottle, its investment capital increased to US\$30,000,000.

From 09th August 2005, the Company was converted into a shareholding company which is now known as Interfood Shareholding Company (IFS) in accordance with License No. 270 CPH/GP granted by the Ministry of Planning and Investment. IFS was one of the first six FDI companies approved by the Ministry of Planning and

Investment on conversion activities from Limited Company into Shareholding Company under Decree No. 38/2003/ND – CP of the Government. Total investment capital and charter capital of the Company were US\$30,000,000 and US\$13,000,000 respectively.

- 2006** The Company moved its head quarter and factory to new location at Tam Phuoc Industrial Zone, Bien Hoa City, Dong Nai Province.

During this year, the Company increased its owned equity up to VND242,841,600,000 (equivalent to 24,284,160 shares with par value at VND10,000) and on 17th October 2006, listed 3,620,560 shares at the Ho Chi Minh City Securities Trading Centre (“HOSE”) under “IFS” code.

- 2007** On 16th October 2007, the Company issued bonus shares in ratio of 5:1, according to which total number of the Company’ shares are listed on the HOSE being 6,875,359 shares. Total registered capital of the Company increased to VND1,444,500,000,000 (approximately US\$90,000,000) and charter capital grew to VND291,409,920,000 (equivalent to 29,140,992 shares at par value of VND10,000).

In 2007, IFS acquired 90% contributed capital of Avafood Shareholding Company (“AVA”) and became the controlling shareholder of this company. The principal activities of AVA are to produce the processed products including fruit juice, purified water, biscuits, jams and sweets of all kinds, agricultural and aquatic products, livestock; and workshop for lease.

- 2008** Interfood Packaging Limited (formerly Interfood Packaging Shareholding Company) was established with 90% capital owned by the Company, total investment capital and charter capital registered as US\$32 million and US\$10 million respectively. The principal activity of Interfood Packaging Limited is to produce packaging materials for foods and soft drinks.

On 14th February 2008, Northern Interfood Shareholding Company was established in Bac Ninh Province with total investment capital and charter capital of US\$36 million and US\$11 million respectively and the Company owned 90% its charter capital. However, the Company could not arrange funding for the project activities and completed the termination of the project in December 2010.

- 2009** In late 2009, the Company ceased operations of its factory located in the urban area of Bien Hoa City, and relocated all production lines, equipment and inventory into its factory in Tam Phuoc Industrial Zone.

In 2009, the Company disposed 70% of its holding in Interfood Packaging Limited to Crown Packaging Investment Pte. Ltd. and became a minority shareholder holding 20% contributed capital of this company. Subsequently, Interfood Packaging Limited was renamed Crown Beverage Cans Dong Nai Ltd. (“Crown Dong Nai”).

- 2010** The Company disposed its 20% remained contributed capital at Crown Dong Nai to Crown Packaging Investment Pte. Ltd.

2011 On 11th March 2011, Kirin Holdings Company Limited (“Kirin”) acquired all shares of Trade Ocean Holding Sdn. Bhd. (“TOH”). Kirin was holding 57.25% shares in the Company through TOH. Kirin, a public company listed on the Tokyo Stock Exchange, is one of the largest beverage companies in the region.

2012 In June 2012, Kirin increased its stake in IFS to 80.37% (equivalent to 23,421,955 shares) through TOH by acquiring all outstanding shares of Indochina Beverage Holdings (“IBH”) who holds 23.12% (equivalent to 6,737,309 shares) of total shares of Interfood.

In December 2012, all shares in Grande Indigo Global Ltd. (including 1,938,327 shares of Interfood) were bought by Kirin, Grande Indigo Global Ltd. became an associate with TOH and IBH.

2013 The Company's charter capital increased from VND 291,409,920,000 to VND 501,409,920,000 (equivalence to 50,140,992 shares) through a private placement of shares to Kirin. After the purchase, Kirin increased its stake in the Company to 92.46%.

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

2014 The Company's charter capital increased from VND 501,409,920,000 to VND 711,409,920,000 (equivalence to 71,140,992 shares) through a private placement of 21,000,000 shares to Kirin Holdings Company Limited.

2015 The Company's charter capital increased from VND 711,409,920,000 to VND 871,409,920,000 (equivalence to 87,140,992 shares) through a private placement of 16,000,000 shares to Kirin Kirin Holdings Singapore Pte. Limited (“KHSPL”), 100%-owned subsidiary of Kirin Holdings Company, Limited (“Kirin”).

Aiming to integrate the business operation of its subsidiaries of the Group in South East Asia, at the end of December 2015, Kirin transferred all its shares of IFS to KHSPL, pursuant to which KHSPL currently owns 83,360,282 shares of IFS equivalent to 95.66% of total outstanding shares of the Company.

2016 Pursuant to Decision No. 717/QĐ-SGDHN of Hanoi Stock Exchange regarding approval for stock trading registration of Interfood Shareholding Company, on November 16th, 2016, IFS shares were officially traded on UPCOM system.

Pursuant to Resolution of Annual General Meeting of Shareholders in 2016, the Company implemented the termination of production and sales of biscuits in IFS and AVA to save its resources and focus on developing beverages business as its core business.

2020 On 7 April 2020, the Company's acquisition of shares from other shareholders of the subsidiary, being Avafood Shareholding Company ("AVA") to increase the Company's control power in AVA.

On 10 April 2020, The Annual General Meeting of Shareholders in 2020 approved the merger of AVAFOOD SHAREHOLDING COMPANY into INTERFOOD SHAREHOLDING COMPANY.

On 30 June 2020, the Department of Planning and Investment of Dong Nai province approved the merger of AVA into INTERFOOD SHAREHOLDING COMPANY. Accordingly, the Company shall inherit all assets, legitimate rights, obligations and interests of AVA in accordance with the regulations of Vietnam, concurrently terminate the legal existence of AVA.

3. BUSINESS LINES AND LOCALITIES

❖ MAIN LINES OF BUSINESS

- Manufacturing of soft drinks, production of mineral waters and other bottled waters: processing carbonated and non-carbonated fruit-juice, processing carbonated and non-carbonated soft drinks without alcohol or with low alcohol (less than 10%); production of filtered water.
- Manufacturing of packaging for foods and soft drinks
- Processing and preserving of fruit and vegetables: Processing agricultural products into canned, dried, frozen, salted, vinegary products.
- Manufacturing of bakery products: production of cakes and snacks.
- Processing of milk and milk products.
- Exercising the right to export and import of products suitable for business and production sectors of the Company in accordance with laws.

❖ BRANDS AND PRODUCT LINES

Brand	Description
-------	-------------



WONDERFARM has been **long existing drinks brand** presented in Vietnamese families. With proper carefulness from Kirin Japan in selection of ingredients and manual production process, **WONDERFARM products provide a deep and full taste of traditional Vietnamese drinks.**

WONDERFARM products are made from natural fruits, which contain high nutritional facts and healthy benefits. Through the advanced technologies and strict manufacture procedures, our beverages taste so natural and mildly sweet that consumers can enjoy their daily portions of nutritious fruit juices, in a comfortable and easy way.



Over 100 year old Japanese brand KIRIN proudly brings **pleasure and healthiness** to consumer's life by providing **high quality products** produced under **advanced technology** from the group with more than **100 years of history in Japan.**

KIRIN brand products and WONDERFARM brand PET products are manufactured by ASEPTIC line - advanced aseptic filling technology of Japan in Vietnam KIRIN factory - that helps to preserve the natural flavor, ensure product quality and food safety without preservatives and artificial colorings.

- **WONDERFARM PRODUCTS**

WONDERFARM Winter Melon Tea: cooling characters that help cleanse and cool the body.



Well-known brand: popular for nearly 30 years, and recognized as the best selling Winter Melon Tea in Vietnam:

- Natural ingredient: made from actual winter melon fruits, hence provides natural and delightful taste and smell.
- Healthy: introducing Winter Melon Tea less sugar to capture health conscious customers.
- More choices with Winter Melon Tea in PET bottle which is easily portable for convenient use.

WONDERFARM Bird's Nest: nutrient-rich and suitable to gift to families and friends.



Bird's Nest White Fungus Drink and Bird's Nest Premium: nutritious ingredients are balanced with real bird's nests and sugar bar to deliver a delicious and healthy drink.

Drink it to recover your health or serve it to friends and family in your parties. WONDERFARM Bird's Nest is also an ideal gift.

WONDERFARM soft drinks

Our products contain the fresh and copious ingredients in Vietnam, whose origin and flavor are guaranteed and satisfactory for Vietnamese consumers.



WONDERFARM Coconut Milk: our condensed and aromatic ingredients are indispensable in the kitchens of Vietnamese ladies.



Our fresh coconut are directly selected from Ben Tre. With diverse flavors, our coconut products can be used in various ways. Each of our products can be used for many purposes.

This product was featured in Master Chef Vietnam and used in restaurants throughout VN.

- **KIRIN PRODUCTS**

KIRIN Ice+

As the first fruit water in Vietnam, **Ice+** is made by the **advanced Aseptic's Japanese technology**. Ice+ harmonizes pure water and fruit juice. Our drinks are frozen at -18°C below zero to preserve the succulence of just-picked fruits and to maintain the absolute food safety without preservatives, colorings and odorants.



KIRIN LATTE



With the Secrets of Creating Delicious Tastes from Japan, Latte combines the finest quintessence of natural extracts blended with milk. Latte delivers the pure flavors and mild after-taste to quench your thirst and gently refresh you.

KIRIN TEA BREAK



Gogo no Kocha - Best-selling product in Japan now coming to Vietnam with a new name: **Tea Break**. This product is made from real English Tea leaves with classic style mixed with modern. Light sweetness taste and rich aroma of real tea will let you feel relax whenever you drink.

KIRIN TRA XANH NHAT: 100% Green Tea leaf, brewed and extracted for the finest tea to relax your minds.

Fresh tea leafs from Shizuoka are collected, processed and direct to Viet Nam.

- Product uses pure water.
- Produced at exact temperature required real technology.
- Only extract first brew.
- PET bottle, less or no sugar.



ICE+ ACEROLA BEAUTI:

- **Ice + Acerola Beauti** contains Glutathione from Japan to help **brighten skin colour naturally**.
- Delicious natural acerola taste.
- Using 1 bottle per day for lively skin.

Glutathione also provides antioxidant protection, anti-aging, promotes detoxification, fortifies the immune system and improves the skin (whitening)

Using 250mg Glutathione per day in 12 consecutive weeks will lighten skin tone naturally
- From experiment of Kyowa Hakko Bio.



KIRIN LATTE COFFEE & MILK:

Latte Coffee & Milk is the unique formula of traditional authentic coffee combine with the imported milk from New Zealand, produce by modern Japanese technology. Delivering quality and convenient products with cheap price for everyone.

- Convenient Coffee Milk PET every time, everywhere.
- 100% Authentic coffee
- Cheap price for everyone.



KIRIN LATTE COFFEE & CARAMEL:

Latte Coffee & Milk – A unique new drink with the wonderful combination between passionate coffee flavor and sweet caramel taste for the young.

- Sweet experience with caramel coffee
- Enjoy coffee daily
- Convenient and luxurious packaging



KIRIN LATTE COFFEE & VANILLA:

Latte Coffee & Vanilla – A wonderful blend between sweet vanilla flavor and passionate tradition coffee flavor, gives you a moment of harmony. Suitable for use anytime, anywhere, even in busy workplaces or relaxing time with friends and family.

- Blending exquisite in every drop of coffee.
- Daily coffee drinks
- Easy-to-use packaging with 345 ml PET bottles.



KIRIN IMUSE:

We would catch a cold or flu through decrease of immune system function in our body.

Such body condition should affect our dairy life and relationship between family/friends.

‘L. Lactis Plasma’ is a specific strain of Lactococcus Lactis (strain different from Lactobacillus) that was found by Kirin, a Japanese company with over 100 year history, which is unique in the world because it can help to activate the holistic immune system in your body. There are many medical studies that prove the effect against cold or other virus infections, including diseases such as dengue fever.

You can take this ‘L. Lactis Plasma’ by beverage with lemon and yogurt flavor.



This is a new, easy, and stylish way for your health and well-being treatment.

INSIDE BEAUTY – This is a new routine for those who loverly self and life

- Enhance immune system
- Activate potential inside me
- Supplement daily drink Health- well being

KIRIN ICE+ DETOX CRANBERRY:

Kirin Ice + Detox Cranberry with natural ingredients such as Cranberry with many healthy benefits, supplements Vitamin C and pomegranate extract contains high antioxidants support to purify your body, help to improve your health better.

- Purify body, improve health better with Ice+ detox Cranberry
- High quality healthy drinks everyday
- Convenient and premium PET 345 ml



KIRIN SALTY LITCHI:

Kirin Salty Litchi - a subtle combination of juicy litchi and a pinch of salt, gives you a new unique drink, only one in the Vietnamese market.

A little bit of traditional salt will add a more mild, refreshing taste of Litchi.

The drink provides a mineral that supports the hydration process extremely delicious. An effective refreshment and anti-heatstroke drink on hot days.

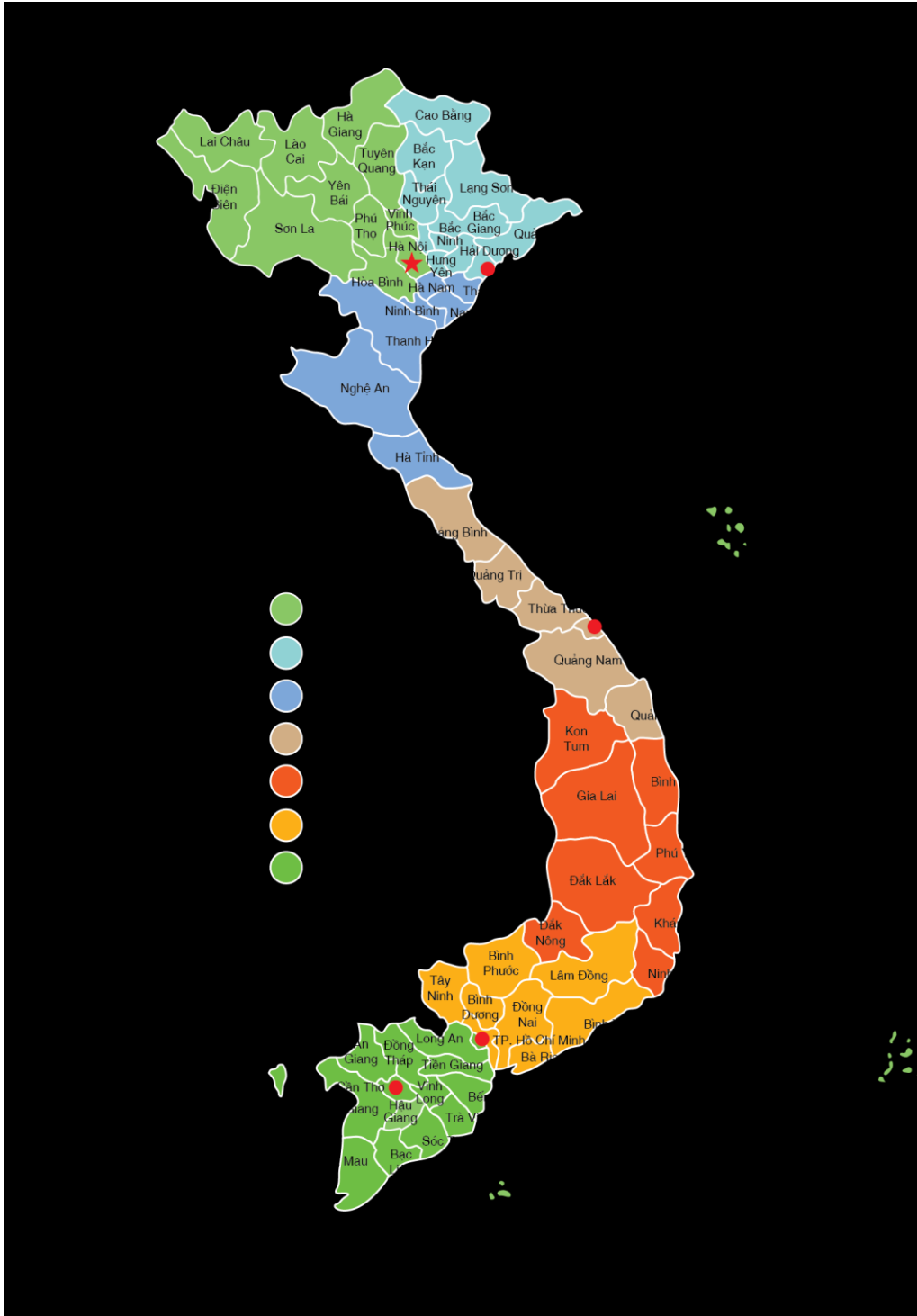
- Only one in the market
- Convenient PET bottle
- Valuable price



❖ LOCALITIES OF BUSINESS

Domestic market:

Domestic revenue is accounting for 99% of the total revenue of the company and considered the main market in the Company's strategy. The distribution system of Interfood covers the 63 provinces with 162 distributors, over 70.734 retailers and all supermarket chains in Vietnam.

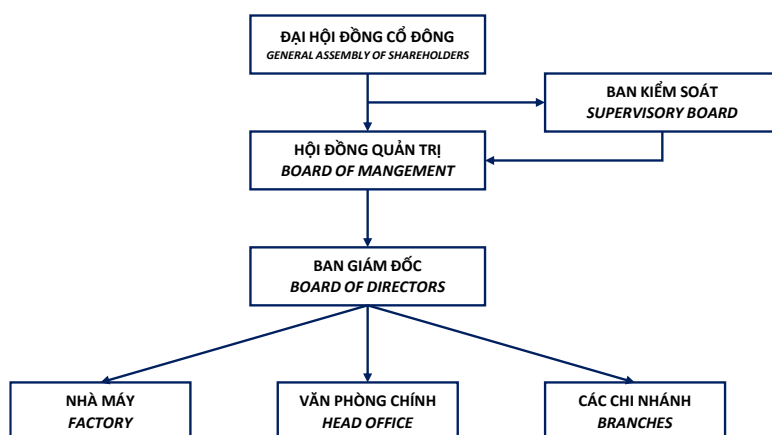


Overseas market:

Revenue from exporting market is accounting for 1% of total revenue of the Company. The main market is nations in Europe, Asia and America.

4. ORGANIZATION AND MANAGEMENT STRUCTURE

❖ ORGANIZATION STRUCTURE



❖ MANAGEMENT STRUCTURE

No	Name	Position
Board of Management (BOM)		
1	Mr. Yutaka Ogami	Chairman cum Member (until April 10, 2020) Member (from April 11, 2020)
2	Mr. Takeshi Fukushima	Member (until April 10, 2020) Chairman cum Member (from April 11, 2020)
3	Mr. Koichi Ogawa	Member (from April 10, 2020)
4	Mr. Toru Yoshimura	Member (from April 10, 2020)
5	Ms. Nguyen Thi Kim Lien	Member (from April 10, 2020)
Supervisory Board (SB)		
1	Mr. Nguyen Thanh Bach	Chief of SB (from April 10, 2020)
2	Mr. Yoshitaka Hitomi	Member (from April 10, 2020)
3	Ms. Thai Thu Thao	Member (from April 10, 2020)
Board of Directors (BOD)		
1	Mr. Yutaka Ogami	General Director cum Director/ General Manager of Administration
2	Mr. Ryuta Onda	Director/ General Manager of Factory
3	Mr. Tomohide Ito	Director/ G General Manager of Planning
4	Mr. Takeshi Fukushima	Director/ General Manager of Marketing cum General Manager of Sales
5	Ms. Nguyen Thi Kim Lien	Director/ General Manager of Internal Control

❖ **BRANCHES AND FACTORIES**

Branch and Factory	Address
Hanoi Branch	11 Floor, Vinafor Building, 127 Lo Duc, Dong Mac Ward, Hai Ba Trung District, Hanoi City
Hochiminh Branch	4A Floor, Vincom Center, 72 Le Thanh Ton and 47 Ly Tu Trong, Ben Nghe Ward, District 1, Hochiminh City
Long Thanh Factory	Lot 13, Tam Phuoc IZ, Tam Phuoc Ward, Bien Hoa City, Dong Nai Province

❖ SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiary

AVAFOOD COMPANY LIMITED (AVAFOOD)



Address: Lot 13, Tam Phuoc IZ, Tam Phuoc Ward, Bien Hoa, Dong Nai, Viet Nam

Major business lines: Manufacturing of foods, processing foods including biscuits, jams, candy, snacks of all kinds, products processed from poultry.

Manufacturing of processing foods including products processed from fruits and vegetables.

Manufacturing of bakery products.

Manufacturing of processing foods including fruit-juices, soft drinks and filtered water.

Leasing of redundant offices and workshops.

Paid-in charter capital: 81.000.000.000 VND

Ownership rates of the Company: 90,4% (7.322.400 shares with par value of VND 10,000 per share)

On 7 April 2020, the IFS's acquisition of shares from other shareholders of AVA and IFS becomes the Company hold 100% contributed capital of AVA.

On 30 June 2020, **AVAFOOD COMPANY LIMITED** merged into INTERFOOD SHAREHOLDING COMPANY. Accordingly, IFS shall inherit all assets, legitimate rights, obligations and interests of AVA in accordance with the regulations of Vietnam, concurrently terminate the legal existence of AVA.

5. DEVELOPMENT DIRECTIONS

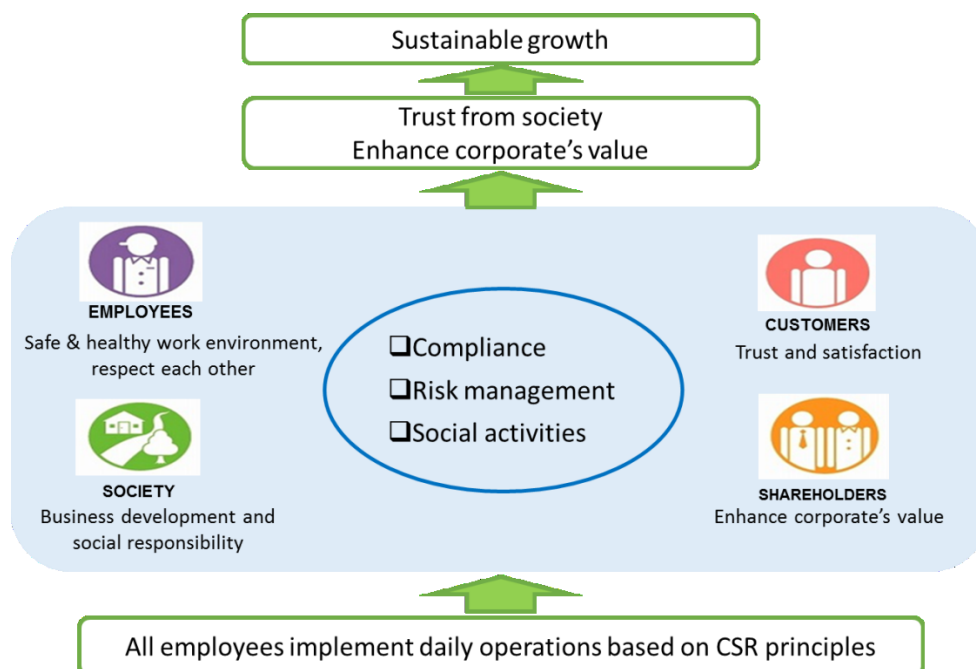


SUSTAINABLE GROWTH OBJECTIVES

Compliance with legal and ethical requirements is the foundation for business success and sustainable growth. Developing and maintaining a culture of compliance is essential to building corporate reputation and enhancing competitiveness of the Company.

The Company is working to increase CSR (Corporate Social Responsibility) and compliance awareness among all IFS employees to ensure CSR, CSV (Creating Shared Value) -based management to be applied and observed throughout the company.

- CSR: our commitment by business to contribute to economic development while protecting the environment and improving our quality of life.
- CSV: formulating our CSV Purpose as a guideline to create shared value with society and promote sustainable growth.
- Compliance: observe laws and regulations, internal and external rules and regulations, fulfill legal obligations and social ethical responsibilities to maintain and increase the trust of the society.
- Risk Management: a system is designed to prevent and minimize losses due to unforeseen events by identifying and managing significant risks that could affect our business operations.



6. RISK MANAGEMENT

The Company establish risk management system as part of the management system of business activities and collaboration with the parent company to implement risk management program.

The Company thoroughly implement compliance and risk management in order to prevent potential risks, through which can receive long-term trust of customers and society.

Risk Management Committee, directly controlled by the Board of Directors and comprised

primarily of the heads of each business units, is established to monitor risk management activities. The Committee conducts periodic meetings twice a year and when necessary to review and oversee the implementation of risk management program and risk response plan throughout the Company.

❖ **IMPLEMENTATION OF RISK MANAGEMENT IN 2020**

- Establishment of Risk Management (RM) system and RM policy based on Kirin Group's RM program.
- Development of RM plan and crisis response manual and conduction of RM training to target employees.
- Establishment of internal control system to follow processes and monitor RM plan execution.

II. BUSINESS OPERATIONS

1. SITUATION OF BUSINESS OPERATIONS

❖ RESULTS OF BUSINESS OPERATIONS IN 2020

As a result in 2020, the total profit after-tax of the Company was VND 155 billion, reaching 71% of the set plan. This result mainly from the following reasons:

- a) In terms of sales revenue, the Covid 19 pandemic, which has broken out in the beginning of year 2020, has brought a negative impact on the whole economy, disrupting supply chains and reducing consumer demand. However, in that extremely difficult context, with the efforts of all employees, the Company continues to maintain basic sales, closely adhering to sales targets, and overall results, sales revenue reached 79% of the plan and net revenue reached 80% compared to the plan.
- b) In terms of cost of goods sold, cost of goods sold in 2020 maintained close to the plan, accounting for 59% of net revenue compared to 60% of the plan. The reason is that the Company maintains a stable purchasing price for raw materials, reduces processing fee and uses effectively and saving production costs ... according to the criteria to reduce production costs per unit of product. As a result, although total production decreased due to the negative impact of the pandemic, the Company still maintained a reasonable COGS- Production cost, as planned.
- c) Regarding financial expenses, in 2020 it is recorded a financial expense amount of VND 77 billion related to the merger Avafood into the Company. This expense represents the difference between the carrying amount of the investment and the carrying amount of an asset and the liability due to a merger.
- d) In terms of selling and administrative expenses, in 2020, in the context of declining sales due to the impact of the pandemic, the Company continues to implement sales support programs such as discount programs, promotions, special support for distributors, sales team in difficult times and maintain a loyalty program of sale, continue to maintain advertising activities on social media channels at lower cost ... with the aim of maintaining sales according to the plan. Selling expenses are strictly managed, used economically and effectively, as the total cost of sale is only 19% of net revenue, down 4% compared to 23% of the plan. General and administrative expenses are managed and used close to the plan, accounting for about 3% of net revenue.
- e) Other expenses mostly referred to the depreciation cost of several idled assets which are not use in the period and the loss of disposal of fixed assets.

❖ FINANCIAL PERFORMANCE

Description	Plan 2020		Actual 2020 (audited)		Variance vs Plan 2020 (%)
	USD	VND '000	USD	VND '000	
Sales	83,889,326	1,948,749,046	66,307,231	1,539,322,364	79%
Deductions	7,825,290	181,781,491	5,605,983	130,142,893	72%
Net sales and services	76,064,036	1,766,967,555	60,701,248	1,409,179,471	80%
Cost of goods sold	45,315,036	1,052,668,275	36,068,272	837,324,927	80%
Gross profit	30,749,000	714,299,280	24,632,976	571,854,544	80%
Financial income	37,898	880,374	177,681	4,124,856	469%
Financial expenses	31,079	721,971	3,286,454	76,295,040	10568%
Selling expenses	17,249,110	400,696,836	11,518,326	267,397,928	67%
G&A expenses	1,686,937	39,187,549	1,539,413	35,737,479	91%
Net operating profit (loss)	11,819,772	274,573,298	8,466,464	196,548,953	72%
Other incomes	99,371	2,308,378	51,623	1,198,427	52%
Other expenses	200,344	4,653,981	142,848	3,316,221	71%
Other profit (loss), net	(100,973)	(2,345,603)	(91,225)	(2,117,794)	90%
Profit (Loss) before tax	11,718,799	272,227,695	8,375,238	194,431,159	71%
Current corporate income tax expenses	2,104,729	48,892,865	1,611,787	37,417,627	77%
Deferred corporate income tax expenses	279,099	6,483,470	85,279	1,979,762	31%
Net profit (loss) after tax	9,334,970	216,851,360	6,678,172	155,033,770	71%
Minority interest	(2,741)	(63,677)	-	-	0%
Net Profit (Loss) for the year	9,337,711	216,915,037	6,678,172	155,033,770	71%

2. ORGANIZATION STRUCTURE AND HUMAN RESOURCES

❖ BOARD OF MANAGEMENT

No	Name	Position	Birth year	Nationality	ID Card/ (Passport) number	Current residence	Ratio of voting shares owned
Board of Management							
1	Mr. Takeshi Fukushima	Chairman	1973	Japanese	TZ1237963	HCMC, VN	0%
2	Mr. Yutaka Ogami	Member	1973	Japanese	TH5379976	HCMC, VN	0%
3	Ms. Nguyen Thi Kim Lien	Member	1967	Vietnamese	271255441	Dong Nai, VN	0,014% (12.000)
4	Mr. Koichi Ogawa	Member	1980	Japanese	TZ1187625	Japan	0%
5	Mr. Takashi Suda	Member	1973	Japanese	TR4832481	Japan	0%
6	Mr. Toru Yoshimura	Member	1964	Japanese	TR9775451	Japan	0%
Board of Directors							
1	Mr. Yutaka Ogami	GD cum GM of Administration	1973	Japanese	TH5379976	HCMC, VN	0%
2	Mr. Ryuta Onda	GM of Factory	1969	Japanese	TH9650358	HCMC, VN	0%
3	Mr. Tomohide Ito	GM of Planning	1977	Japanese	TR6937460	HCMC, VN	0%
4	Mr. Takeshi Fukushima	GM of Marketing cum GM of Sales	1973	Japanese	TZ1237963	HCMC, VN	0%
5	Ms. Nguyen Thi Kim Lien	GM of Internal Control	1967	Vietnamese	271255441	Dong Nai, VN	0,014% (12.000)
Chief Accountant							
1	Mr. Nguyen Hong Phong	Chief Accountant	1977	Vietnamese	272856660	Dong Nai, VN	0%

❖ **CHANGES IN THE BOARD OF MANAGEMENT**

No	Name	Position		Birth year	Nationality	ID Card/ (Passport) number	Current residence	Ratio of voting shares owned
		(before change)	(after change)					
Board of Management								
1	Mr. Yutaka Ogami	Chairman cum Member of BOM	Member (Resign from the position of Chairman, effective from 10/04/2020)	1973	Japanese	TZ1228097	HCM, VN	0%
2	Mr. Takeshi Fukushima	Member	Chairman cum Member (appointed the position of Chairman, effective from 10/4/2020)	1973	Japanese	TZ1237963	HCM, VN	0%
3	Ms. Nguyen Thi Kim Lien	Member	Member	1967	Vietnamese	271255441	Dong Nai, VN	0,014% (12.000)
4	Mr. Koichi Ogawa		Member (appointed effective from 10/04/2020)	1980	Japanese	TZ1187625	Japan	0%
5	Mr. Takashi Suda	Member	(Resign, effective from 10/04/2020)	1973	Japanese	TR4832481	Japan	0%
6	Mr. Toru Yoshimura	Member	Member	1964	Japanese	TR9775451	Japan	0%
Board of Directors								
1	Mr. Yutaka Ogami	General Director cum GM of Administration	General Director cum GM of Administration	1973	Japanese	TZ1228097	HCM, VN	0%
2	Mr. Ryuta Onda	GM of Factory	GM of Factory	1969	Japanese	TH9650358	HCMC, VN	0%
3	Mr. Tomohide Ito	GM of Planning	GM of Planning	1977	Japanese	TR6937460	HCMC, VN	0%
4	Mr. Takeshi Fukushima	GM of Marketing cum GM of Sales	GM of Marketing cum GM of Sales	1973	Japanese	TZ1237963	HCMC, VN	0%
5	Ms. Nguyen Thi Kim Lien	GM of Internal Control	GM of Internal Control	1967	Vietnamese	271255441	Dong Nai, VN	0,014% (12.000)
Supervisory Board								
1	Mr. Nguyen Thanh Bach	Chief	Chief	1987	Vietnam-ese	024182650	HCM, VN	0%
2	Ms. Thai Thu Thao	Member	Member	1966	Vietnam-ese	021680536	HCM, VN	0%
3	Mr. Yoshitaka Hitomi	Member	Member	1972	Japanese	MU9032912	Japan	0%

❖ **SUMMARY AND CHANGES IN THE PERSONNEL POLICIES**

- Number of employees: 584 (as at December 31, 2020).
- Summary and changes in the personnel policies:
 - Development of human resources, enhancement of organizational structure and improvement of management information system.
 - Strengthen the relationship between the Company and employees through the implementation of periodically monitoring meeting, the good policies based on the results of Employee's Awareness Survey (EAS), improving accuracy management data and governance performance based on adherence (compliance).
 - Develop and implement training programs tailored to staffs at each level and to each department.
 - Implement the personnel transfer based on the human resources development of the Company and career development plan of individuals.

3. SITUATION OF INVESTMENT AND PROJECT IMPLEMENTATION

In 2020, the company implements the project to merge AVA into IFS.

With the approval of the Annual General Meeting of Shareholders in 2020, the Company acquired all shares of other shareholders at AVA and merged AVA into the Company. On 30 June 2020, the Department of Planning and Investment of Dong Nai province approved and issued the Enterprise Registration Certificate for the merger of **AVAFOOD COMPANY LIMITED**, established and operating under the Enterprise Registration Certificate No. 3600563391 and the Investment Registration Certificate No.1052118511, into the Company. Accordingly, the Company shall inherit all assets, legitimate rights, obligations and interests of AVA in accordance with the regulations of Vietnam, concurrently terminate the legal existence of AVA.

4. FINANCIAL SITUATION

❖ FINANCIAL SITUATION

Description	Actual 2019 (Consolidation) VND'000	Actual 2020 (After the merger) VND'000	Variance (%)
Sales	1,796,760,938,000	1,539,322,364,000	-14%
Deductions	162,022,816,000	130,142,893,000	-20%
Net sales and services	1,634,738,122,000	1,409,179,471,000	-14%
Cost of goods sold	951,411,846,000	837,324,927,000	-12%
Gross profit	683,326,276,000	571,854,544,000	-16%
Financial income	3,085,328,000	4,124,856,000	34%
Financial expenses	2,587,844,000	76,295,040,000	2848%
Selling expenses	343,704,731,000	267,397,928,000	-22%
General & administration expenses	35,997,159,000	35,737,479,000	-1%
Net operating profit (loss)	304,121,870,000	196,548,953,000	-35%
Other income	1,788,204,000	1,198,427,000	-33%
Other expenses	15,738,116,000	3,316,221,000	-79%
Other profit (loss), net	(13,949,912,000)	(2,117,794,000)	-85%
Profit (Loss) before tax	290,171,958,000	194,431,159,000	-33%
Current corporate income tax expenses	65,214,044,000	37,417,627,000	-43%
Deferred corporate income tax expenses	1,282,616,000	1,979,762,000	54%
Net profit (loss) after tax	223,675,298,000	155,033,770,000	-31%

❖ **AJOR FINANCIAL INDICATORS**

Description	Year 2019 (Consolidation)	Year 2020 (Parent company)	Notes
1. Solvency ratio:			
+ Current ratio	3.72	5.65	
+ Quick ratio	2.72	4.45	
2. Capital structure ratio:			
+ Debt / Total assets ratio	0.23	0.16	
+ Debt / Owners' Equity ratio	0.29	0.19	
3. Operation capability ratio:			
+ Inventory turnover	4.41	4.05	
+ Net revenue / Total assets ratio	1.97	1.34	
4. Target on Profitability			
+ Profit after tax / Net revenue Ratio	0.14	0.11	
+ Profit after tax / Total capital Ratio	0.31	0.17	
+ Profit after tax / Total assets Ratio	0.24	0.14	
+ Operating profit / Net revenue Ratio	0.19	0.14	

5. SHAREHOLDERS STRUCTURE AND CHANGE IN THE OWNER'S EQUITY

❖ **NUMBER OF SHARES**

No	Content	Quantity
1	Total number of shares	87,140,992
2	Treasury shares	8
3	Outstanding voting shares	87,140,984
4	Freely transferable shares	87,140,984
5	Conditionally transferable shares	0

❖ **SHAREHOLDERS STRUCTURE (as of March 11th 2021)**

No	Shareholders	Domestic shareholders		Foreign shareholders		Total	
		Quantity	%	Quantity	%	Quantity	%
1	Major shareholders (holding 5% or more)	-	0.00%	83,360,282	95.66%	83,360,282	95.66%
	- Individual	-	0.00%	-	0.00%	-	0.00%
	- Organization	-	0.00%	83,360,282	95.66%	83,360,282	95.66%
2	Other shareholders (holding less than 5%)	749,126	0.86%	3,031,576	3.48%	3,780,702	4.34%
	- Individual	744,588	0.85%	141,489	0.16%	886,077	1.02%
	- Organization	4,538	0.01%	2,890,087	3.32%	2,894,625	3.32%
3	Treasury shares		0.00%	8	0.00%	8	0.00%
4	Total	749,126	0.86%	86,391,866	99.14%	87,140,992	100.00%

❖ **CHANGE IN THE OWNER'S EQUITY**

- In 2020, the Company did not increase/ decrease Charter capital.

❖ **TREASURY STOCKS**

- Number of existing treasury stocks: 08
- Transactions of treasury stocks conducted in 2020: Non

III. REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS

1. ASSESSMENT OF OPERATING RESULTS

In 2020, the Company strived to implement its business targets through increasing market shares for its key products, diversifying its product portfolios and expanding its distribution network to maintain and develop its business operation. The Company reached 79% of total revenue compared to the previous year.

The Company focused on strengthening its core product WONDERFARM Winter Melon Tea as well as expanding market for KIRIN brand products. In addition, to meet consumer demand and diversify products, the Company has launched a number of new products such as Kirin Ice + Detox Cranberry and Kirin Salty Litchi.

The Company implemented cost reduction programs and effective use of promotion and marketing expenses to improve its business efficiency and competitiveness. All the planned cost reduction programs at the factory were strictly implemented to achieve the manufacturing cost target required by the Company. As a result of these activities, the Company achieved profit after tax about 155 billion VND.

2. FINANCIAL SITUATION

Description	Year 2019 (Consolidation) VND'000	Year 2020 (Parent company) VND'000	Variance (%)
Total asset	939,973,578	1,112,636,213	18%
Net revenue	1,634,738,122	1,409,179,471	-14%
Profit from operating activities	304,121,870	196,548,953	-35%
Other profits	(13,949,912)	(2,117,794)	-85%
Profit before tax	290,171,958	194,431,159	-33%
Profit after tax	223,675,298	155,033,770	-31%

3. IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES AND MANAGEMENT

❖ MANAGEMENT ACTIVITIES

CSR-based (Corporate Social Responsibility-CSR) management is our commitment by business to contribute to economic development while protecting the environment and improving our quality of life. CSV, CSR-based management will focus on:

- Strengthen corporate governance, promote compliance and risk management system to achieve transparent management to win the trust of the society.

- Improving profession in departments or the whole company so that improvement projects add value to the Company.
- Enhance environmental awareness and positively participate in local community activities to contribute to social and economic development as a responsible corporate citizen.

The Company has established Internal Control Department with personnel support from Kirin Group to help to reduce the risks associated with our business operations in Vietnam by providing independent, objective assurance and consulting activities.

❖ SALES DIVISION

- Profit growth is based on sales expansion
- KIRIN growth in Vietnam market
- Growth in existing region
~Raising awareness of "KIRIN"~
- Challenges with new fields
~Health - Function: growth seed ~

❖ PRODUCTION DIVISION

- Maximize the production efficiency of the factory.
- Continuous implementation for low cost operations.
- Further improvement of product quality.
- Improving profession in departments or the whole company.
- Development and introduction of new products which come from nature and promote positive health and wellbeing for customers.

❖ BACK OFFICE

- Development of human resources, enhancement of organizational structure and improvement of management information system.
- Improving profession in departments or the whole company so that improvement projects add value to the Company.
- Strengthen the relationship between the Company and employees through the implementation of periodically monitoring meeting, the good policies based on the results of employee satisfaction survey (ESS), improving accuracy management data and governance performance based on adherence (compliance).
- Develop and implement training programs tailored to staffs at each level and to each department.
- Implement the personnel transfer based on the human resources development of the Company and career development plan of individuals.

4. DEVELOPMENT PLAN IN THE FUTURE

In 2021, the Company continuously aims at boosting its sales volume mainly focusing on KIRIN brand products which are beverages for the health-conscious consumers and then acquires operating profits more with following strategies:

The Company analyzes the sales data and selling activities by area and SKU's utilizing DMS (Distribution Management System) and introduces the new function of DMS which the company can analyze the sales routes, and improves them so that salespersons can visit the outlets more effectively. The Company seeks more effective ways of selling activities through these analyses and then leads to increased sales volume and profits. Besides that, the Company focuses on investment in marketing activities such as marketing communication with consumers, in order to enhance KIRIN brand awareness.

The Company starts to develop new health-conscious products under KIRIN brand and contribute to health improvement of Vietnamese people.

The Company continues to reduce production costs and increases production capacity to meet the sales volume's increase, cooperating with its group manufacturing company - Vietnam Kirin Beverage Company Limited. And actively pursues work efficiency by improving business process through IT solutions.

Total gross sales is expected to be approximately VND 2,022 billion (increase of approximately 31% compared to the year 2020) and profit before tax in 2021 is about VND 327 billion.

Description	Plan 2021		Actual 2020		%(+/-)
	USD	VND'000	USD	VND'000	
Sales	87,119,444	2,022,477,891	66,307,231	1,539,322,364	31%
Net sales and services	79,179,236	1,838,145,966	60,701,248	1,409,179,471	30%
Gross profit	31,877,655	740,039,755	24,632,976	571,854,544	29%
Net operating profit	14,086,042	327,007,465	8,466,464	196,548,953	66%
Profit (Loss) before tax	14,122,878	327,862,612	8,375,238	194,431,159	69%
Profit (Loss) after tax	11,317,491	262,735,553	6,678,172	155,033,770	69%

5. REPORT ON ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES ENVIRONMENTAL INITIATIVES

We observe all laws and regulations related to the environment and continue to invest in equipment and technology research and development to provide environment friendly products and services.

- Continue efforts concerning awareness of personnel and measures to achieve true safety including safety education at monthly companywide meetings, confirmation of the status of measures to prevent reoccurrence of past accidents, checks of unsafe areas by periodic patrols to achieve intrinsic safety, and measures that rank priorities.
- Take measures to continuously improve quality including periodic checks of the implementation of measures to prevent reoccurrence with a focus on priority issues,

deepening understanding of ISO and HACCP by personnel, and raising the effectiveness of systems.

6. CORPORATE RESPONSIBILITY TO THE LOCAL COMMUNITY

“CITY STUDENTS WITH LAW” CONTEST: MORE MODERN, MORE CREATIVE

The contest "City Students with law" in 2020-2021 with the companionship of the KIRIN Group, the contest has provided a useful playing field, helped the law - a seemingly very dry issue to become lively and closer to the students. By the 4th season, the topic "Voice of youth" still is emphasized by the Organizing Committee, in order to affirm a comprehensive approach to law: not only knowing and complying, but students also need to recognize the role of laws and spread these values to surrounding people.

Through the contest "City Students with law", KIRIN Group does not only want to popularize the knowledge of law but also orientate students to apply this knowledge into real life, to form a healthy, civilized lifestyle, and enjoy a happy life.



IV. ASSESSMENTS OF THE BOARD OF MANAGEMENT ON THE COMPANY'S OPERATION

1. ASSESSMENT ON THE COMPANY'S OPERATION

In 2020, the Company strived to implement its business targets through increasing market shares for its key products, diversifying its product portfolios and expanding its distribution network to maintain and develop its business operation. The Company reached 79% of total revenue compared to the previous year.

The Company focused on strengthening its core product WONDERFARM Winter Melon Tea as well as expanding market for KIRIN brand products. In addition, to meet consumer demand and diversify products, the Company has launched a number of new products such as Kirin Ice + Detox Cranberry and Kirin Salty Litchi.

The Company implemented cost reduction programs and effective use of promotion and marketing expenses to improve its business efficiency and competitiveness. All the planned cost reduction programs at the factory were strictly implemented to achieve the manufacturing cost target required by the Company. As a result of these activities, the Company achieved profit after tax about 155 billion VND.

FINANCIAL SITUATION

Description	Year 2019 (Consolidation) VND'000	Year 2020 (Parent company) VND'000	Variance (%)
Total asset	939,973,578	1,112,636,213	18%
Net revenue	1,634,738,122	1,409,179,471	-14%
Profit from operating activities	304,121,870	196,548,953	-35%
Other profits	(13,949,912)	(2,117,794)	-85%
Profit before tax	290,171,958	194,431,159	-33%
Profit after tax	223,675,298	155,033,770	-31%

2. ASSESSMENT ON PERFORMANCE OF THE BOARD OF DIRECTORS

- The BOM issued Resolution of the BOM No.RBM200410 dated 10 April, 2020 on the appointment of General Director of the Company as follows:

Approve to adopt the re-appointment of Mr. Yutaka Ogami, passport no. TZ1228097 issued on July 19, 2017 by Consulate-General of Japan in HCMC as General Director cum Legal Representative of the Company in compliance with current legal provisions.

- GD and BOD has fulfilled the targets and tasks assigned, conducted business operation in compliance with applicable laws and regulations of the Company.
- Under the management and direction of the GD and BOD, the Company has conducted its business activities as assigned, increased market shares for its key products, diversified its product portfolios and expanded its distribution network to maintain and develop its business operation.

3. FUTURE PLAN OF THE BOARD OF MANAGEMENT

In 2021, the BOM performs its functions, rights and obligations in compliance with laws, Company's Charter and AGM resolutions in 2021.

- To decide the strategies and business plan in 2021 following the mid-term business plan in 2019-2021 of the Company
- To supervise, direct General Director and members of the Board of Directors to run daily business operation of the Company.
- To work closely with the management of the Company to provide appropriate business development direction, adequate support on implementation and development of business strategy and improvement of corporate governance of the Company to achieve sustainable business strategy of Interfood.
- To collaborate with Supervisory Board in supervising the activities of GD and BOD.

V. CORPORATE GOVERNANCE

1. BOARD OF MANAGEMENT

❖ INFORMATION ABOUT THE BOM MEMBERS

No	BOM's member	Position	Day becoming BOM member	Number of attendance of BOM meetings	%	Reason for absence
1	Mr. Takeshi Fukushima	Chairman	10/4/2020	7/7	100%	
2	Mr. Yutaka Ogami	Member	12/4/2018	7/7	100%	
3	Ms. Nguyen Thi Kim Lien	Member	15/08/2006	7/7	100%	
4	Mr. Koichi Ogawa	Member	10/04/2020	4/7	57%	Appointed effective from 10/04/2020
5	Mr. Takashi Suda	Member	12/4/2019	3/7	43%	Resign effective from 10/04/2020
6	Mr. Toru Yoshimura	Member	17/12/2019	7/7	100%	

❖ SUPERVISION BY THE BOM OVER GENERAL DIRECTORS AND THE BOARD OF DIRECTORS

Under the Charter and Corporate Governance Regulation of the Company, the BOM conducted its supervision on activities of General Director (GD) and the Board of Directors (BOD) in 2020 as follows::

- **Method of supervision:**

- Through BOM meetings organized periodically or as necessary, discussion and consultation conducted directly or via telephone and electronic mail.
- Through adequate, detailed and timely reports of GD and BOD reporting progress of business plan execution, pointing out its difficulties and obstacles as well as the causes and proposed solutions.
- Collaboration with Supervisory Board in supervising the activities of GD and BOD.

- **Contents of supervision:**

- Supervision and evaluation of the operational efficiency of GD and BOD on management, execution of BOM resolutions, implementation of business plan and investment project.

- **Results of supervision:**

- GD and BOD has fulfilled the tasks assigned, conducted business operation in compliance with applicable laws and regulations of the Company.
- Under the management and direction of the GD and BOD, the Company has conducted its business activities to be abreast of goals as assigned, increased market shares for key

products, diversified product portfolios and expanded distribution network to maintain and develop business operation.

- Although the company's production and business are heavily affected by the Covid-19 epidemic, but under the right management and direction of the GD and BOD, the company's business results in 2020 will not decline much compared to others, the Company's business results in 2020 were closely adhered to sales targets, and overall results, sales revenue reached 79% of the plan and net revenue reached 80% compared to the plan.
- Besides, the GD and BOD has controlled quite good the cost of goods sold of Long Thanh factory. The factory has maintained a reasonable COGS- Production cost, as planned through the company maintains a stable purchasing price for raw materials, reduces processing fee and uses effectively and saving production costs ... according to the criteria to reduce production costs per unit of product.
- Supervision over the merger of **AVAFOOD COMPANY LIMITED** into the Company, the merger complied with applicable laws, charters and regulations.

❖ **ACTIVITIES OF THE COMMITTEES OF BOM**

- The BOM has conducted its activities in compliance with laws, charter and corporate governance regulation of the Company, ensure the number of the meetings, attendance of the members, procedures for adopting decisions comply with applicable rules.
- Sub-Committees of BOM has not been established. However, BOM members worked with clear assignments and close coordination; appointed BOD members in charge of Sales, Marketing, Finance, Human Resources and Internal Control respectively to support BOM in management of the Company business activities.

❖ **RESOLUTIONS/DECISIONS OF THE BOM**

No	Resolution No.	Date	Contents
1	RBM200217	17/02/2020	Schedule to organize the Annual General Meeting of Shareholders in 2020 of the Company
2	RBM200326	26/03/2020	Contents propose to adopt at the Annual General Meeting of Shareholders in 2020
3	RBM200327	27/03/2020	The acquisition of shares of Avafood Shareholding Company (“AVA”) held by shareholder being Vietnam Kirin Beverage Company Limited and Ms. Nguyen Thi Kim Lien; The conversion of the company type of AVA; The draft of the new charter of AVA after the Conversion; appointing key personnel of AVA after the merger after the Conversion
4	RBM200410	10/04/2020	Appointment of the Chairman of the BOM; Re-appointment of the General Director cum Legal Representative
5	RBM200525	25/05/2020	To implement the merger of Avafood Company Limited into Interfood Shareholding Company; To implement the official signing of Merger Agreement between the Company and AVA.

6	RBM200813	13/08/2020	Approve to terminate the investment project Avafood Company Limited; Approve to amend the contents of Investment Registration Certificate No. 6525867086 of the Company
7	RBM201217	17/12/2020	The structure of Company's Board of Directors for tenure 2021-2023

2. SUPERVISORY BOARD

❖ INFORMATION ABOUT MEMBERS OF SUPERVISORY BOARD (SB)

No	BOM's member	Position	Day becoming SB member	Number of attendance of SB meetings	%	Reason for absence
1	Mr. Nguyen Thanh Bach	Chief	12/04/2019	2/2	100%	
2	Ms. Thai Thu Thao	Member	12/04/2012	2/2	100%	
3	Mr. Yoshitaka Hitomi	Member	12/04/2019	1/2	50%	

❖ SUPERVISION ACTIVITIES OF THE SUPERVISORY BOARD TOWARD THE BOARD OF MANAGEMENT, BOARD OF DIRECTORS AND SHAREHOLDERS

In 2020, the SB continued inspecting, supervising and recommending necessary changes to the BOM in order to ensure compliance with applicable laws, enhancing corporate governance and improve effectiveness of business operations of the Company. Main activities of the SB in 2020 were as follows:

- Supervision over the BOM, GD and BOD with respect to the management and administration of the Company to ensure the compliance with laws and Company rules.
- Supervision over the BOM, GD and BOD with respect to the issuance and execution of the resolutions of AGM and BOM, implementation of business plan approved by the AGM.
- Review, inspection and evaluation of the effectiveness and efficiency of systems of internal control, internal audit, risk management and early warning of the Company.
- Review and inspection of the financial statements (quarterly, biannual and annual financial statement) in 2020 examined and audited by KPMG Vietnam to ensure the independency and objectiveness in auditing activities and ensure the transparency, accuracy and reliability of the financial reports.
- Supervision over the merger of **AVAFOOD COMPANY LIMITED** into the Company, the merger complied with applicable laws, charters and regulations.

❖ COORDINATION AMONG THE SUPERVISORY BOARD WITH THE BOARD OF MANAGEMENT, BOARD OF DIRECTORS AND DIFFERENT MANAGERS

- Attend and/or discuss in the BOM meetings
- Collaborate with BOM in supervising the activities of GD and BOD.

3. REMUNERATION AND EXPENSES ON ACTIVITIES OF THE BOM, GENERAL DIRECTOR, THE OTHER EXECUTIVE RATIFIED BY THE BOM AND SB IN 2020

3.1 Expenses on activities of BOM:

No.	Name	Position	Amount (VND)	Remarks
1	Mr. Takeshi Fukushima	Chairman of the Board	1.119.860.000	Secondment fee (from 1/1/2020 to 31/12/2020)
2	Ms. Nguyễn Thị Kim Liên	Member	1,818,000,000	Salary (from 1/1/2020 to 31/12/2020)
	Total		2,937,860,000	

3.2 Expenses on activities of General Director:

No.	Name	Position	Amount (VND)	Remarks
1	Mr. Yutaka Ogami	General Director cum Chairman of BOM (From 1/1/2020 until 10/04/2020) General Director cum Member of BOM (From 11/4/2020 until 31/12/2020)	1.676.610.000	Secondment fee
	Total		1,676,610,000	

3.3 Remuneration of the BOM: Non

3.4 Activity expenses of the Other Executive ratified by the BOM

No.	Name	Position	Amount (VND)	Remarks
1	Mr. Ryuta Onda	Director/ General Manager of Factory	559,930,000	Secondment fee (from 1/1/2020 - 31/12/2020)
2	Mr. Tomohide Ito	Director/ General Manager of Planning	1,119,860,000	Secondment fee (from 1/1/2020 - 31/12/2020)
3	Mr. Nguyễn Hồng Phong	Chief Accountant cum Manager of Finance and Accounting	804,780,000	Salary (from 1/1/2020 to 31/12/2020)
	Total		2,484,570,000	

3.5. Activity expenses of Supervisory Board:

No.	Name	Position	Amount (VND)	Remarks
1	Mr. Nguyễn Thanh Bách	Chief	578,598,000	Salary (from 01/01/2020 to 31/12/2020)
	Total		578,598,000	

Notes: Secondment fee is the payment of the Company to Kirin Holdings Company, Limited under secondment agreement, no being paid directly to the relating members.

3.6. Remuneration of the SB: Non

4. SHARE TRANSACTIONS OF INTERNAL PERSONS, MAJOR SHAREHOLDERS AND AFFILIATED PERSONS

There were no share transaction of internal persons, major shareholders and affiliated persons in 2020.

5. CONTRACTS OR TRANSACTIONS OF INTERNAL PERSONS, MAJOR SHAREHOLDERS AND AFFILIATED PERSONS

(A) Transaction between the Company and Vietnam Kirin Beverage Company, Limited. (VKBC) - Affiliated organization - (Unit in 1000 VND)

- (1) Processing: 217,214,805
- (2) Purchases of services: 2,378,550
- (3) Sale of finished goods: 256,415
- (4) Purchases of goods: 1,961,092

(B) Transaction between the Company and Vietnam Kirin Beverage Company, Limited. (VKBC) - Affiliated organization

Share transfer agreement: The acquisition of the shares belongs to VKBC in the subsidiary - Avafood Company Limited.

(C) Transaction between the Company and Avafood Company Limited (AVA) - Affiliated organization - (Unit in 1000 VND)

- (1) Short-term loan granted: 14,000,000
- (2) Interest income: 1,157,069
- (3) Processing service: 12,499,883
- (4) Office and factory rental: 2,966,106

(D) Transaction between the Company and Avafood Company Limited - Affiliated organization

Merger agreement: The merger of Avafood Company Limited (established and operating under the Enterprise Registration Certificate No. 3600563391 and the Investment Registration Certificate No.1052118511) into the Company.

(E) Transaction between the Company and Ms. Nguyễn Thị Kim Liên – BOM Member - Affiliated person

Share transfer agreement: The acquisition of the shares belongs to Ms. Nguyen Thi Kim Lien in the subsidiary - Avafood Company Limited.

VI. FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2020 (ENCLOSED)

- STATEMENT OF THE BOARD OF DIRECTORS
- INDEPENDENT AUDITOR'S REPORT
- BALANCE SHEET
- STATEMENT OF INCOME
- STATEMENT OF CASH FLOWS
- NOTES TO THE FINANCIAL STATEMENTS

INTERFOOD SHAREHOLDING COMPANY
Legal Representative

(Signed and sealed)

YUTAKA OGAMI



Công ty Cổ phần Thực phẩm Quốc tế (Interfood)

Lô 13, KCN Tam Phước, Phường Tam Phước, Biên Hòa, Đồng Nai - Tel: (0251) 3511138 - Fax: (0251) 3512498

Website: www.wonderfarmonline.com