



Interfood Shareholding Company

Separate Financial Statements
for the year ended 31 December 2016



Interfood Shareholding Company
Corporate information

Investment Licence No. 270/GP 16 November 1991

Investment Certificates No. 472033000328 (1st amendment) 28 November 2007
 472033000328 (2nd amendment) 20 May 2010
 472033000328 (3rd amendment) 22 April 2011
 472033000328 (4th amendment) 18 October 2011
 472033000328 (5th amendment) 14 May 2014
 472033000328 (6th amendment) 30 December 2015
 6525867086 (7th amendment) 5 February 2016
 6525867086 (8th amendment) 28 December 2016

The Company's Investment Licence has been amended several times, the most recent of which is by the 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 Company's 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.

Enterprise Registration Certificate No. 3600245631 21 January 2016

The Company's Enterprise Registration Certificate was issued by the Department of Planning and Investment of Dong Nai Province.

Board of Management

Toru Yamasaki	Chairman
Hajime Kobayashi	Member
Hirotsugu Otani	Member
Nguyen Thi Kim Lien	Member
Takayuki Morisawa	Member

Board of Directors

Toru Yamasaki	General Director
Yoshihisa Fujiwara	Director/General Manager of Factory
Takayuki Morisawa	Director/General Manager of Administration
Nguyen Thi Kim Lien	Director/General Manager of Internal Control
Taiichiro Iizumi	Director/General Manager of Sales (until 1 October 2016)
Yutaka Ogami	Director/General Manager of Planning

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

Auditor KPMG Limited
 Vietnam

Interfood Shareholding Company Statement of the Board of Directors

The Board of Directors of Interfood Shareholding Company (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2016.

The Company’s Board of Directors is responsible for the preparation and fair presentation of the separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company’s Board of Directors:

- (a) the separate financial statements set out on pages 5 to 38 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2016, and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting;
- (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; and
- (c) the separate financial statements have included all necessary disclosures relevant to the Company’s ability to continue as a going concern in the foreseeable future.

The Company’s Board of Directors has, on the date of this statement, authorised the accompanying separate financial statements for issue.

On behalf of the Board of Directors


Toru Yamasaki
Chairman / *Chief General Director*

Ho Chi Minh City, 21 March 2017



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Interfood Shareholding Company

We have audited the accompanying separate financial statements of Interfood Shareholding Company ("the Company"), which comprise the separate balance sheet as at 31 December 2016, the 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 Board of Directors on 21 March 2017, as set out on pages 5 to 38.

Board of Directors' Responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Interfood Shareholding Company as at 31 December 2016 and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 16-01-298(c)



Nguyễn Chánh Nghi

Practicing Auditor Registration
Certificate No. 0304-2013-007-1
Deputy General Director

Auvarin Phor

Practicing Auditor Registration
Certificate No. 2252-2013-007-1

Ho Chi Minh City, 21 March 2017

Interfood Shareholding Company
Separate balance sheet as at 31 December 2016

Form B 01 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2016 VND'000	1/1/2016 VND'000
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		493,359,792	463,367,290
Cash	110	4	237,769,724	172,256,452
Cash	111		237,769,724	172,256,452
Accounts receivable – short-term	130		125,556,627	106,669,822
Accounts receivable from customers	131	5	25,744,256	22,218,569
Prepayments to suppliers	132		3,733,446	3,301,691
Short-term loans receivable	135	6	97,998,165	82,726,107
Other short-term receivables	136		972,456	719,547
Allowance for doubtful debts	137		(2,891,696)	(2,296,092)
Inventories	140	7	128,837,468	183,485,382
Inventories	141		130,128,682	185,404,269
Allowance for inventories	149		(1,291,214)	(1,918,887)
Other current assets	150		1,195,973	955,634
Short-term prepaid expenses	151		1,122,062	881,723
Taxes receivable from State Treasury	153		73,911	73,911

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

Interfood Shareholding Company
Separate balance sheet as at 31 December 2016 (continued)

Form B 01 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2016 VND'000	1/1/2016 VND'000
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		191,105,692	256,980,953
Accounts receivable – long-term	210		1,575,362	26,568,962
Long-term loans receivable	215	6	-	24,993,600
Other long-term receivables	216		1,575,362	1,575,362
Fixed assets	220		92,637,017	131,725,663
Tangible fixed assets	221	8	84,102,059	121,964,494
Cost	222		325,929,103	384,694,679
Accumulated depreciation	223		(241,827,044)	(262,730,185)
Finance lease tangible fixed assets	224	9	195,293	-
Cost	225		198,603	-
Accumulated depreciation	226		(3,310)	-
Intangible fixed assets	227	10	8,339,665	9,761,169
Cost	228		13,042,688	12,913,118
Accumulated amortisation	229		(4,703,023)	(3,151,949)
Long-term work in progress	240		156,329	107,897
Construction in progress	242	11	156,329	107,897
Long-term financial investments	250		94,145,809	94,145,809
Investment in a subsidiary	251	12	94,145,809	94,145,809
Other long-term assets	260		2,591,175	4,432,622
Long-term prepaid expenses	261	13	2,591,175	4,432,622
TOTAL ASSETS (270 = 100 + 200)	270		684,465,484	720,348,243

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

Interfood Shareholding Company
Separate balance sheet as at 31 December 2016 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2016 VND'000	1/1/2016 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		422,313,325	501,490,256
Current liabilities	310		418,673,984	352,721,929
Accounts payable to suppliers	311	14	74,235,899	72,199,918
Advances from customers	312		5,273,767	3,116,598
Taxes payable to State Treasury	313	15	8,299,412	10,146,490
Payable to employees	314		8,662,729	9,983,488
Accrued expenses	315	16	75,015,698	75,212,784
Other short-term payables	319	17	1,108,479	1,742,651
Short-term borrowings	320	18(a)	246,078,000	180,320,000
Long-term liabilities	330		3,639,341	148,768,327
Long-term borrowings and liabilities	338	18(b)	194,839	146,510,000
Provision	342	19	3,444,502	2,258,327
Equity (400 = 410)	400		262,152,159	218,857,987
Owners' equity	410	20	262,152,159	218,857,987
Share capital	411	21	871,409,840	871,409,840
- Ordinary shares with voting rights	411a		871,409,840	871,409,840
Share premium	412		85,035,704	85,035,704
Other capital	420	22	90,034,048	90,034,048
Accumulated losses	421		(784,327,433)	(827,621,605)
- Accumulated losses brought forward	421a		(827,621,605)	(726,418,882)
- Net profit/(loss) for the current year	421b		43,294,172	(101,202,723)
TOTAL RESOURCES (440 = 300 + 400)	440		684,465,484	720,348,243

21 March 2017

Prepared by:



Nguyen Hong Phong
Chief Accountant

Approved by:



Toru Yamasaki
Chairman cum General Director

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

Interfood Shareholding Company
Separate statement of income for the year ended 31 December 2016

Form B 02 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2016 VND'000	2015 VND'000
Revenue from sale of goods	01	24	1,437,840,787	1,318,377,515
Revenue deductions	02	24	107,329,767	38,218,537
Net revenue (10 = 01 - 02)	10	24	1,330,511,020	1,280,158,978
Cost of sales	11	25	926,582,235	954,346,345
Gross profit (20 = 10 - 11)	20		403,928,785	325,812,633
Financial income	21	26	31,702,774	19,744,033
Financial expenses	22	27	36,322,285	43,748,235
<i>In which: Interest expense</i>	23		5,357,813	5,933,545
Selling expenses	25	28	294,617,177	360,120,414
General and administration expenses	26	29	40,335,708	38,579,001
Net operating profit/(loss) {30 = 20 + (21 - 22) - (25 + 26)}	30		64,356,389	(96,890,984)
Other income	31	30	980,280	6,556,299
Other expenses	32	31	22,042,497	8,140,367
Results of other activities (40 = 31 - 32)	40		(21,062,217)	(1,584,068)
Accounting profit/(loss) before tax (50 = 30 + 40)	50		43,294,172	(98,475,052)
Income tax expense – current	51	33	-	2,727,671
Income tax expense – deferred	52	33	-	-
Net profit/(loss) after tax (60 = 50 - 51 - 52)	60		43,294,172	(101,202,723)

21 March 2017

Prepared by:



Nguyen Hong Phong
Chief Accountant

Approved by:



Tomiyama Yamasaki
Chairman – cum General Director

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

Interfood Shareholding Company
Separate statement of cash flows for the year ended 31 December 2016
(Indirect method)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2016 VND'000	2015 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit/(loss) before tax	01		43,294,172	(98,475,052)
Adjustments for				
Depreciation and amortisation	02		20,590,191	26,525,584
Allowances and provisions	03		1,645,011	11,582,489
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		5,542,562	14,815,424
Losses/(profits) from investing activities	05		16,668,325	(3,182,827)
Interest expense	06		5,357,813	5,933,545
Operating profit/(loss) before changes in working capital	08		93,098,074	(42,800,837)
Change in receivables and other assets	09		32,716,437	13,692,545
Change in inventories	10		55,275,587	(13,295,688)
Change in payables and other liabilities	11		1,201,339	61,324,550
Change in prepaid expenses	12		1,601,108	(1,584,114)
			183,892,545	17,336,456
Interest paid	14		(6,913,256)	(5,596,531)
Corporate income tax paid	15		-	(2,727,671)
Net cash flows from operating activities	20		176,979,289	9,012,254
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(3,475,354)	(4,270,694)
Proceeds from disposals of fixed assets	22		2,577,273	645,455
Payments for granting loans	23		(25,250,000)	(32,110,000)
Receipts of interest	27		945,828	381,906
Net cash flows from investing activities	30		(25,202,253)	(35,353,333)

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

Interfood Shareholding Company
Separate statement of cash flows for the year ended 31 December 2016
(Indirect method – continued)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2016 VND'000	2015 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from shares issued	31		-	160,000,000
Proceeds from borrowings	33		240,570,000	77,250,000
Payments to settle loan principals	34		(326,830,000)	(149,930,000)
Payments to settle finance lease liabilities	35		(3,764)	-
Net cash flows from financing activities	40		(86,263,764)	87,320,000
Net cash flows during the year (50 = 20 + 30 + 40)	50		65,513,272	60,978,921
Cash at the beginning of the year	60		172,256,452	111,277,531
Cash at the end of the year (70 = 50 + 60)	70	4	237,769,724	172,256,452

21 March 2017

Prepared by:



Nguyen Hong Phong
Chief Accountant

Approved by:



Toru Yamasaki
Chairman and General Director

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

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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

1. Reporting entity

(a) Ownership structure

Interfood Shareholding Company (“the Company”) is incorporated as a joint stock company in Vietnam.

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

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

The Company’s shares were listed on the Unlisted Public Company Market in accordance with the Decision No. 717/QD-SGDHN issued by the Ha Noi Stock Exchange on 7 November 2016.

(b) Principal activities

The principal activities of the Company are to process agricultural and aquatic products into canned, dried, frozen, salted, and pickled products; the production of biscuits and snack food; carbonated and non-carbonated fruit juice, non-carbonated and carbonated beverages, with or without low level of alcohol (less than 10%); bottled filtered water; packaging for foods and beverages; process milk and milk related products; and to export, import products in accordance with business operation.

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(d) Company structure

As at 31 December 2016, the Company had 1,241 employees (1/1/2016: 1,323 employees).

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

2. Basis of preparation

(a) Statement of compliance

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the consolidated financial position as at 31 December 2016 of the Company and its subsidiary (collectively referred to as “the Group”), its consolidated results of operations and its consolidated cash flows for the year then ended, the separate financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2016.

(b) Basis of measurement

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

(c) Going concern assumption

The separate financial statements have been prepared on a going concern basis. The Company had significant loans that will require refinancing within the next 12 months (Note 18). The validity of the going concern assumption fundamentally depends on the Company generating enough operating and financing cash flows to meet the operational expenses and on the ultimate majority shareholder and the 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, the Company had a USD25.5 million unused short-term facility which can be used to meet the operational expenses and there is no reason for the management to believe that the ultimate majority shareholder and the 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 and presentation currency

The Company’s accounting currency is Vietnam Dong (“VND”). The separate financial statements are prepared and presented in Vietnam Dong rounded to the nearest thousand (“VND’000”).

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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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 transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and the account transfer selling rate at the end of the annual accounting period, respectively, quoted by the commercial bank where the Company most frequently conducts transactions.

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

(b) Cash

Cash comprises cash balances and call deposits.

(c) Investment in a subsidiary

For the purpose of these separate financial statements, investment in a subsidiary is initially recognised at cost which includes the purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, the investment is stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the subsidiary has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the subsidiary subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the separate statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

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

(g) Finance lease tangible fixed assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in accounting policy 3(f).

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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(h) Intangible fixed assets

Software

Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 10 years.

(i) Construction in progress

Construction in progress represents the costs 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.

(j) Long-term prepaid expenses

(i) *Renovation expense*

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

(ii) *Tools and supplies*

Tools and supplies include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and supplies is amortised on a straight-line basis over 3 years.

(iii) *Insurance and rental expenses*

Insurance and rental expenses are initially stated at cost and are amortised on a straight-line basis over the insurance and rental terms.

(k) Trade and other payables

Accounts payable to suppliers and other payables are stated at their costs.

(l) 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.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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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 employees 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.

Provision for severance allowance to be paid to the existing eligible employees as of 31 December 2016 has been made based on the eligible employees’ years of service, being the total employees’ years of service less the number of years for which the employees participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company, if any, and their average salary for the six-month period prior to the end of the annual accounting period.

(m) Share capital

Ordinary shares

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(n) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the separate statement of income except to the extent that it relates to items recognised directly in 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 end of the annual accounting period, 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 end of the annual accounting period.

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.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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(o) Revenue and other income

(i) Goods sold

Revenue from sale of goods is recognised in the separate statement of income when 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. Revenue from sale of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Interest income

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

(p) Operating lease payments

Payments made under operating leases are recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the separate statement of income as an integral part of the total lease expense.

(q) 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.

(r) Related parties

Parties are considered to be related to the Company 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, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

4. Cash

	31/12/2016	1/1/2016
	VND'000	VND'000
Cash on hand	105,230	156,214
Cash at banks	237,664,494	172,100,238
	237,769,724	172,256,452
Cash in the separate statement of cash flows	237,769,724	172,256,452

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
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5. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	31/12/2016	1/1/2016
	VND'000	VND'000
Saigon Union of Trading Co-operatives	3,271,980	5,042,063
EB Services Co., Ltd	3,616,366	4,075,204
MM Mega Market Vietnam Company Limited	4,046,686	1,966,796
Others	14,809,224	11,134,506
	<hr/>	<hr/>
	25,744,256	22,218,569
	<hr/>	<hr/>

(b) Accounts receivable from customers classified by payment term

	31/12/2016	1/1/2016
	VND'000	VND'000
Short-term	25,744,256	22,218,569
	<hr/>	<hr/>

6. Loans receivable

	31/12/2016	1/1/2016
	VND'000	VND'000
Short-term		
Short-term loans granted to a subsidiary (i)	73,004,565	82,726,107
Current portion of long-term loans granted to a subsidiary (ii)	24,993,600	-
	<hr/>	<hr/>
	97,998,165	82,726,107
	<hr/>	<hr/>
Long-term		
Long-term loans granted to a subsidiary (ii)	-	24,993,600
	<hr/>	<hr/>

(i) Short-term loans to Avafood Shareholding Company (“Avafood”), a subsidiary with the credit limit of USD7 million were unsecured and earned interest at Libor plus 1% per annum. The interest rate was 1.869% per annum during the year (2015: 1.731% to 1.869% per annum).

(ii) Long-term loans to Avafood were unsecured and earned fixed interest rate of 1.896% per annum during the year (2015: 1.896% per annum). The principal and related interest are due in May 2017.

Interfood Shareholding Company**Notes to the separate financial statements for the year ended 31 December 2016**

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	31/12/2016		1/1/2016	
	Cost VND'000	Allowance VND'000	Cost VND'000	Allowance VND'000
Goods in transit	146,300	-	790,291	-
Raw materials	47,372,082	(668,185)	39,684,219	-
Tools and supplies	7,566,599	(296,819)	9,712,514	-
Work in progress	3,602,740	-	4,646,405	-
Finished goods	71,440,961	(326,210)	130,570,840	(1,918,887)
	130,128,682	(1,291,214)	185,404,269	(1,918,887)

Movements of the allowance for inventories during the year were as follows:

	2016 VND'000	2015 VND'000
Opening balance	1,918,887	3,435,021
Increase in allowance during the year	1,291,214	9,241,017
Written back	(1,918,887)	(10,757,151)
Closing balance	1,291,214	1,918,887

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8. Tangible fixed assets

	Machinery and equipment VND'000	Motor vehicles VND'000	Office equipment VND'000	Total VND'000
Cost				
Opening balance	373,078,067	7,039,094	4,577,518	384,694,679
Additions	1,250,557	110,000	1,313,554	2,674,111
Transfers from construction in progress	623,241	-	-	623,241
Disposals	(62,062,928)	-	-	(62,062,928)
Closing balance	312,888,937	7,149,094	5,891,072	325,929,103
Accumulated depreciation				
Opening balance	254,655,340	5,040,664	3,034,181	262,730,185
Charge for the year	17,810,075	588,547	637,185	19,035,807
Disposals	(39,938,948)	-	-	(39,938,948)
Closing balance	232,526,467	5,629,211	3,671,366	241,827,044
Net book value				
Opening balance	118,422,727	1,998,430	1,543,337	121,964,494
Closing balance	80,362,470	1,519,883	2,219,706	84,102,059

Included in tangible fixed assets were assets costing VND50,944 million which were fully depreciated as of 31 December 2016 (1/1/2016: VND60,372 million), but are still in active use.

The net book value of temporarily idle tangible fixed assets amounted to VND1,849 million as of 31 December 2016 (1/1/2016: VND22,737 million).

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Notes to the separate financial statements for the year ended 31 December 2016
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9. Finance lease tangible fixed assets

	Office equipment VND'000
Cost	
Opening balance	-
Additions	198,603
	198,603
Closing balance	
	198,603
Accumulated depreciation	
Opening balance	-
Charge for the year	3,310
	3,310
Closing balance	
	3,310
Net book value	
Opening balance	-
Closing balance	195,293
	195,293

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
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10. Intangible fixed assets

	Software VND'000
Cost	
Opening balance	12,913,118
Additions	129,570
	13,042,688
Closing balance	
	13,042,688
Accumulated amortisation	
Opening balance	3,151,949
Charge for the year	1,551,074
	4,703,023
Closing balance	
	4,703,023
Net book value	
Opening balance	9,761,169
Closing balance	8,339,665
	8,339,665

11. Construction in progress

	2016 VND'000	2015 VND'000
Opening balance	107,897	1,435,765
Additions during the year	671,673	2,714,682
Transfers to tangible fixed assets	(623,241)	(1,944,625)
Transfers to intangible fixed assets	-	(2,097,925)
	156,329	107,897
Closing balance	156,329	107,897

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
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12. Investment in a subsidiary

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

13. Long-term prepaid expenses

	Renovation expense VND'000	Tools and supplies VND'000	Insurance expense VND'000	Rental expense VND'000	Total VND'000
Opening balance	1,635,788	2,474,849	280,150	41,835	4,432,622
Additions	-	518,800	-	-	518,800
Amortisation for the year	(654,315)	(1,441,940)	(231,505)	(32,487)	(2,360,247)
Closing balance	981,473	1,551,709	48,645	9,348	2,591,175

14. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	31/12/2016		1/1/2016	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Vietnam Kirin Beverage Company Limited	16,611,852	16,611,852	4,272,267	4,272,267
Crown Beverage Can (Dong Nai) Co., Ltd	14,348,481	14,348,481	23,567,042	23,567,042
Crown Beverage Cans Saigon Limited	8,917,371	8,917,371	3,388,779	3,388,779
Vietnam Chuanli Can Manufacturing Co., Ltd	8,192,210	8,192,210	3,914,483	3,914,483
Hoa Lam Transportation – Service – Trading Co., Ltd	4,664,580	4,664,580	7,034,398	7,034,398
Others	21,501,405	21,501,405	30,022,949	30,022,949
	74,235,899	74,235,899	72,199,918	72,199,918

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
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(b) Accounts payable to suppliers classified by payment term

	31/12/2016		1/1/2016	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Short-term	74,235,899	74,235,899	72,199,918	72,199,918

(c) Accounts payable to suppliers who are related parties

	31/12/2016		1/1/2016	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Vietnam Kirin Beverage Company Limited, a related party	16,611,852	16,611,852	4,272,267	4,272,267

The trade related amounts due to Vietnam Kirin Beverage Company Limited represented the processing fee payable, which were unsecured, interest free and are payable on demand.

15. Taxes payable to State Treasury

	1/1/2016 VND'000	Incurred VND'000	Paid VND'000	Netted-off VND'000	31/12/2016 VND'000
Value added tax	9,923,699	133,307,487	(50,933,369)	(84,596,660)	7,701,157
Personal income tax	219,142	4,868,316	(4,497,267)	-	590,191
Others	3,649	1,683,854	(1,679,439)	-	8,064
	10,146,490	139,859,657	(57,110,075)	(84,596,660)	8,299,412

Interfood Shareholding Company
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16. Accrued expenses

	31/12/2016	1/1/2016
	VND'000	VND'000
Sales discounts and commission	18,603,236	21,522,323
Promotion expense	33,288,771	25,292,954
Transportation expense	4,571,700	6,000,705
Secondment fee (*)	4,219,204	5,470,153
Interest expense	624,294	2,179,737
Others	13,708,493	14,746,912
	<hr/>	<hr/>
	75,015,698	75,212,784
	<hr/>	<hr/>

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

17. Other short-term payables

	31/12/2016	1/1/2016
	VND'000	VND'000
Non-trade amounts due to a related party	459,041	852,501
Dividends payable	505,391	505,391
Others	144,047	384,759
	<hr/>	<hr/>
	1,108,479	1,742,651
	<hr/>	<hr/>

The non-trade amounts due to a related party were unsecured, interest free and are payable on demand.

Interfood Shareholding Company

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18. Borrowings and liabilities

(a) Short-term borrowings

	1/1/2016		Movements during the year				31/12/2016	
	Carrying amount VND'000	Amount within repayment capacity VND'000	Addition VND'000	Repayment VND'000	Unrealised foreign exchange losses VND'000	Carrying amount VND'000	Amount within repayment capacity VND'000	
Short-term borrowings	180,320,000	180,320,000	240,570,000	(180,320,000)	5,508,000	246,078,000	246,078,000	
Current portion of long-term borrowings (b)	-	-	146,510,000	(146,510,000)	-	-	-	
	180,320,000	180,320,000	387,080,000	(326,830,000)	5,508,000	246,078,000	246,078,000	

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Notes to the separate financial statements for the year ended 31 December 2016
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Terms and conditions of unsecured outstanding short-term borrowings were as follows:

	Currency	Annual interest rate	31/12/2016 VND'000	1/1/2016 VND'000
Loan 1 from Kirin Holdings Singapore Pte. Ltd	USD	Libor plus 0.8%	246,078,000	-
Loan 1 from Kirin Holdings Company, Limited	USD	Libor plus 0.8%	-	135,240,000
Loan 2 from Kirin Holdings Company, Limited	USD	Libor plus 0.8%	-	45,080,000
			246,078,000	180,320,000

The applicable interest rates of these borrowings ranged from 1.336% to 2.062% per annum during the year (2015: 1.036% to 1.536% per annum).

(b) Long-term borrowings and liabilities

	31/12/2016 VND'000	1/1/2016 VND'000
Long-term borrowings (i)	-	146,510,000
Finance lease liabilities (ii)	194,839	-
	194,839	146,510,000

(i) Long-term borrowings

Terms and conditions of outstanding long-term borrowings were as follows:

	Currency	Annual interest rate	Year of maturity	31/12/2016 VND'000	1/1/2016 VND'000
Unsecured loans from Kirin Holdings Company, Limited	USD	1.896%	2017	-	146,510,000

During the year, the Company made full repayments of long-term borrowings before their due dates.

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
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(ii) Finance lease liabilities

Terms and conditions of finance lease liabilities were as follows:

	Currency	Annual interest rate	Year of maturity	31/12/2016 VND'000	1/1/2016 VND'000
Liability from Chailease International Leasing Company Limited	VND	21.6%	2021	194,839	-

The future minimum lease payments under non-cancellable finance leases are as follows:

	Payments VND'000	Interest VND'000	Principal VND'000
Within one year	69,246	43,610	25,636
Within two to five years	258,351	89,148	169,203
	327,597	132,758	194,839

19. Provision

Movements of provision during the year were as follows:

	Severance allowance VND'000
Opening balance	2,258,327
Provision made during the year	1,677,080
Provision utilised during the year	(490,905)
Closing balance	3,444,502

Interfood Shareholding Company

Notes to the separate financial statements for the year ended 31 December 2016 (continued)

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20. Changes in owners' equity

	Share capital VND'000	Share premium VND'000	Other capital VND'000	Accumulated losses VND'000	Total VND'000
Balance as at 1 January 2015	711,409,840	85,035,704	90,034,048	(726,418,882)	160,060,710
Share capital issued	160,000,000	-	-	-	160,000,000
Net loss for the year	-	-	-	(101,202,723)	(101,202,723)
Balance as at 1 January 2016	871,409,840	85,035,704	90,034,048	(827,621,605)	218,857,987
Net profit for the year	-	-	-	43,294,172	43,294,172
Balance as at 31 December 2016	871,409,840	85,035,704	90,034,048	(784,327,433)	262,152,159

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Notes to the separate financial statements for the year ended 31 December 2016
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21. Share capital

The Company's authorised and issued share capital are as follows:

	31/12/2016 and 1/1/2016	
	Number of shares	VND'000
Authorised and issued share capital		
Ordinary shares	87,140,992	871,409,920
Shares in circulation		
Ordinary shares	87,140,984	871,409,840

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

On 21 December 2015, Kirin Holdings Company, Limited entered into a Share Transfer Agreement with Kirin Holdings Singapore Pte. Ltd ("Kirin Singapore"), a related party, to transfer its entire interest in the Company to Kirin Singapore. The share transfer was completed during the year.

There were no movements of share capital during the year.

22. Other capital

On 1 January 2013, the Company changed its accounting currency from United States Dollars ("USD") to Vietnam Dong ("VND") in accordance with the requirements of Circular No. 244/2010/TT/BTC dated 31 December 2009 of the Ministry of Finance. Accordingly, all balances in USD as at 31 December 2012 have been translated to VND at the exchange rate of VND20,828 to USD1. The difference between the converted value and par value of ordinary shares of VND90,034,048,000 is reflected as other capital.

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Notes to the separate financial statements for the year ended 31 December 2016
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23. Off balance sheet items

(a) Lease

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

	31/12/2016	1/1/2016
	VND'000	VND'000
Within one year	12,772,280	12,937,430
Within two to five years	20,891,471	33,384,160
	33,663,751	46,321,590

(b) Foreign currencies

	31/12/2016		1/1/2016	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	78,453	1,781,281	1,118,655	25,113,813
EUR	328	7,834	339	8,291
		1,789,115		25,122,104

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24. Revenue from sale of goods

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

Net revenue comprised:

	2016	2015
	VND'000	VND'000
Total revenue		
▪ Sales of drinks	1,256,870,444	1,151,774,724
▪ Sales of biscuits	541,741	10,625,268
▪ Sales of other products	179,389,902	153,875,639
▪ Sales of scraps	1,038,700	2,101,884
	<hr/> 1,437,840,787	<hr/> 1,318,377,515
Less revenue deductions		
▪ Sales allowance	106,985,890	37,370,580
▪ Sales returns	343,877	847,957
	<hr/> 107,329,767	<hr/> 38,218,537
Net revenue	<hr/> <hr/> 1,330,511,020	<hr/> <hr/> 1,280,158,978

25. Cost of sales

	2016	2015
	VND'000	VND'000
Total cost of sales		
▪ Cost of drinks	845,959,597	857,871,647
▪ Cost of biscuits	1,578,039	14,775,791
▪ Cost of other products	79,044,599	81,698,907
	<hr/> 926,582,235	<hr/> 954,346,345

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26. Financial income

	2016	2015
	VND'000	VND'000
Interest income from deposits at banks	945,828	381,906
Interest income from loans to Avafood	1,932,554	2,210,809
Foreign exchange gains	28,824,392	17,151,318
	31,702,774	19,744,033
	31,702,774	19,744,033

27. Financial expenses

	2016	2015
	VND'000	VND'000
Interest expense	5,357,813	5,933,545
Foreign exchange losses	30,964,472	37,814,690
	36,322,285	43,748,235
	36,322,285	43,748,235

28. Selling expenses

	2016	2015
	VND'000	VND'000
Staff costs	146,587,246	163,973,427
Advertisement and promotion expenses	51,207,622	87,223,620
Transportation expense	71,957,377	86,301,552
Rental expense	8,129,459	7,607,197
Others	16,735,473	15,014,618
	294,617,177	360,120,414
	294,617,177	360,120,414

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29. General and administration expenses

	2016	2015
	VND'000	VND'000
Staff costs	14,841,720	13,966,943
Consultant fee	5,121,901	5,765,826
Rental expense	3,085,981	2,791,031
Allowance	595,603	2,341,472
Depreciation and amortisation	2,146,597	1,833,585
Others	14,543,906	11,880,144
	<hr/>	<hr/>
	40,335,708	38,579,001
	<hr/>	<hr/>

30. Other income

	2016	2015
	VND'000	VND'000
Gains from disposals of tangible fixed assets	-	590,112
Others	980,280	5,966,187
	<hr/>	<hr/>
	980,280	6,556,299
	<hr/>	<hr/>

31. Other expenses

	2016	2015
	VND'000	VND'000
Losses from disposals of tangible fixed assets	19,546,707	-
Depreciation of idle tangible fixed assets	1,514,191	3,169,864
Tax penalties	278,825	3,495,646
Others	702,774	1,474,857
	<hr/>	<hr/>
	22,042,497	8,140,367
	<hr/>	<hr/>

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32. Production and business costs by elements

	2016 VND'000	2015 VND'000
Raw material costs included in production costs	568,915,382	659,990,981
Labour and staff costs	198,945,085	225,628,661
Depreciation and amortisation	20,590,191	26,525,584
Outside services	370,083,620	508,989,359
Other expenses	28,029,246	30,165,096

33. Income tax

(a) Reconciliation of effective tax rate

	2016 VND'000	2015 VND'000
Accounting profit/(loss) before tax	43,294,172	(98,475,052)
Tax at the Company's tax rate	8,658,834	(21,664,511)
Non-deductible expenses	720,504	3,505,046
Unrecognised deferred tax assets	(45,831)	18,159,465
Tax losses utilised	(9,333,507)	-
Under provision in prior years	-	2,727,671
	-	2,727,671

(b) Unrecognised deferred tax assets

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

	31/12/2016		1/1/2016	
	Temporary difference VND'000	Tax value VND'000	Temporary difference VND'000	Tax value VND'000
Deductible temporary differences	79,198,608	15,839,722	79,427,763	15,885,553
Tax losses	68,007,014	13,601,403	114,674,549	22,934,910
	147,205,622	29,441,125	194,102,312	38,820,463

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The tax losses expire in the following year:

Year of expiry	Status of tax review	Tax losses available VND'000
2020	Outstanding	68,007,014

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

(c) Applicable tax rates

Under the terms of the Company's Investment Certificates, 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. Thereafter, from 2006 onwards the Company is subject to income tax rate applicable to enterprises before any incentives of 25%.

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

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

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

The usual income tax rate applicable to enterprises before any incentives is 20% from 2016 onwards (2015: 22%).

Interfood Shareholding Company
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(continued)

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34. Significant transactions with related parties

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

	Transaction value	
	2016	2015
	VND'000	VND'000
Ultimate Parent Company		
Kirin Holdings Company, Limited		
Short-term borrowings	-	77,250,000
Interest expense	4,556,838	5,933,545
Secondment fee	9,592,410	10,693,893
Parent Company		
Kirin Holdings Singapore Pte. Ltd		
Short-term borrowings	240,570,000	-
Interest expense	800,975	-
Shares issued	-	160,000,000
Subsidiary		
Avafood Shareholding Company		
Short-term loans granted	25,250,000	32,110,000
Interest income	1,932,554	2,210,809
Processing fee	27,616,967	45,220,792
Office and factory rental fee	5,932,212	5,932,213
Other related parties		
Vietnam Kirin Beverage Company Limited		
Processing fee	165,913,334	160,073,961
Purchases of services	3,307,710	2,021,010
Sales of goods	39,291	9,652
Members of Board of Directors		
Secondment fee	5,642,680	5,709,669
Salary	1,818,000	1,848,300

Interfood Shareholding Company
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

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35. Non-cash investing activities

	2016	2015
	VND'000	VND'000
Net off inter-company payable against receivable for loans principal and interest from a subsidiary	36,904,096	56,268,305
Convert loans interest receivable to short-term loans receivable	1,932,554	2,210,809

21 March 2017

Prepared by:



Nguyen Hong Phong
 Chief Accountant

Approved by:




Totu Yamasaki
 Chairman – cum General Director

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