**IFS: Explanation for the difference in holding company financial statement of 2019 year on year**

On 25 Mar 2020, Interfood Shareholding Company explained the difference in holding company financial statement of 2019 year on year as follows:

In 2019, the Company's total profit after tax exceeded VND 223 billion, an increase of 24% compared to 2018. This result mainly comes from the following reasons:

Regarding the sales, despite many difficulties in the business environment in 2019, the total sales of the Company still exceeded 5% compared to 2018. The results achieved were because the Company's sales team continued to closely follow the daily sales target, adhere to the basic sales rules and continued to focus on opening new sales points. The sales management department made good performance. As a result, net sales exceeded 4% compared to 2018

Regarding cost of goods sold - production cost, cost of goods sold in 2019 decreased, accounting for only 59% of net revenue compared to 61% in 2018. This result achieved is due to during the year the Company continued to increase production output, increase production line efficiency, maintain input material price stability, reduce outsourcing costs and saved common production cost, resources to aim at reducing production costs per product unit. Thanks to the application of the above-mentioned synchronous solutions, the total cost of goods sold in 2019 was approximately equal to the number in 2018 and the gross profit increased by 10% year on year

Regarding sales expenses and general and administrative expenses, in 2019 in difficult business environment conditions, the Company continued to implement sales support programs such as discount programs, promotion programs, reward of special sales for distributors and sales teams, maintaining loyal sales points, expanding advertising activities on social networking channels at low cost.. With the purpose of maintaining sales as planned; sales expenses were strictly managed, economically and effectively used, so total sales expenses were at only 21% of net sales, a drop of 2% compared to 23% of 2018. General and administration expenses were managed and used effectively, accounting for about 2% of net revenue

Other expenses in 2019 were mainly related to depreciation expenses of some unused assets during the period and losses due to liquidation of fixed assets

Current corporate income tax expense exceeded 40% due to the increase in profit before tax in 2019 compared to 2018