Est. 1969
Bien Hoa
TTC SUGAR

21 EXPORT COUNTRIES &
3 INDOCHINA RAW MATERIAL AREAS

EXTENDING THE INFLUENCE
SCALING UP THE VALUE CHAIN

ANNUAL REPORT
FISCAL YEAR 2018/19

THANH THANH CONG - BIEN HOA
JOINT STOCK COMPANY

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TTC SUGAR

ABBREVIATION

AGM	Annual General Meeting
AR	Annual Report
ASEAN	Association of Southeast Asian Nations
ATIGA	ASEAN Trade in Goods Agreement
B2B	Business to Business
B2C	Business to Customer
BHS	Bien Hoa Sugar Joint Stock Company
BOD	Board of Directors
BOM	Board of Management
BOS	Board of Supervision
CAGR	Compound Annual Growth Rate
CCS	Commercial Cane Sugar
CEO	Chief Executive Officer
CG	Corporate Governance
COD	Chemical Oxygen Demand
CRM	Customer Relationship Management
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EGM	Extraordinary General Meeting
ERP	Enterprise Resource Planning
ESOP	Employee Stock Ownership Plan
F&B	Food and Beverage
FMCG	Fast-Moving Consumer Goods
FRM	Farmer Relationship Management
FY	Fiscal year
GMS	General Meeting of Shareholders
GRI	Global Reporting Initiative
GT	General Trade
HCMC	Hochiminh City
HOSE	Hochiminh City Stock Echange
HR	Human Resources
IA	Internal Audit
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IR	Investor Relations
ISO	International Organization for Standardization
JSC	Joint Stock Company
KA	Key Account
MNC	Multinational Corporation
MSCI	Morgan Stanley Capital International
MT	Modern Trade
NR	Net Revenue
PAT	Profit after Tax
PBT	Profit before Tax
QCVN	Vietnam Standards and Quality Institute
RE	Refined Extra
ROA	Return on Assets
ROE	Return on Equity
RPT	Related Party Transaction
RS	Refined Standard
SDGs	Sustainable Development Goals
SME	Small and Medium-sized Enterprise
TA	Total Assets
VIOD	Vietnam Institute of Directors
VNSI	Vietnam Sustainability Index
UN	United Nations
YOY	Year-over-Year

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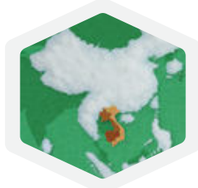

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TOP **50**

THE WORLD BEST ANNUAL REPORTS

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ETFS, DOMESTIC AND INTERNATIONAL RENOWNED INDEX BASKETS

HOLDING **19.2**

MILLION SHARES OF SBT

USD **394** MILLION

MARKET CAPITALIZATION

VND **649** BILLION

DEG INVESTING IN PREFERRED SHARES OF SBT

RESPONSIBILITY OF THE INDUSTRY LEADER

As a Leading Company in Vietnam Sugar Industry, TTC Bien Hoa is not only a Pioneer in exporting Organic Sugar to 6 European Countries thanks to the cooperation with a Strategic Partner - ED&F MAN from UK, but also the sole Sugar Company to succeed in attracting Strategic Shareholders via Prefered Dividend Shares by DEG - an Investment Fund of the German Government.

SIGNIFICANT EVENTS FOR SHAREHOLDERS AND INVESTORS

JULY 2018 — 7

SBT continued to be in VN30 Basket in July 2018:
Being the sole Company in Sugar Industry

SBT was in the Top 20 of VNSI:
Along with prestigious Brands, namely VIC, VNM, NVL, PNJ, DHG and etc.

FY 17-18 business plan was fulfilled :
NR soared by 129%, PAT increased by 89% over the same period

SEPTEMBER 2018 — 9

Bao Viet Securities Company (BVSC) - SBT Target price of VND19,885 - Neutral:
6% higher than the current market price

NOVEMBER 2018 — 11

FY 18-19 plan:
NR of VND11,545 billion, up 12% yoy

Foreign organization being Major Shareholder:
5.7% of the outstanding shares

Morning Star - SBT Target price of VND27,416:
23% higher than the current market price

JANUARY 2019 — 1

SBT continued to be in VN30 Basket in January 2019:
Being the sole Company in Sugar Industry

Dividend payment:
6% in shares of the FY 16-17

Quarter 2, FY 18 -19:
Sugar volume rose by 11% over the same period, Debts declined by 11% compared to the beginning of the FY

MARCH 2019 — 3

Vietnam Access Day - Viet Capital Securities:
Meeting with 10 American and Asian Financial Institutions

Morning Star - SBT Target price of VND20,321:
3% higher than the current market price

MAY 2019 — 5

Citi-SSI Vietnam C-Suite Corporate Day - SSI Securities Corporation:
Meeting with 5 European and Asian Financial Institutions

AUGUST 2018 — 8

The 10th M&A Forum:
TTC Bien Hoa - "The Best M&A deal", "The Best Acquisition Deal"

Dai Viet Securities Company (DVSC) - SBT Target price of VND18,847 - Hold:
16% higher than the current market price

Phu Hung Securities Companies (PHS) - SBT Target price of VND25,137 - Buy:
31% higher than the current market price

OCTOBER 2018 — 10

Quarter 1, FY 18-19:
NR of VND2,523 billion, up 62% yoy

FPT Securities Company (FPTS) - SBT Target price of VND23,330 - Hold:
12% higher than the current market price

Ho Chi Minh Securities Company (HSC) - SBT Target price of VND21,724 - Hold:
6% higher than the current market price

Net foreign buying for SBT shares:
In the first 3 weeks of the month, buying 6 million shares, equivalent to VND120 billion

DECEMBER 2018 — 12

Announcement for Private placement:
Preferred Dividend Shares for Strategic European Investors

Dividend payment:
Advanced 4% in cash of FY 17-18

Hochiminh Securities Company (HSC) - SBT Target price of VND21,724 - Hold:
10% higher than the current market price

FEBRUARY 2019 — 2

Top 50 The World Best ARs - League of American Communication Professional (LACP):
The only Vietnamese Company in the list

APRIL 2019 — 4

Quarter 3, FY 18-19:
PAT of VND284 billion, up106% over the same period

JUNE 2019 — 6

HSC Emerging Vietnam - Ho Chi Minh Securities Company (HSC):
Meeting with 14 European and Asian Financial Institutions

Dividend payment:
4% in cash of the FY 17-18

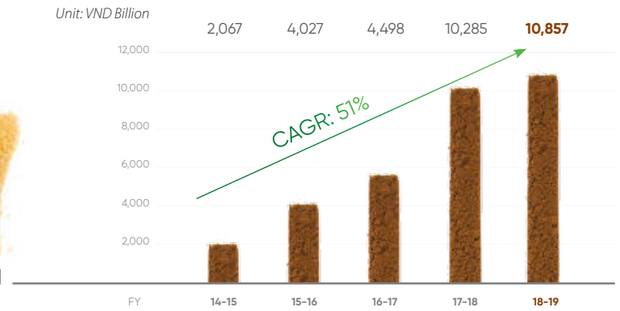
KEY FINANCIAL HIGHLIGHTS

PROFITABILITY INDICATORS

FUTURE PROFIT FROM THE CURRENT MARKET SHARE

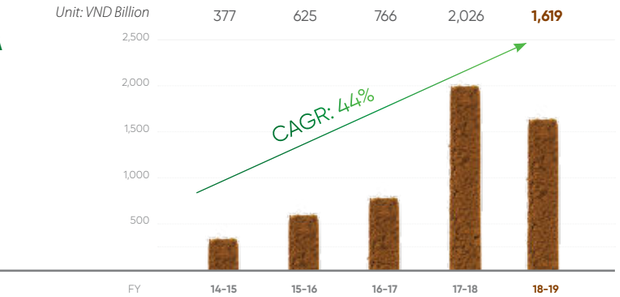
NET REVENUE

VND 10,857 BILLION



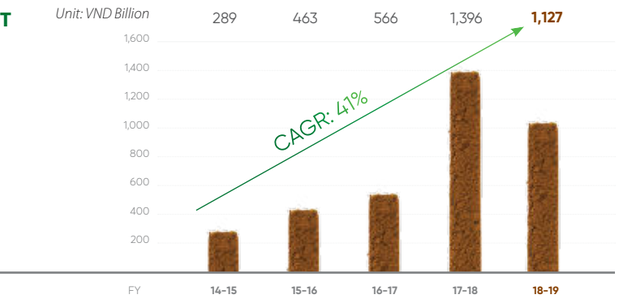
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION - EBITDA

VND 1,619 BILLION



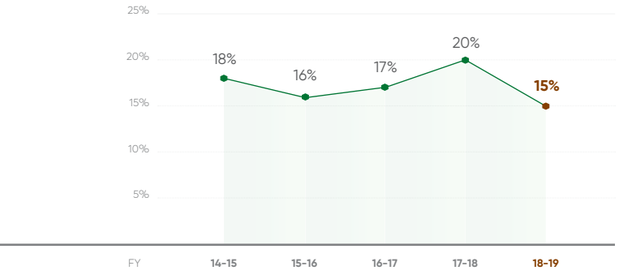
EARNINGS BEFORE INTEREST AND TAXES - EBIT

VND 1,127 BILLION



EBITDA MARGIN

15%

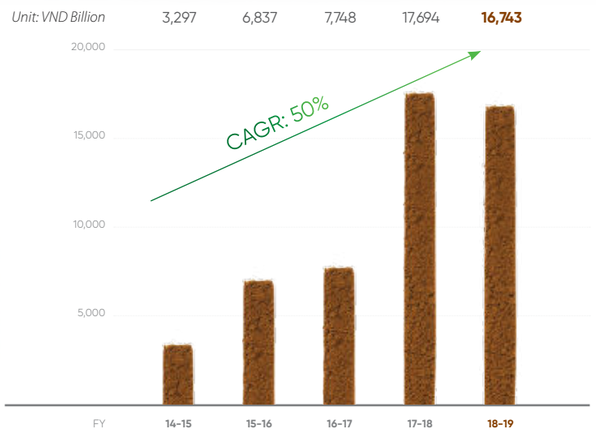


KEY FINANCIAL HIGHLIGHTS (CONTINUED)

ASSETS AND RESOURCES

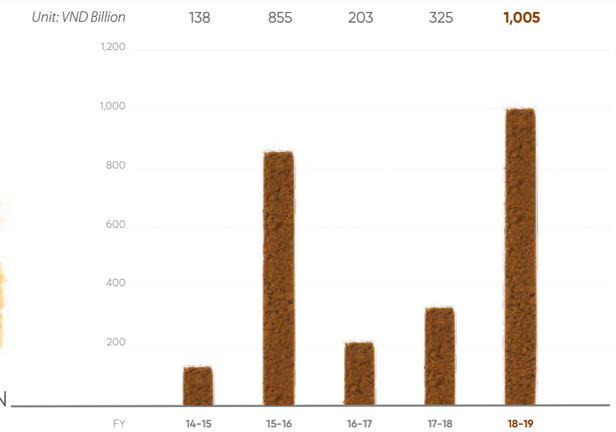
TOTAL ASSETS

VND 16,743 BILLION



CASH AND CASH EQUIVALENTS

VND 1,005 BILLION

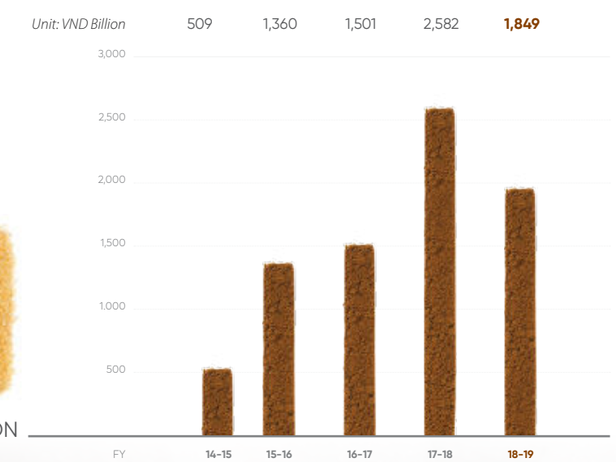


OWNERS' EQUITY

VND 5,819 BILLION

LONG-TERM LOAN AND FINANCE LEASE OBLIGATIONS

VND 1,849 BILLION



FROM FISCAL YEAR 14-15 TO 18-19

KEY FINANCIAL INDICATORS	Unit	14-15	15-16	16-17	17-18	18-19
Liquidity Ratios						
Current ratio	Times	2.2	1.5	1.4	1.1	1.1
Quick ratio	Times	1.3	1.0	0.8	0.7	0.8
Leverage Ratios						
Interest Bearing Debt / Total Assets	Times	0.36	0.57	0.56	0.58	0.55
Interest Bearing Debt / Owners' Equity	Times	0.61	1.44	1.42	1.69	1.57
Efficiency Ratios						
Asset turnover ratio	Times	0.62	0.79	0.62	0.81	0.63
Inventory turnover period	Days	135	111	152	121	123
Profitability Ratios						
EBITDA margin	%	18	16	17	20	15
EBIT margin	%	14	11	13	14	10
Gross profit margin	%	13	15	13	13	8

PROFIT AND LOSS (VND Billion)	14-15	15-16	16-17	17-18	18-19	Increase/ Decrease (%)	CAGR 14-15 - 18-19 (%)
Net Revenue	**2,067**	**4,027**	**4,498**	**10,285**	**10,857**	***6***	***51***
Gross profit	259	605	556	1,326	872	*-34*	***35***
Net operating profit	200	304	301	539	319	*-41*	***12***
PBT	208	310	310	682	422	*-38*	***19***
PAT	**189**	**294**	**287**	**545**	**259**	***-52***	***8***
EBIT	289	463	566	1,396	1,127	*-19*	***41***
EBITDA	377	625	766	2,026	1,619	*-20*	***44***

BALANCE SHEET (VND Billion)	14-15	15-16	16-17	17-18	18-19	Increase/ Decrease (%)	CAGR 14-15 - 18-19 (%)
Current assets	**1,891**	**4,216**	**4,415**	**9,813**	**9,794**	***0***	***51***
Cash and cash equivalents	138	856	203	325	1,005	*209*	*64*
Short-term investments	7	46	112	614	768	*25*	*224*
Current accounts receivables	961	1,931	2,068	4,715	5,036	*7*	*51*
Inventories	749	1,333	1,958	3,972	2,781	*-30*	*39*
Other current assets	36	50	74	187	204	*9*	*54*
Non-current assets	**1,405**	**2,620**	**3,333**	**7,881**	**6,949**	***-12***	***49***
Long-term receivables	49	194	247	544	146	*-73*	*31*
Fixed assets	533	1,555	1,442	4,698	4,352	*-7*	*69*
Investment Properties	-	-	131	181	157	*-13*	*100*
Long-term assets in progress	171	125	79	134	679	*407*	*41*
Long-term investments	612	686	1,373	637	125	*-80*	*-33*
Other long-term assets	40	60	61	1,687	1,490	*-12*	*147*
Total Assets	**3,296**	**6,836**	**7,748**	**17,694**	**16,743**	***-5***	***50***
Liabilities	**1,374**	**4,134**	**4,687**	**11,596**	**10,924**	***-6***	***68***
Current liabilities	866	2,775	3,164	8,902	8,966	*1*	*79*
Short-term loans and finance lease obligations	*668*	*2,520*	*2,850*	*7,703*	*7,284*	*-5*	*82*
Non-current liabilities	508	1,359	1,523	2,694	1,958	*-27*	*40*
Long-term loans and finance lease obligations	*508*	*1,359*	*1,501*	*2,582*	*1,849*	*-28*	*38*
Owners' Equity	**1,922**	**2,702**	**3,061**	**6,098**	**5,819**	***-5***	***32***
Total Liabilities and Owners' Equity	**3,296**	**6,836**	**7,748**	**17,694**	**16,743**	***-5***	***50***

Source: Audited Consolidated FS from FY 14-15 to 18-19, TTC Bien Hoa

INTRODUCTION OF THE BOARD OF DIRECTORS

Mr. **Pham Hong Duong**
Chairman of the Board
Year of Birth: 1974

Time of appointment as Chairman: February 2015
Duration of service as Chairman: *4 years and 4 months*
Duties and responsibilities: Legal representative and spokesperson of the Company, Chairman of the Strategy Committee - be responsible for developing the medium and long-term strategies, Chairman of the Human Resources Committee - be responsible for overall senior-level HR Strategy, including structure and policy
Position held in other organizations (except for the Holding Company-Subsidiaries): *None*
Ownership of voting shares at the Company:
2,740,597 shares, accounting for 0.47% Charter capital

Outstanding achievements

Graduated as PhD in Agricultural Economics, Kasetsart University - Thailand; Master of Manufacturing Management - Ludwigshafen University of Applied Sciences - Germany; Chemical Engineer - Ho Chi Minh City University of Technology, He is one of the professionally trained and matured person from the Bourbon Tay Ninh Company. Understanding the internal problems of Vietnam Sugar Industry as underdevelopment in farming stage, He spent a plenty of time to specialized research on Agricultural Economics at Kasetsart University in Thailand. After having experiences as BOD Members of Bien Hoa Sugar JSC, Thanh Thanh Cong Packing Production Trading JSC, Gia Lai Sugarcane Thermoelectricity JSC, Mr. Duong became Chairman of the Board of Thanh Thanh Cong Tay Ninh JSC. Since 2015, He has been officially the Chairman of TTC Bien Hoa.

With holding high qualification and thorough knowledge on Sugar production, He successfully directed various projects in capacity enhancement and refining technology upgradation, predominantly Bien Hoa - Ninh Hoa Sugar Factory, from a capacity of 60,000 tons of White Sugar in 2011 to 100,000 tons of RE Sugar in 2017. After successfully merging with BHS in 2017, He personally led the Strategy Committee, formulating product development projects in By-products, as well as defining the path for Intelligent Agriculture. The Company has consistently focused on the production of greener - cleaner Organic products, making TTC Bien Hoa the largest Sugar Producer in Indochina. For effective operation management, He has directed the BOM to apply FRM Software for Agricultural management including Contracted and Owned Raw Material Areas.

20-year experience in the Sugar Industry, He has been nominated to important positions not only in Vietnam Sugar Industry but also in the Global scale. Since 2017, He has been the Vice President to Vietnam Sugarcane and Sugar Association (VSSA), Member of ASEAN Sugar Alliance (ASA) and Member of International Society of Sugar Cane Association (ISSCT).

Ms. **Dang Huynh Uc My**
Non-executive Board Member
Year of Birth: 1981

Time of appointment as BOD Member: January 2012
Duration of service as BOD Member: *7 years and 5 months*
Duties and responsibilities: Advising the BOD on Strategy of Finance and Information Technology
Position held in other organizations (except for the Holding Company-Subsidiaries):
Chairman of the BOD and CEO of Ben Tre Import and Export JSC
Ownership of voting shares at the Company:
68,394,826 shares, accounting for 11.66% Charter capital

Outstanding achievements

Taking into consideration the fact that Vietnam is an Agricultural Country and this Sector still has plenty of potential values for being the foundation of Smart Agriculture development, after studying Finance overseas, She continued her study and graduated as Master of Agricultural Economics at Ho Chi Minh City University of Agriculture and Forestry and since then dedicated to Sugarcane. She also participated in the Professional CEO Training Course at PACE and recently the Training Program on CG - OPM of Harvard Business School.

From the first days of taking over Bourbon Tay Ninh Factory - France when Bourbon Group decided to entirely divest in 2006, with intensive financial management experience as CEO of Thanh Thanh Cong Investment JSC, Ms. My moved to the position of Chairman of Bourbon Tay Ninh JSC. By undertaking a number of valuable measures, the Charter capital of Bourbon Tay Ninh JSC witnessed a spectacular soar to VND1,485 billion in 2014 and to VND2,531 billion in 2016 that formed a premise for the strong development of production scale and operating activities of the Company. Ms. My became a BOD Member of Thanh Thanh Cong Tay Ninh JSC thereafter. To date, She has been the BOD Member of TTC Bien Hoa post-merge.

Coming from the well-known Dang Family of Entrepreneurs, with over 40 years of business and especially 30 years in Vietnam Sugar Industry, Ms. My, with 15 years of accumulated experience, has skillfully taken advantages of strengths, expertise and consistency to lead TTC Bien Hoa overcoming the Industry ups and downs, achieving impressive growth achievements in market share and business efficiency. Her decisions have brought TTC Bien Hoa to reach out Global regconization since its products be available in 21 Countries and the successful International fund rasing from DEG as well.

Mr. **Le Ngoc Thong**
Non-executive Board Member
Year of Birth: 1972

Time of appointment as BOD Member: November 2018
Duration of service as BOD Member: *7 months*
Duties and responsibilities: Advising the BOD on Strategy of Business and Marketing
Position held in other organizations (except for the Holding Company-Subsidiaries): *None*
Ownership of voting shares at the Company:
108,128 shares, accounting for 0.02% Charter capital

Outstanding achievements

With a Bachelor's Degree of Economics, before working as BOD Member of Thanh Thanh Cong - Bien Hoa JSC in 2018, He held in Leader positions of various sectors, including Permanent Vice Chairman of the Board of Thanh Thanh Cong Education JSC; BOD Member of Ben Tre Import and Export JSC; CEO Thang Loi Tourism JSC and Director of Marketing & Business of Consumption Corporations namely Unilever and Phu Thai.

Mr. Thong, having in-depth experience in Sales and Marketing, worked in Bien Hoa Sugar JSC as the Deputy CEO in charge of Sales. He also established a foundation for B2C Channel distribution system with Sugar Bag Products, leading to outstanding increase in sales volume from just approximately 5,000 tons in the years before 2014 to over 30,000 tons in 2015 with the criteria *"Bien Hoa Sugar - First name in Customers' mind"*.

His participation in the BOD at the end of 2018 was an important preparation for the market expansion strategy to adapt the ATIGA of TTC Bien Hoa. Together with Deloitte Asia's Consultancy Team, He developed and completed the Company's medium-term strategy to FY 21-22 for meeting International business environment.

Ms. **Nguyen Thuy Van**
Non-executive Board Member
Year of Birth: 1980

Time of appointment as Independent BOD Member: November 2017
Duration of service as Independent BOD Member: *1 year and 7 months*
Duties and responsibilities: Head of Audit Committee - be responsible for the Supervision of CG as well as Risk Management activities of the BOD
Position held in other organizations (except for the Holding Company-Subsidiaries): *None*
Ownership of voting shares at the Company:
1,382,154 shares, accounting for 0.24% Charter capital

Outstanding achievements

With a Master in Business Administration Degree and Certificate of Audit Committee Master Program - Vietnam Institute of Independent Board, She had a number of years of financial management and control experience by working at Vinamit, Son Tin Commodity Exchange JSC, Thien Son Logistics JSC. She joined the Sugar Industry as Head of BOS of TTC - Tay Ninh JSC, Head of BOD of Bien Hoa Sugar JSC and has officially become the BOD Member of Thanh Thanh Cong - Bien Hoa JSC since 2017.

15-year experience in the Sugar Industry, Finance and Audit Accounting, as Head of Audit Committee, Ms. Van and other Independent BOD Members has developed a solid foundation for IA activities including Compliance audit, Performance audit and FS audit, especially associated Risk Management strategies. She is also in charge of developing, encouraging and monitoring the application of OECD's CG principles and ASEAN SCORECARD to bring the Company's CG being closer to International standards, in accordance with requirements of DEG, a Strategic Investor of TTC Bien Hoa.

INTRODUCTION OF THE BOARD OF DIRECTORS (CONTINUED)

Mr. **See Beow Tean**
Independent Board Member
Year of Birth: 1953

Time of appointment as Independent BOD Member: November 2017
Duration of service as Independent BOD Member: *1 year and 7 months*
Duties and responsibilities: Member of Audit Committee - be responsible for the supervision of Governance activities of the BOD, Deputy Head of Strategy Committee - advising the BOD on development strategies in International markets
Position held in other organizations (except for the Holding Company-Subsidiaries): *None*
Ownership of voting shares at the Company: 0%

Outstanding achievements

Graduated with honors from Han Chiang College, Malaysia, He was a Member of ASEAN Sugar Alliance (ASA). He is now one of the Independent BOD Members consulting in Import and Export strategy for TTC Bien Hoa, approaching the prestigious markets consisting of the US, UK and Singapore. Over 45-year experience in the category of "Commodity", He has been involved in the future Sugar market since 1975 in Malaysia and then in Singapore, holding a number of important positions, including Sales Director of ED&F Man Asia Ltd., Operation Director of Windsor & Brook Trading Pte. Ltd., and Head of Division of Business in Sugar of Wilmar.

Being the BOD Member of TTC Bien Hoa since 2017, He has been responsible for monitoring and reviewing material issues, proposing recommendations and solutions for the BOD to address arising problems related to CG, Internal Control, Risk Management and IA. In addition, as a Member of the Strategy Committee, He has proposed feasible strategies for penetrating and exploiting niche Export markets, as well as advising on the future orientation of commodity trading in International trade platforms.

Mr. **Henry Chung**
Independent Board Member
Year of Birth: 1974

Time of appointment as Independent BOD Member: October 2016
Duration of service as Independent BOD Member: *2 years and 8 months*
Duties and responsibilities: Member of Audit Committee - be responsible for the supervision of Governance activities of the BOD, Permanent Deputy Head of HR Committee - advising the BOD on Succession Planning and Senior Management levels' development and training strategy
Position held in other organizations (except for the Holding Company-Subsidiaries): *None*
Ownership of voting shares at the Company:
397,632 shares, accounting for 0.07% Charter capital

Outstanding achievements

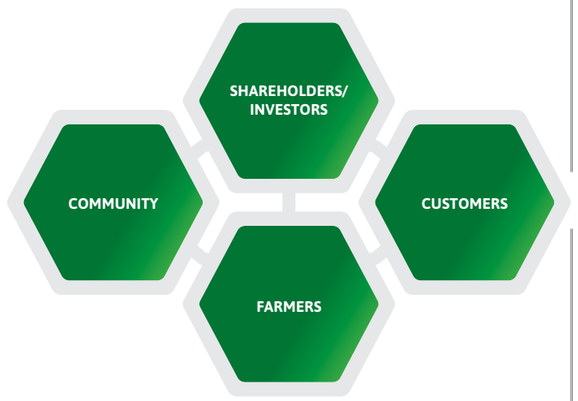
Gaining professional experience in Economics and Finance from the US-based International Institutes, He was among the Leaders of Bien Hoa Sugar JSC and Member of the Board of Thanh Thanh Cong Tay Ninh JSC. Since 2016, He has been the Independent BOD Member of TTC Bien Hoa, simultaneously Member of Audit Committee and HR Committee since 2018.

With 20-year experience in the Finance and Sugarcane Field, He has assisted the BOD to inspect critical issues, propose recommendations and solutions in dealing with arising issues related to conflict of interests and RPTs; Efficiency and accountability of the BOD through independently monitoring of CG activities; Ensuring the truth and fairness of the FS and Improving the IA quality.

As a Member of HR Committee, He also advises on the senior HR development strategy towards Sustainable Development standards as well as gives recommendations on Risk Management, especially for the outbound investment of the Company.

MESSAGE FROM THE BOARD OF DIRECTORS

"Being a Pioneer in Export, TTC Bien Hoa has competed with Global giants in Sugar Industry thanks to a wide range of new and consistent premium products, catering to Consumers across 21 Countries. In order to get the approval of fastidious Markets including the US, Europe and Singapore, TTC Bien Hoa's Products must be passed in a series of rigorous tests on product quality."



50%
EXPECTED DOMESTIC MARKET SHARE IN VIETNAM

EXPANDING TO THE WHOLE INDOCHINA
70,000 HA
TARGET RAW MATERIAL AREAS

Dear Esteemed Shareholders, Investors, Customers, Farmers and Partners

In the context of the absence of supportive changes in Global Sugar Industry in general and Vietnam Sugar Industry in particular due to the Industry cycle, FY 18-19 came to an end with positive prospect for TTC Bien Hoa thanks to its efforts. We understand that as the Leading Enterprise in Vietnam Sugar Industry, TTC Bien Hoa has to face these difficulties and challenges, proving the prestige of Bien Hoa Sugar Brand built in 50 years. The endless endeavour of the BOM and all Employees under logical strategies from the BOD has navigated the Company through fluctuations during FY 18-19, maintaining the Leading position in many aspects.

In FY 18-19, with the strategy of *"Extending the Influence - Promoting the Value Chain"*, Raw Material Areas of TTC Bien Hoa has been officially expanded to the whole Indochina, and expected to reach 70,000 from 65,000 hectares. In Vietnam, the Company has accounted for approximately 27% of the Nation's Raw Material Areas. Total consumption of Sugar approached nearly 749,000 tons, a surge of 31% over the same period. Being a Pioneer in Export, TTC Bien Hoa has competed with Global giants in Sugar Industry, thanks to a wide range of new and consistent premium products, catering to Consumers across 21 Countries. In order to get the approval of fastidious Markets including the US, Europe and Singapore, TTC Bien Hoa's Products must be passed in a series of rigorous tests on product quality. These efforts have been acknowledged by the International Community with a variety of valuable Awards in Sustainable Development journey including *"Asia Best CSR Practices Award"* and *"Best spices brand of the year"* awarded by Chief Marketing Officer Asia - CMO Asia in August 2018.

In FY 18-19, TTC Bien Hoa boldly changed and improved the Governance standards by the proactive application of the IFC's CG Principles, ASEAN CG Scorecard. The most impressive point was the successful capital mobilization of VND649 billion disbursed in September 2019 from DEG - a German Government Investment Fund. This demonstrated the trust of major International Investors into the long-term prospects of the Sugar Industry.

MESSAGE FROM THE BOARD OF DIRECTORS (CONTINUED)

TTC Bien Hoa continues to be the sole Enterprise operating in the field of Agriculture in Vietnam be enlisted in VN30 Index - Top 30 largest Listed Companies in Vietnam through a plenty of reviews as well as included of the underlying portfolio of various prestigious International ETFs in holding and net buying position. FY 17-18 AR is also the BOD's pride when it was ranked World's Top 50 Best AR - "*Vision Awards - Top 100 Reports Worldwide*", the only one in Vietnam along with well-known Global Brands namely Deloitte, BMW, Coca-Cola, Citigroup and etc. TTC Bien Hoa has put into use the Microsoft Dynamic AX Financial Management system which covers multiple outstanding features compared with the existing version and easily integrates with previously Software of CRM Sales Management and FRM Agricultural Management.

"Looking ahead, the development strategy by TTC Bien Hoa is focusing to gain market share, diversify the Sugarcane Value Chain to reduce cost, invest in high-tech Agriculture and cooperate with Asian giants to develop the Agricultural Product Chain. Setting for ourselves the goal of achieving 50% Domestic market share in Fiscal year 20-21, we aim to produce high value-added products towards protecting health, satisfying the growing demand from the market."

Export is considered a potential Channel with a variety of opportunities in the Global market. The target of Export growth rate of about 15% per annum is based on the strategic cooperation agreement between TTC Bien Hoa and ED&F Man, one of the three World's largest Sugar merchants, covering all Organic Sugar Products of the Company being exported to the European market. The TTCA Factory is confident to be the Organic Sugar main supplier based itself Raw Material Areas characteristics and the production capacity.

In FY 18-19, the Company cooperated with the German Technological Partner for testing the application of satellite technology in field management for accurately farming, managing harvest activities efficiently, enhancing Sugarcane quality and cutting operation and logistics costs. These technologies are expected to officially apply in all our Domestic and Foreign Factories in FY 20-21, contributing to the trend of Smart Agriculture in Vietnam.

In addition to the success application of mechanization in the Sugarcane Industry, TTC Bien Hoa would like to introduce mechanization into other crops of the Agriculture Sector by being the Distributor for John Deere in Vietnam. John Deere is known as the Global largest Agricultural Machinery Manufacturer and Supplier in the US. TTC Bien Hoa currently establishes a distribution network in 3 Regions of Tay Ninh, Ninh Hoa and Gia Lai and has just been widened to the Mekong Delta Region in An Giang to provide equipment and machinery for Farmers. This is a valuable potential investment segment, expected to considerably contribute to the TTC Bien Hoa's total Revenue in upcoming years.

Another goal of TTC Bien Hoa in its strategy of Sugarcane Value Chain maximization is becoming Dominant Company in Organic Fertilizers with the available advantages of abundant Sugarcane By-products Materials.

The total Microbial Organic Fertilizer demand in Vietnam is about 13 million tons, while production volume is only accounting 30% of the demand. Microbial Organic Fertilizer has been encouraged to use by the State because it is good for Soil and Environmental protection. The development potential of Microbial Organic Fertilizer therefore is greatly noticeable. At the beginning of 2019, Microbial Organic Fertilizer Factory as Organic standards with a capacity of 50,000 tons per year in Tay Ninh was finished and put into operation.

Fiscal year 19-20 shall continue to be a year of pressure and obstacles for both Sugarcane Industry and TTC Bien Hoa when ATIGA enforcement will be on January 1st 2020. Meanwhile, for Sugar products from ASEAN Countries to Vietnam market, the import quota will be eliminated and the tariff of 5% will be applied. Sugar companies must well prepare for a competitive scheme. A clearly-defined business strategy of the BOD and the thorough preparation of the BOM over the years will form a belief for us to be confident for the integration journey of TTC Bien Hoa.

We would like to express our sincere thanks to the BOM and all Employees for their accomplishment and dedication. We are also extremely grateful for the trust, cooperation and companionship of all Shareholders, Customers, Farmers and Partners.

Yours sincerely,

The Board of Directors of TTC Bien Hoa

THE TOTAL ORGANIC FERTILIZER DEMAND

13 MILLION TONS

MICROBIAL ORGANIC FERTILIZER CAPACITY OF TTC BIEN HOA

50,000 TONS/YEAR

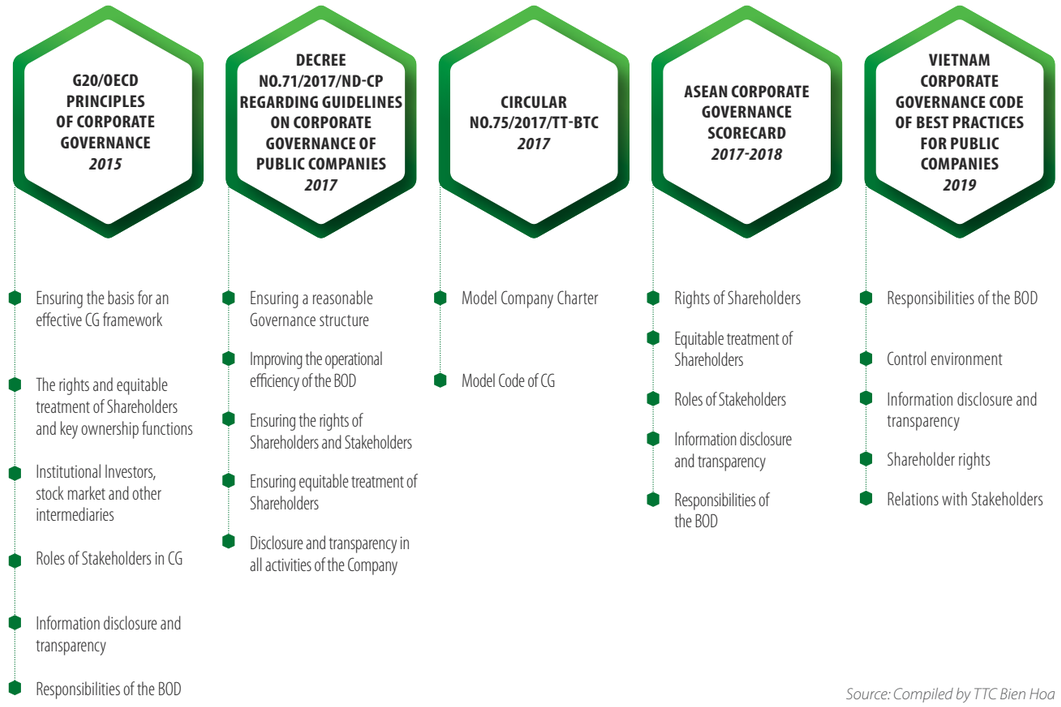
"Another goal of TTC Bien Hoa included in its strategy of Sugarcane Value Chain maximization is becoming a Dominant Company in Microbial Organic Fertilizers with the available advantages of abundant Sugarcane By-products Materials."

CORPORATE GOVERNANCE - TOWARDS INTERNATIONAL STANDARDS

"Vietnam's capital market in 2018 received good news when it was up in rank and proportion by the 2 most prestigious Global Index Funds. Vietnam is currently on FTSE Rusell's reclassification watchlist for upgrading to the Secondary Emerging Markets from Frontier Markets; and increasing the proportion of Vietnam shares in the MSCI Frontier Markets Index basket."

In order to develop the stock market as a key element of Vietnam's economy, the State Securities Commission cooperated with International Finance Company - IFC to launch the CG Code of Best practices for Public Companies in Vietnam in August 2019. In addition to comply with current Regulations, CG in TTC Bien Hoa has been gradually integrated and the best practices been flexibly applied, with higher standards than those required in Vietnam as well as the Sugarcane Industry in the period of hardship. The BOD clearly regulates the responsibilities and rights of the BOD as well as the BOM Members for efficient participation of the BOD in monitoring strategic orientation management and ensuring accountability to the Company and Shareholders. The ultimate goal is to increase valuable opportunities in accessing and optimizing the capital market, predominantly focusing on International capital development.

The Corporate Governance Principles applied in TTC Bien Hoa



Source: Compiled by TTC Bien Hoa

Actual application in TTC Bien Hoa of Vietnam Corporate Governance Code of Best Practices for Public Companies

Corporate Governance Code issued in August 2019	TTC Bien Hoa					
	Company Charter	Code of Corporate Governance	The Board of Director Charter	Audit Committee Charter	Human Resources Committee Charter	Code of Conduct
The responsibility of the Board of Directors						
Establishing clear roles, responsibilities and commitment of the BOD	x	x	x			
Establishing a competent and professional BOD		x	x	x	x	
Ensuring effective Board leadership and independence		x	x	x		
Establishing Board Committees	x	x	x	x	x	
Ensuring effective performance for the BOD	x	x	x	x	x	
Establishing and maintaining an ethical corporate culture	x	x				x
Control environment						
Establishing a sound Risk Management and control environment		x	x	x		
Information disclosure and transparency						
Strengthening Company disclosure practices	x	x	x			
Shareholder rights						
Establishing a framework for effective exercise of Shareholder' rights	x	x	x			x
Stakeholder relations						
Building effective Stakeholder engagement	x	x	x			x

Source: TTC Bien Hoa

CORPORATE GOVERNANCE - TOWARDS INTERNATIONAL STANDARDS (CONTINUED)

In November 2017, TTC Bien Hoa made changes to its Governance model to one-tier CG system including the General Metting of Shareholders, BOD and Committees under the BOD namely Audit, Strategy, HR Committees, BOM and corresponding Divisions/Departments. The General Metting of Shareholders is the highest decision-making body within the Company consisting of all Shareholders with voting rights to decide several issues prescribed in the Law and the Company Charter. Upon officially being a JSC in 2007, TTC Bien Hoa has constantly complied with the regulations on right protection of the Shareholders, Investors and Stakeholders including information disclosure and transparency, Shareholders rights, Stakeholder relations through a mass of Processes, Reports, Websites and Code of Conduct.

The applied indicators in TTC Bien Hoa	Information Disclosure Process	Process of Investment partners interaction	Website	Annual Report	Sustainable Development Report	The Board of Director Charter	Audit Committee Charter	Code of Conduct
1. Information disclosure and transparency - Strengthening the Company disclosure practices								
The BOD should establish the guidelines and procedures for disclosure of information to Shareholders, other Stakeholders and oversee their enforcement		x	x					
To promote an effective cost-efficient access to relevant information, the BOD should ensure easy and nondiscriminatory access to disclosed information using diverse tools of communication			x	x	x	x		
The BOD should ensure disclosure of key non-financial information, including Environmental and Social reporting					x	x		
The BOD should ensure remuneration of the BOD and BOM Members being disclosed publicly to satisfy concern of from the Shareholders with regards to remuneration, performance and value creation					x			
2. Shareholders rights - Establishing a framework to effective exercise of Shareholders rights								
The BOD should establish and disclose the policies protecting Shareholders rights and overseeing their implementation					x		x	x	x
The BOD should organize effective GSM	x		x	x		x	x	
The BOD should develop and implement a fair and consistent dividend policy						x		
All Shareholders shall be equally treated	x		x	x			x	
3. Stakeholder relations - Building effective Stakeholder engagement								
The BOD should ensure establishing rules for Stakeholders protection and engagement	x		x	x	x	x	x	x
The BOD should ensure and oversee the appropriate dialogue between the Company and its Stakeholders				x	x	x		x

Source: TTC Bien Hoa

In the current CG model of TTC Bien Hoa, the BOS was replaced by the Audit Committee under the BOD operating in May 2018. The Non-executive and Independent BOD Members in the Audit Committee are for independently supervision to the BOD. The establishment of other Committees under the BOD namely the Strategy Committee and the HR Committee from April and May 2018 respectively has strengthened the effective leadership of the BOD. These BOD Members being experts with professional knowledge in specific fields are willing to give in-depth recommendation and advices as well as for the BOD in arising issues related to Strategy and HR, the 2 most important goals being the foundation for stable development in the medium and long term of the Company.

The applied indicators in TTC Bien Hoa	Annual report	The Board of Directors Charter	Audit Committee Charter	Human Resources Committee Charter	Code of Conduct
Responsibilities of the Board of Directors - Establishing Committees under the Board of Directors					
The BOD should set up an Audit Committee and ensure that it has adequate resources and authorities. The Audit Committee should ensure that proper internal controls are maintained and the Company is in compliance with all relevant laws and regulations	x	x	x		x
The BOD should establish a competent Risk Management Committee (*) to ensure that the risks inherent to the Company's operation are properly managed	x	x	x		x
The BOD should establish CG, Nomination and Remuneration Committee to strengthen the effectiveness of Company's CG framework and ensure that the Company's nomination and remuneration policies and practices support the successful appointment, development and retention of Directors and Managers	x	x		x	

(*) At TTC Bien Hoa, Risk Management is responsibilities of Audit Committee

Source: TTC Bien Hoa

With the orientation of building a "balanced" BOD, despite a number of objective reasons in practice, a skill matrix in line with the principle of "Establishing a competent and professional BOD" as mentioned in the CG Code of Best Practices has not been built up, TTC Bien Hoa consistently strives to gain a diversity in gender, age, expertise, skill, experience and leadership quality and etc. Voting is the way that the BOD' implementation for every essential decision of the Company. Each BOD Member has 1 vote except for issues related his or her interests. On that basis, the operation of the BOD became more in-depth but still ensured a comprehensive view.

Diversity in the Board of Directors structure of TTC Bien Hoa

100% The Board of Directors Members are Non-executive Members

100% The Board of Directors Members are not concurrently the Board of Directors Member of more than 5 other companies

100% The Board of Directors Members have 15 years or more experience in the Sugar Industry

83+% The Board of Directors Members hold Master and Bachelor Degrees or higher

83+% The Board of Directors Members are 7x and 8x generation

33+% The Board of Directors Members are Independent Members

33+% The Board of Directors Members are foreigners

33+% The Board of Directors Members are female

6 The Board of Directors Members with diverse professional knowledge in the fields of Economics, Agriculture, Finance, Administration, Business, Auditing

CORPORATE GOVERNANCE - TOWARDS INTERNATIONAL STANDARDS (CONTINUED)

According to Adrian Cadbury *"The role of the BOD is creating tomorrow's company from today's"*. FY 18-19, the BOD still maintains 6 Members elected by the AGM on basis of a responsibility sense and commitment to carry out the following tasks during the 5-year term:

» Fully understanding CG and ethical policies;

» Fully understanding the roles and responsibilities of the BOD;

» Effectively organizing the activities of the BOD and its Committees;

» Ensuring the objectivity in the analysis to promote the long-term interests of the Company and to voice arising concerns;

» Committing to set time for the assigned position;

» Fulfilling loyal and cautious obligations with the Company;

» Contributing maximum knowledge and capacity for the development of the Company;

» Being able to fully address important issues;

» Attending all meetings of the BOD;

» Conducting effective, constructive discussions;

» Making timely and reasonable decisions.

In addition to the specialized Committees, the BOD has also appointed the Secretary of the BOD and in charge of CG for a maximum 5-year term. With specialized knowledge of the Law and 5-year experience in Secretarial expertise and the field of Sugar, the Secretary has contributed to the effective operation of the BOD via developing the BOD's annual work plan, arranging and making a clear and timely information on the BOD meetings. In addition, the Secretary also identified and proposed solutions to improve the process and operations of the Company, maintain communication between each Boards, ensure compliance with legal requirements, information disclosure, Company's internal policies and regulations in the case of changes in policies or personels. Regarding the relations with the Shareholders and Stakeholders, the Secretary of the BOD and IR Department are also responsible for issues related to the AGM, Collecting Shareholders' written opinions, being a contact point with the Stakeholders and attending to address CG issues. The role and functions of the BOD Secretary are currently meeting the requirements of the Best CG Principles.

The Company's BOM also shows the diversity in experience, expertise, age and gender for the flexible application and decision making in management, along with the Company overcoming difficulties in the last FY.

100% The Board of Management Members with 10 years or more of experience in the Sugar Industry

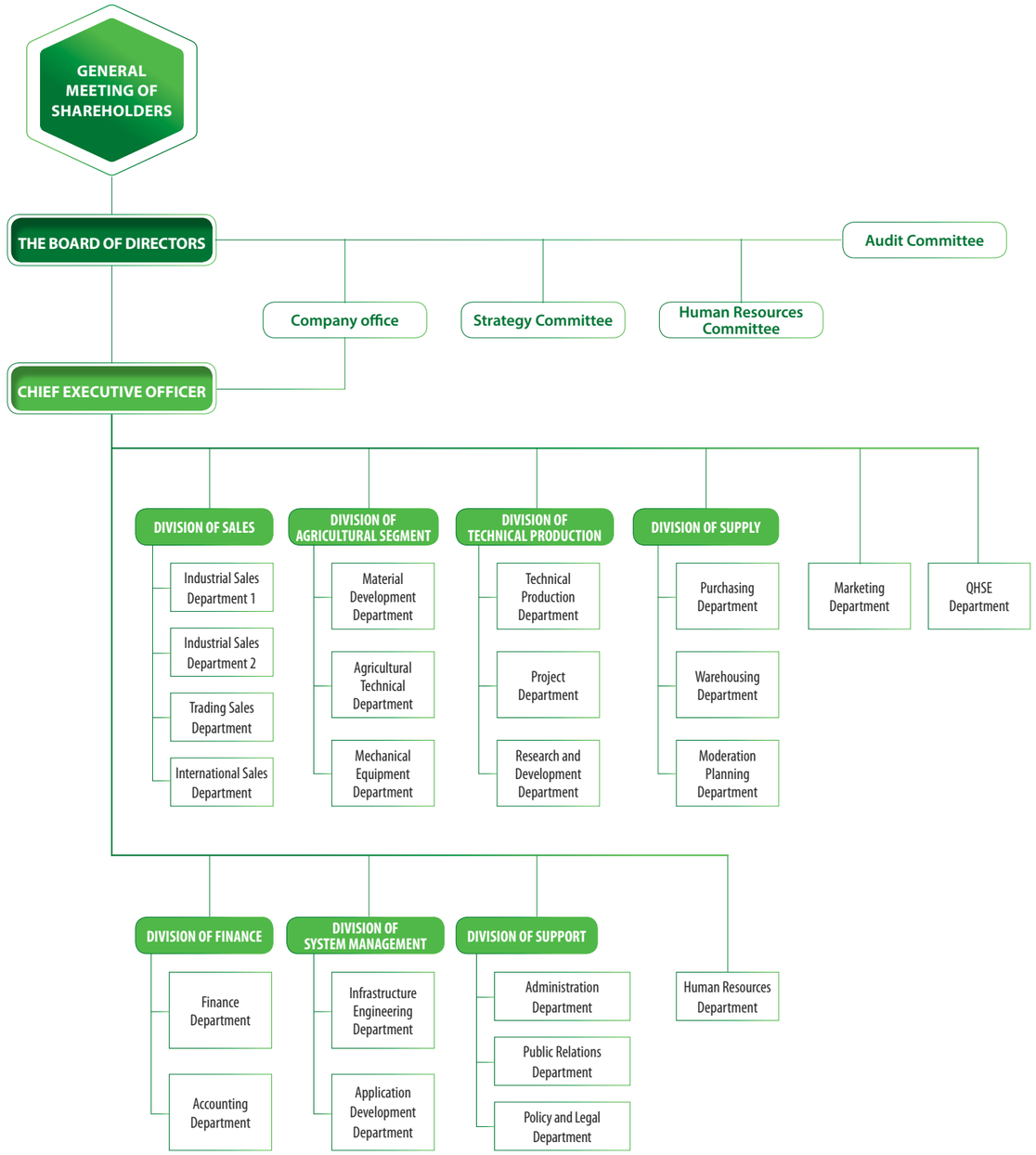
100% The Board of Management Members with Bachelor Degrees

80% The Board of Management Members being in 7x and 8x generation

20% The Board of Management Members being female

5 The Board of Management Members with diverse expertise in the fields of Business Administration, Economics, Food Chemical Engineering, Business Finance

Organizational Chart under the modern Corporate Governance Model applied in TTC Bien Hoa



CORPORATE GOVERNANCE - TOWARDS INTERNATIONAL STANDARDS (CONTINUED)

Sustainable Development Goals - SDGs, also known as Global Goals, were adopted to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030 for each United Nation Member.

The SDGs were developed on basis of 6 themes:

1. Dignity
2. People
3. Planet
4. Partnership
5. Justice
6. Prosperity

In 2017, in cooperation with the United Nations, the Government of Vietnam localized the SDGs when developed a common strategic plan to integrate SDG with the Socio-Economic Development Strategy 2011-2020 and Socio-Economic Development Plan 2016-2010, identifying 4 material areas should be focused on: *(1) Investing in people (2) Ensuring climate adaptability and sustainable Environment (3) Prosperity and cooperation (4) Promoting justice, peace and comprehensive development.*

In the 4th AR on implementation progress of SDGs launched by the United Nation Sustainable Development Solution Network and the German Bertelsmann Stiftung Foundation in 2019, 162 Countries and Territories were ranked on basic of a scale from 0 worst to 100 best. With 71.1 points, Vietnam ranked 54th, up 3 steps to 2018 ranking, higher than the average score of Southeast Asia of 65.7 points.

With the vision of building a Sustainable Development Enterprise, strategic orientation to be the leading Agriculture Company in Vietnam and beyond Indochina Region, TTC Bien Hoa activities under the BOD's direction are towards long-term economic growth along with the Social Community development, contributing to the achievement of the common goal *"Enterprises are the center of SDGs and strengthening national competitiveness"*. FY 18-19 marked TTC Bien Hoa's efforts in proactively improving the Governance capacity, fulfilling commitments related to the Environmental and Social issues to meet the rigorous standards of strategic Investors from various developed economies deciding to pour capital into the Company.

In the process of working with the strategic Partner DEG - a Development Financial Institution owned by the German Government, the Company has been recognized as a "2x Investment" model thanks to fulfilling all conditions according to Entrepreneurship and Leadership criteria of the "2x Challenge" Program:

1. Share of women ownership in the Company;
2. Share of women in Senior Management;
3. Share of women in the BOD.

This Program aims to mobilize USD3 billion from G7 Countries and other financial institutions by 2020; thereby supporting women in Developing Countries to have the opportunity in being Leadership, career development, improving the quality of employment, supporting businesses, helping to increase women's participation in the economy.

This is also a worldwide trend when Japanese Prime Minister Shinzo Abe is seeking to increase the number of women in the workforce. Currently, only 4.1% of Japanese women hold Leadership positions in listed companies; and this ratio is much lower than 25% in the US. The Investors will look at the gender diversity in the Governance structure to evaluate the Company, said Kathlyn Collins, an analyst at Matthews Asia. This is especially true for Consumer Goods companies when they need suitable Leaders being able to grasp Customer demands. Recently, for example, Mr. Tadashi Yanai - Founder of Fast Retailing - the Parent Company of Uniqlo said that a female CEO was a good choice for Asia's largest fashion retailer and he planned to increase the proportion of female Leaders to over 50% compared to more than 30% in 2018.

At TTC Bien Hoa, nearly 34% of the BOD Members are women that meets the standards for quantity and exceeds the rate of 30% of the BOD Members being female as required by the BOD to optimize the benefits of gender diversity in the BOD of the CG Code of Best Practices for Public Companies in Vietnam . The percentage of women in the Company's BOD is also higher than the average of 14.4% in ASEAN according to IFC research and the average Global rate of 15.5% according to MSCI's.

Having completed the share issuance deal with DEG Strategic Shareholder, besides several strict commitments on Financial indicators including capital structure, liquidity, dividend payments, profitability, the Company had to also fulfill and adhere to other Non-financial standards. During the negotiation process, DEG conducted a due diligence on all Non-financial information related to Governance, Information disclosure standards, Environment and Society; as well as independent evaluation from a third party about these factors as the standards of DEG. Periodically, the Company must have a plan to build, implement and perform according to the Local Environmental and Social Standards; IFC Performance on Environmental and Social Sustainability; International Labor Standards of the World Labor Organization and etc. In order to actualize the goals of Sustainable Development, in the last FY 18-19, the BOD also established other Panels to implement key tasks consisting of the Social - Environmental Sustainability and Investment in Developing By-products Sales Project Panels.

In the previous year, CG was focused as a solid and firm foundation for long-term orientation. The Company made considerable investment in both Auditing and Non-auditing services at a cost of approximately VND19 billion. Non-auditing cost included Strategic Consultancy, Corporate Valuation, AUP Evaluation Consultancy Service and Profora Report for Sugar Enterprises, IFRS Service, Service of constructing standard cost structure for products in the production and business and Training service accounted for 84%.

REPORT FROM THE BOARD OF DIRECTORS

The BOD's decision - making in the last FY was featured by adaptation with the macro-economic situation, Industry fluctuations and compliance with the prescribed Regulations as well to operate the Governance in according to the Company Charter, Code of CG, the BOD, Committees Charters and follow the Code of Conduct to fulfill Resolutions approved at the AGM within the capability. Although the BOD could not achieve some goals as committed to the AGM, they together united and made efforts to sustain the Brand of TTC Bien Hoa, increase International and Domestic market shares with the aims of building a solid foundation for the accomplishment of the goals in both the FY 19-20 and strategic orientations towards FY 20-21.

MAIN ACTIVITIES OF THE BOARD OF DIRECTORS IN FISCAL YEAR 18-19

No	Full name	Position	Service time	Stock June 30th 2019	Responsibility	Activities in the last Fiscal year	Remuneration (VND Million)
1	**Mr. Pham Hong Duong**	Chairman	July 1st 2018 to June 30th 2019	2,740,597 0.47%	» Legal representative » Spokesman » Chairman of Strategy Committee » Chairman of HR Committee » Chairman of Investment in Developing By-products Sales Project Panel » Chairman of Social - Environmental Sustainability Panel	» Disclosing official information to the public » Developing medium and long-term development strategy » Developing selection strategies and orientations • Developing Raw Material Area, Cultivation and Breeding techniques • Improving Sugarcane production technology • Researching and developing new products in each period • Enhancing product quality, ensuring Customer health and occupational safety for laborers, protecting the Environment for Community - Society » Being responsible for overall senior-level HR strategies, including structure and policies	390
2	**Ms. Dang Huynh Uc My**	Non-executive BOD Member	July 1st 2018 to June 30th 2019	68,394,826 11.66%	Advising the BOD on Strategies of Finance and Information Technology	» Accompanying to build and advise the development strategy of the Company and its Subsidiaries » Developing, improving, supervising the implementation of the CG model in accordance with International standards and good practices » Establishing relationships with Shareholders and Investors, contributing to International capital market strategy » Managing contributed capital and operations of Subsidiaries and Associates » Advising on building: • Financial Risk Management system, Price and Costs management system • Information Technology Management and Infrastructure System to manage technological risks arising in all systems	1,300
3	**Mr. Le Ngoc Thong**	Non-executive BOD Member	November 15th 2018 to May 27th 2019	108,125 0.02%	Advising the BOD on the Strategies of Business and Marketing	» Directing the implementation and supervision of Business strategies » Developing strategies for moderation planning of production, supply, logistics throughout the system » Managing the procurement of valuable products, machines and equipment under the decision-making authority of the BOD	270
4	**Ms. Nguyen Thuy Van**	Non-executive BOD Member	July 1st 2018 to June 30th 2019	1,382,154 0.24%	» Head of Audit Committee » Being in charge of Risk management	» Supervising and providing independent opinions on Governance activities of the BOD » Managing and controlling financial activities of the Company » Organizing and supervising Audit Committee's activities » Managing project schedule and supervising the operation of the Project Management Panel » Supervising Risk Management throughout the Company	390
5	**Mr. See Beow Tean**	Independent BOD Member	July 1st 2018 to April 30th 2019	0	» Audit Committee Member » Strategy Committee Member	» Supervising Governance activities of the BOD » Advising the BOD on strategies for Global market development » Setting the business orientation, strategies for Global product development and Global marketing	300
6	**Mr. Henry Chung**	Independent BOD Member	July 1st 2018 to June 30th 2019	397,632 0.07%	» Audit Committee Member » HR Committee Member	» Supervising Governance activities of the BOD » Advising the BOD on strategies for Succession planning and Senior management training » Developing the organizational structure, remuneration and welfare, policies for management levels » Consulting, training and fostering knowledge for Company Leaders and Managers	390
7	**Ms. Dinh Thi Ngoc Thao**	The Company's Secretary	July 1st 2018 to June 30th 2019	0	Being in charge of CG activities	» Developing working plans for the BOD » Improving Company processes and operations, maintaining communication between each Boards » Being the representative while interacting with Stakeholders and contributing to addressing CG issues.	130

REPORT FROM THE BOARD OF DIRECTORS

MAIN ACTIVITIES OF THE BOARD OF DIRECTORS IN FISCAL YEAR 18-19 (CONTINUED)

In FY 18-19, the Company collected Written opinions of Shareholders in October 2018 to get approval on 6 Resolutions. The AGM was held in November 2018 to pass 9 Resolutions. 15 matters approved in the year were settled in accordance with commitments with Shareholders and Investors. These was done with one exception of Resolution on Business Plan which could not be completed due to general difficulties across the Global and Domestic Sugar Industry.

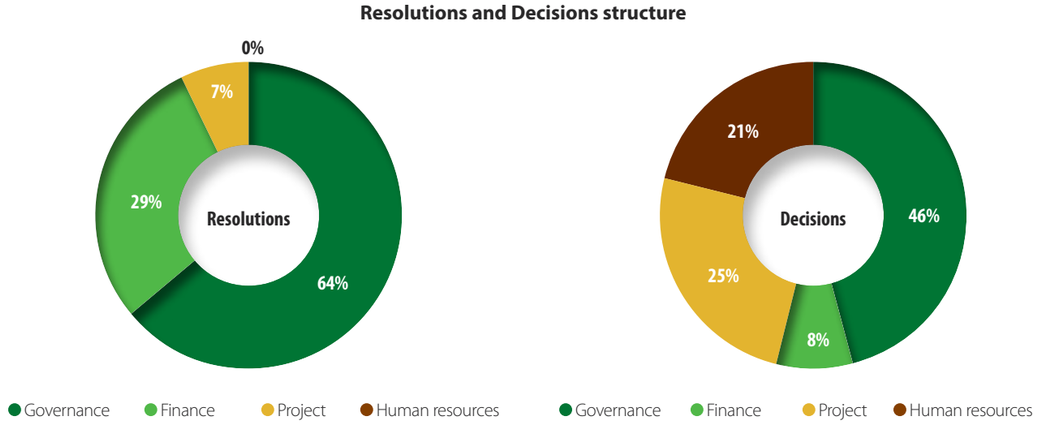
No	Resolution	Content	Implementation
I	ANNUAL GENERAL MEETING OF SHAREHOLDERS IN FISCAL YEAR 17-18		
1	**17-18 Audited Financial Statements**	» FY 17-18 Separate FS » FY 17-18 Consolidated FS	Completed
2	**Selection of independent Auditor for 18-19 Financial Statement**	» Among the Auditing Firms accepted by the Ministry of Finance and State Securities Commission	
3	**The policy of signing contracts and transactions related to the Company**	» Sign contracts, transactions » Issuing loans or guarantees	
4	**Resignation letter of The Board of Directors Member**	» Nguyen Thi Hoa - BOD Member	
5	**Voting to select new Board Member**	» Le Ngoc Thong - BOD Member	
6	**Profit distribution in 17-18**	» Development Fund: 10% PAT » Community Service Fund: 2% PAT » Remuneration and Welfare Fund: 10% PAT » Budget for the BOD activities in FY 18-19: VND4 billion » Share dividends in FY 16-17: 6% » Cash dividends in FY 17-18: 8%	
7	**Profit distribution plan in 18-19**	» Development Fund: 10% PAT » Community Service Fund 2% PAT » Compensation and Welfare Fund: 10% PAT » Budget for activities of the BOD in 18-19: VND4 billion » Dividends in 18-19: 6%-10%	Being implemented
8	**Remuneration of the Board of Directors in 18-19**	» VND6 billion	VND3.17 billion
9	**Business plan in 18-19**	» Sugar consumption volume: 846,733 tons » Consolidated Revenue: VND11,545 billion » PBT: VND680 billion	» Sugar consumption: ~ 749,000 tons » Net Revenue: VND10,857 billion » PBT: VND422 billion
II	COLLECTING WRITTEN OPINIONS OF SHAREHOLDERS		
1	**Supplementing the Company Charter**	» Clause 3, Article 5 » Article 29	Completed
2	**Amending and supplementing Code of Corporate Governance, establishing Committees to support the Board of Directors**	» Amending and supplementing Code of CG » Establishing Audit Committee, Strategy Committee and HR Committee	
3	**Adjusting business lines**	Adjusting some details in activities related to Retail, F&B	
4	**Issuing share dividends for 16-17 and paying advance cash dividends for 17-18**	» Share dividends for FY 16-17: 6% » Paying advance cash dividends for FY 17-18: 4%	
5	**Issuing Convertible Preferred Dividends Shares**	» Private placement » Quantity: Below 10% of Charter capital » Preferred dividends period: 6.5 years	
6	**Approving the existing Shareholders and Related persons to transfer the Company's shares**	Ms. Dang Huynh Uc My increases her ownership of Charter capital to a maximum of 55% without the public offering	Being implemented

> "In accordance with Law provision and the best interests of the Shareholders, the Company will hold the Annual General Meeting of Shareholders for Fiscal year 18-19 in October 2019 to continue to approve issues that need the General Meeting of Shareholders opinions for Fiscal year 19-20 business plan. The Company is expected to adopt 8 targets related to Gorvernance and Finance."

No.	Matter	Content
1	18-19 Audited Financial Statements	» FY 18-19 Separate FS » FY 18-19 Consolidated FS
2	Profit distribution plan in 18-19	» Community service Fund, compensation and welfare Fund: 5% PAT » Budget for the BOD activities in FY 18-19: VND10 billion » Dividends for FY 18-19: Cash or shares of 5%
3	Business plan in 19-20	» Total consolidated Revenue: VND10,930 billion » PBT: VND430 billion
4	Profit distribution plan in 19-20	» Development Fund: 5% PAT » Compensation and Welfare Fund: 5% PAT » Community service Fund: 2% PAT » Budget for BOD activities in FY 19-20: VND10 billion » Dividends for FY 19-20: 4-6%
5	Remuneration of the Board of Directors and the Company Secretary in 19-20	VND10 billion
6	Selection of Independent Auditor for 19-20 Financial Statements	Among the Auditing Firms accepted by the Ministry of Finance and State Securities Commission
7	Voting to select the new Board of Directors Member	Vo Tong Xuan - the BOD Member
8	Issuing shares under the Company's selection program for Employees	» Expected number of shares offered: 30,417,595 shares » Expected time of stock offering in FY 19-20

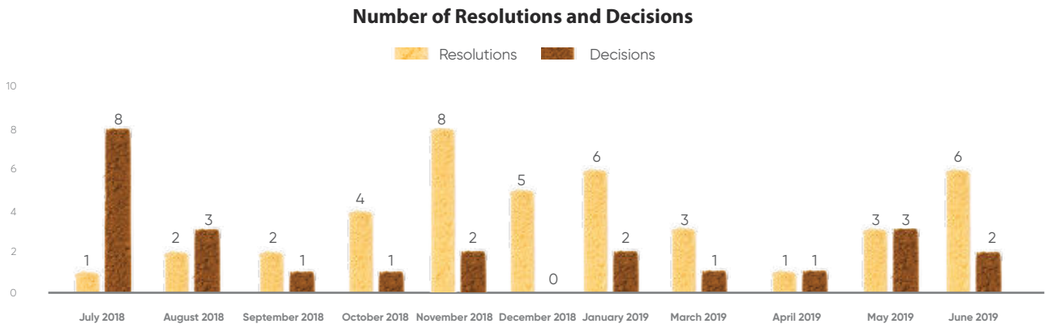
By holding ordinary and extraordinary meetings in various forms, either face-to-face or online, the BOD with the consultancy of the Committees timely supported the BOM in responding to the fluctuations of both marco market and the Industry. From July 1st 2018 to June 30th 2019, the BOD and Committees conducted 60 meetings, of which the BOD had 48 meetings, accounting for 80%, Audit Committee of 3, Strategy Committee of 5 and HR Committee of 4 meetings, accounting for 5%, 8% and 7% respectively. For the meetings held by the BOD, there are 4/6 Members full participation, 2 remaining ones attended 75-77% due to their resignation before maturity. The BOD meetings were held to discuss detailed implementation of 15 matters which had been approved by the GMS through the issuance of 41 Resolutions, 24 Decisions of which 57% was related to CG, 22% of Finance, 14% of Project and 7% of Personnel. All decisions of the BOD were carefully considered, complying with the applicable laws, ensuring objectivity and transparency based on the rights, obligations and responsibilities of each Member stipulated in the Charters as well as respecting the legitimate rights and interests of the Shareholders, Investors and Stakeholders.

Resolutions and Decisions structure



REPORT FROM THE BOARD OF DIRECTORS

MAIN ACTIVITIES OF THE BOARD OF DIRECTORS IN FISCAL YEAR 18-19 (CONTINUED)



Source: TTC Bien Hoa

No.	Full name	Position	Meetings: The Board of Directors	Meetings: Audit Committee	Meetings: Strategy Committee	Meetings: Human Resources Committee	Meetings: Reason for absence	Training courses
1	Mr. Pham Hong Duong	» Chairman of the Board » Strategy Committee Chairman » HR Committee Chairman	48/48	Not including	5/5	4/4	Full participation	1. Environmental and Social Policy Framework (*) - *Asian Institute of Technology - 9th to 11th May 2019* 2. Sustainability reporting (**) - *GRI - 20th to 21st June 2019*
2	Ms. Dang Huynh Uc My	BOD Member	48/48	Not including	Not including	Not including	Full participation	1. Independent Board Certification (***) - *VIOD - 10th to 12th January 2019* 2. Environmental and Social Policy Framework (*) - *Asian Institute of Technology - 9th to 11th May 2019*
3	Mr. Le Ngoc Thong	» BOD Member » Strategy Committee Member	37/48	Not including	5/5	Not including	Business trip	1. Environmental and Social Policy Framework (*) - *Asian Institute of Technology - 9th to 11th November 2019*
4	Ms. Nguyen Thuy Van	» BOD Member » Head of the Audit Committee	48/48	3/3	Not including	Not including	Full participation	1. Audit Committee Master Program (****) - *VIOD - 30th to 31st May 2018* 2. Training in Environmental and Social Policy Framework (*) - *Asian Institute of Technology - 9th to 11th May 2019*
5	Mr. See Beow Tean	» Independent Board Member » Audit Committee Member » Deputy Head of the Strategy Committee	36/48	3/3	5/5	Not including	Business trip	Overseas residence
6	Mr. Henry Chung	» Independent Board Member » Audit Committee Member » Permanent Deputy Head of HR Committee	48/48	3/3	Not including	4/4	Full participation	Overseas residence

EVALUATION ON THE BOARD OF DIRECTORS'S PERFORMANCE

In FY 18-19, in addition to closely supervising the implementation of the business plan developed by the BOM in order to ensure the best interests of Shareholders and Investors, meet the diverse needs of Customers in the competitive market while simultaneously sustaining the Community - Society interests and especially making an effort to share the burden with the Farmers in rough time; the BOD was still determined to implement consistent strategies throughout the pre-integration period. The Company constantly launched new products along with Sugarcane Value Chains to gain the competitiveness ahead in the market on the basis of improving operational plans, serving the purpose of enhancing productivity, providing a long-term support and optimizing business activities of Subsidiaries and Associates; to expand Raw material areas in the preparation for diversifying Revenue in the coming years and minimizing risks caused by fluctuations in the Sugar Industry. In order to fulfill these goals, the BOD resolved to improve the CG model towards higher standards. Restructuring the business in order to optimize supervisory and Risk Management activites, ensure business ethics to build confidence in the market, to attract foreign capital, thereby gaining more resources for financial system reengineering. The BOD put great efforts into contacting, negotiating and finalizing the investment in USD28 million worth of stock with DEG - German Investors in order to increase financial capacity and build Shareholders and Investors' confidence.

For the purpose of developing financial markets and promoting economic growth, from 2022 to 2025, listed companies are encouraged to apply IFRS which will become a mandatory requirement after 2025.

> "The Board of Directors of TTC Bien Hoa proactively worked with an Independent Auditor for the accounting process in accordance with the IFRS which is expected to apply before 2022. Accompanying with the The Board of Directors in the past year was a Professional Adviser - IFC who assisted in enhancing the quality, capacity, accountability and informational disclosure towards International standards on securities."

In the previous FY, the BOD took the initiative in building and applying the process to manage risk arising in communication in order to have a timely and appropriate response plan in every situation as well as avoid misinformation which causes confusion among Shareholders, Investors, Stakeholders and negative affects on the Company's activities.

In order for business to make Profits, Revenue and Cash flow, for Shareholders and Investors to have their needs met, the BOD worked closely with Deloitte to develop short, medium and long-term development strategies as well as pricing strategy, ensuring the Sustainable Development of the Company in the following years when the Company becomes large and strong enough and have adequate confidence to compete with the large Sugarcane firms in the Region after integration. The Non-audit costs in the last FY sharply increased compared to the same period, cost VND16 billion and accounted for about 84% of the total Audit and Non-audit costs.

EVALUATION ON THE AUDIT COMMITTEE'S PERFORMANCE

Audit Committee is a model applied by the Company from November 20th 2017 after being approved by the GMS. In May 2018, Audit Committee increased the number of BOD Member from 1 to 3 of which there are Non-executive and Independent BOD Member, overcoming significantly the previous shortcomings of Supervisory Board model.

Full and timely information is provided for the Audit Committee to be proactive in controlling and minimizing potential risks as well as assisting the BOM and BOD in devising remedial measures for detected errors in accordance with the Code of Conduct.

In the FY 18-19, Audit Committee delivered a good performance in inspecting compliance with the Laws and internal regulations of the entire Company; accompanying, promoting pre-inspection especially in the main activities of Agriculture, Projects; ensuring the fairness and truthfulness of the FS which contributed to closing the deal of offering Preferred dividend shares to Investment Fund of German Government and enhanced the quality of Internal Control activities. The Audit costs paid for the Independent Auditor in the last year was about VND3 billion, including the costs for the FS audit in accordance with Vietnam Accounting Standards (VAS) and capital audit report, however only accounted for 16% of the total Audit and Non-audit costs.

In the past year, Internal Persons and Related Parties increased their ownership from 7.94% equivalent to 44.2 million SBT shares on July 1st 2018 to 16.12% or 94.6 million shares on June 30th 2019, mainly thanks to net buying and stock dividends payment of 6% per year. Transactions of Major Shareholders also pushed their ownership up to 40.30%, equivalent to 236.4 million shares from 38.81% or 216.2 million shares.

REPORT FROM THE BOARD OF DIRECTORS (CONTINUED)

EVALUATION ON THE STRATEGY COMMITTEE'S PERFORMANCE

> The Company established a Strategy Committee with 3 Members who are Non-executive and Independent BOD Members, supporting to improve the efficiency in the formulation of strategies and its implementation supervision. There are specific assignment of responsibilities for each Member in line with the close cooperation with Deloitte Consulting Asia Company.

Developing strategies and supervising the implementation of strategies was of the utmost importance to TTC Bien Hoa in the previous year. In 2018, the Company established a Strategy Committee with 3 Members who are Non-executive and Independent BOD Members, supporting to improve the efficiency in the formulation of strategies and the supervision of strategy implementation. These are assignment of responsibilities for each Member in line with the close cooperation with Deloitte Consulting Asia Company. Since then, the orientations and the decisions made in financial activities, projects, business, are always examined and adjusted in accordance with the visions and goals that TTC Bien Hoa is aiming for. In FY 18-19, Strategy Committee excellently accomplished its assigned tasks, especially its central task of completing Pricing Strategy for the Sugar Industry market expansion till 2021.

The concept of development includes not only Economic growth, but also other goals related to Environment, Society and Life quality. The development goals seem to have changed since the appearance of the statement *"Human development is the end - Economic growth is a mean"* in the World Bank's 1996 Human Development Report. Therefore, the BOD established 2 new Departments last year, proving the desire and determination to follow the path of Sustainable Development and harmonize with Global goals.

Committee	Date of establishment	Head of the Committee	Duties and responsibilities	Achievements
Developing By-products Sales Project Panel	April 19th 2019	Chairman of the Board	» Conducting market research, developing business strategies » Formulating projects as well as implementing strategies for developing business activities related to other products: Fruit farming, animal husbandry, microbial Organic Fertilizer and etc.	Completing business plan and succeed in finding Partners in the field of fruit farming, animal husbandry and microbial Organic fertilizer. These Projects are in the process of applying for a license
Social - Environmental Sustainability Panel	March 26th 2019	Chairman of the Board	» Building, orienting and implementing strategies for Sustainable Development of Environment - Society » Making the decision on standards that need to be applied » Implementing the remediation plan for each period to achieve the required standards » Advising and reporting directly to the BOD on Environmental - Social impacts	Completing the remediation plan for Environmental - Social standards according to IFC's Environmental and Social Performance Standards as commitment to the Investors.

EVALUATION ON THE HUMAN RESOURCES COMMITTEE'S PERFORMANCE

Although the HR Committee has just operated for 1 year with 3 Members of Non-executive, Independent Board Members and HR Director, the Committee made great efforts to advise the BOD on selecting, appointing, planning, training, rewarding Senior Management positions in order to establish a stable organizational structure and ensure the planned strategies to be implemented at the highest level. Last year, the Committee supported the BOD to successfully make a lean organizational structure after M&A, increase labor productivity with the help of Wages, Emulation and Reward regulations for the Employees who were most responsible in each stage. Simultaneously, facing the high demand for Senior management, the Committee made every endeavor to prepare policy of Succession Planning by proactively seeking candidates for the position as Independent Members who have expertise in Agriculture or talents who have the reputation in financial markets. Even the search for potential Independent BOD Member in VIOD - established by HOSE and IFC - also was strictly implemented to ensure independent supervision and governance being carried out professionally, no conflict of interests occurred and the increasing she higher requirements of strategic Shareholder DEG.

EVALUATION ON THE BOARD OF MANAGEMENT'S PERFORMANCE

In FY 18-19, besides disclosing information on a periodical or extraordinary basis as the BOD Requirement for supporting their direction and supervision, the BOM also regularly discussed with the BOD to work out timely and effective solutions for issues arising in the context of fluctuations in the Sugar Industry last year. Although Global and Domestic Sugar Industry was in surplus in consecutive years, causing the Sugar price being dropped to its lowest level in 7 years, the BOM managed to adapt, attempt and become flexible in management and compliance with orientations, strategic plans of the BOD. The BOM's achievements were acknowledged, although there were some goals that remained to be unfulfilled.

No	Objectives	Achievements
1	**Implementing the priority strategy: Increase Revenue, reduce Costs, restructure Finance**	» Consolidated Net Revenue FY 18-19: VND10,857 billion, increased by 6% yoy » The rate of Sales and Administrative expenses on Net Revenue was well-controlled: 3.7% and 4.1% respectively, lower than forecast » Norms and refinement costs were well-managed » Well carrying out the preventive maintenance » Optimizing transportation costs, building a professional sales team, proactively accompanying Customers » Implementing bond issuance , the plan to use capital generated from the preferred dividend shares offering » Approving contracts on property management and utilization
2	**Continuing to develop Sugar product diversification, aiming to meet the increasing needs of Consumers**	» Sugar consumption volume: Nearly 749,000 tons » Switching from providing Consumer goods to healthy goods which having high Profit Margin » Products in line with the criterion "Green-Clean-Healthy": Organic Sugar, Diet Sugar, Premium Rock Sugar and etc. » Contributing on reducing smuggled Sugar by by other suitable Sugar products instead
3	**Conducting market research, implementing projects to invest in By-products, thereby optimizing the Value chain**	» 5 existing products, contributing to 16% of NR » 2 products to be launched in July and October 2019 » 4 products on preparation
4	**Implementing investment projects to optimize production costs**	» The Agricultural Science Council completed the handbook on Sugar cultivation: Providing detailed instructions on underground plowing, irrigation, efficient mechanization, limited cultivation, field design and etc., and being expected to be used in FY 19-20 » Usage of Information Technology Projects: FRM for Agriculture Management, CRM-DMS for Sales Management, ERP Integration Software, BI for Governance Report System » Investing in steam-saving solutions, diversifying delivery methods by using big bag packaging, completing investment in an automated robot system for loading and unloading 50 kg bags, Solar Energy project, Bagasse drying system with a capacity of 110 tons per hour
5	**Creating legal corridor to ensure the management being sound, transparent, clear and compliant with the Company's rules and regulations**	» Improving the staff assignment » Completing the system of normative documents » Developing and issuing a succession plan for Management level » Encouraging and developing training courses to enhance the qualifications and capacity of Employees » Building emulation policy to timely reward Employees, thereby generating motivation in the Employees.

REPORT FROM THE BOARD OF DIRECTORS
EVALUATION ON THE BOARD OF MANAGEMENT' PERFORMANCE (CONTINUED)

Income, service time, training courses of the Board of Management and other Managerial Levels in Finance

No	Full name	Position	Income		Date of appointment	Courses
			Salary	Bonus		
A	**THE BOARD OF MANAGEMENT**					
1	Mr. Nguyen Thanh Ngu	CEO	66%	34%	November 1st 2014	1. Environmental and Social Policy Framework (*) - *Asian Institute of Technology - 9th to 11th May 2019*
2	Ms. Duong Thi To Chau	Deputy CEO	62%	38%	October 15th 2014	1. Environmental and Social Policy Framework (*) - *Asian Institute of Technology - 9th to 11th May 2019* 2. Change Management (*****) - *Corporate Training Solution, Pace and Thanh Thanh Cong JSC - 26th to 27th September 2018*
3	Mr. Nguyen Quoc Viet	Deputy CEO	57%	43%	November 5th 2016	
4	Mr. Le Quang Hai	Deputy CEO	63%	37%	December 5th 2017	
5	Mr. Tran Quoc Thao	Deputy CEO	62%	38%	February 13th 2018	1. Environmental and Social Policy Framework (*) - *Asian Institute of Technology - 9th to 11th May 2019*
B	**OTHER MANAGERIAL LEVELS**					
1	Ms. Doan Vu Uyen Duyen	CFO	71%	29%	September 5th 2018	1. Environmental and Social Policy Framework (*) - *Asian Institute of Technology - 9th to 11th May 2019* 2. Change Management (*****) - *Corporate Training Solution, Pace and Thanh Thanh Cong JSC - 26th to 27th September 2018*
2	Mr. Le Phat Tin	Chief Accountant	66%	34%	January 16th 2015	1. Environmental and Social PolicyFramework (*) - *Asian Institute of Technology - 9th to 11th May 2019*

(*): Enhancing the capacity of Executive Directors who are the Members of Agriculture Industry on Environmental and Social standards, Sustainable Development Report and Corporate Social Responsibility

(**):Guiding participants to understand the SDGs of GRI, to collect and process data, to use the system to collect and produce statistics of data related to SDGs of GRI for reporting

(***): Equipping required knowledge and skills for the BOD Members to improve work efficiency; Promote the professionalism of the BOD, Enhance business ethics and transparency, Establish the network of independent BOD Members, Build the network to connect Corporate Leaders with Stakeholders to improve Investors' confidence

(****): Providing information related to CG and the BOD's roles; CG trends in Vietnam and legal framework update; Audit Committee, Risk management and Internal Control; Sustainable Development on Environment and Society; Audit Committee's movements; Code of Conduct, Code of Ethics and Integrity; FS and Independent Audit; Internal Audit and Compliance

(*****): Guiding participants to understand the nature of change and the necessity of change management, to master the management system and tools for change management, to enhance management capacity and be capable of generating motivation in the Employees.

INDEPENDENT BOARD OF DIRECTORS MEMBERS' REPORT

Mr. **See Beow Tean**

Position

» Independent BOD Member
Date of appointment: November 20th 2017

» Audit Committee Member
Date of appointment: May 15th 2018

» Deputy Head of Strategy Committee
Date of appointment: April 20th 2018

Roles and responsibilities

» Assisting the BOD in supervising and reviewing key issues related to Audit activities

» Proposing solutions to support the BOD in handling arising issues related to CG, Internal Control, Risk Management and IA

» Outlining feasible strategies for penetrating and exploiting niche export markets

» Advising on commodity trading activities in the Global market.

Mr. **Henry Chung**

Position

» Independent BOD Member
Date of appointment: October 31st 2016

» Audit Committee Member
Date of appointment: May 15th 2018

» Permanent Deputy Head of HR Committee
Date of appointment: May 29th 2018

Roles and responsibilities

» Assisting the BOD in supervising and reviewing key issues related to Audit activities

» Proposing solutions to support the BOD in handling arising issues related to conflict of interests and RPTs, efficiency and accountability of the BOD by independently monitoring the operation activities

» Ensuring the truth and fairness of the FS

» Improving the quality of IA activities

» Advising on the advance strategies for senior HR towards Sustainable Development standards

» Suggestion Risk Management, especially in Global investment and development.

According to Article 13, Decree 71/2017/ND-CP guiding the CG of public companies dated on June 6th 2017, since the AGM in FY 16-17 on November 20th 2017, TTC Bien Hoa increased the number of Independent BOD Members to 2 out of 6, accounting for more than 33% of the BOD to promote the independent judgment and the integrity of the Governance system. Besides complying with legal requirements of independence, Independent BOD Members of TTC Bien Hoa are diverse in expertise and experience in dealing with Domestic and International market, being directly relevant to the business field of the Company. For example, Mr. See Beow Tean has experience in Global Retail and Sugarcane. Especially, in order to comply with the standard which requires at least 1 Independent BOD Member who has expertise and experience in finance to join and lead the Audit Committee, Mr. Henry Chung, with 20 years of experience in Finance and Sugarcane has became the Audit Committee Member since May 15th 2018.

EVALUATION OF THE BOARD OF DIRECTORS ACTIVITIES IN FISCAL YEAR 18-19

The BOD held 48 meetings with a sense of responsibility in making decision regarding business orientation, in line with the Company's development strategy. The BOD meetings were conducted in a timely manner to make decisions to:

» Improve the organizational structure of the Company based on IFC consultancy

» Approve the business development plans and the budget for FY 18-19

» Supervise the implementation of the general strategy for the period 17-18 and 20-21

» Review and research more thoroughly the product price strategy

» Orient M&A activities for financial restructuring and competitiveness enhancement

» Decide investment projects and R&D projects according to strategic orientation

» Decide investment policies for Sugarcane Farmers.

The BOD issued 41 Resolutions and 24 Decisions within their scope of authority and responsibilities as well as in accordance with the order and procedures prescribed in the Law on Enterprise and the Company Charter, ensuring compliance with business practices and meeting the requirements on Governance and development needs. Decisions of the BOD was made in time to determine the business orientation for the BOD and BOM in the context of no support at macro level in FY 18-19.

FISCAL YEAR 19-20 OPERATION PLAN OF INDEPENDENT BOARD

With more than 20 years of experience in Finance and Sugarcane, Mr. Henry Chung will continue to accompany with TTC Bien Hoa as an Independent Member of the BOD, Member of the Audit Committee and Deputy Head of the Strategy Committee. He will pay special attention to the review of internal control in finance, IA and Risk Management; RPTs; supervise the compliance of the Law as well as internal requirements.

On April 29th 2019, Mr. See Beow Tean resigned from the position of Independent BOD Member due to personal reasons, TTC Bien Hoa collected Shareholders' opinions in written to approve his resignation since July 1st 2019. On July 12th 2019, Mr. Hoang Manh Tien was voted to become his successor. He was born in 1962, has the Bachelor of Laws and more than 20 years of experience in performing IA in different areas, from banking to business, manufacturing and services. After DEG officially buying preferred stock and becoming International strategic Shareholder of SBT, CG practices need continuous improvement to meet the strictest requirements from DEG on due diligence as well as during the time when the 2 Parties are in a partnership. Therefore, Mr. Tien will assist the BOD in supervising the truthfulness of FS and all official announcements related to the financial results; monitoring IA; developing and implementing the policy for the selection, introduction, supervision of Auditing firm and assessing its independence, transparency and efficiency, especially in Non-audit services and fees.

ATIGA integration from January 1st 2020 will mark an important event which requires more contributions of Independent BOD Members to assist the BOD in the completion of the Governance model according to the standards and determining the reasonable business orientation for the BOM. Independent BOD Members have to ensure that the decisions on issues are made independently, oversee the transparency in the BOD and BOM's activities, especially to prevent the conflict of interests and harmonize the needs from various parties.

REPORTS FROM COMMITTEES UNDER THE BOARD OF DIRECTORS

AUDIT COMMITTEE'S REPORT

"To ensure the implementation of the Corporate Governance improvement plan in accordance with International practices, Committees were established and operated in Fiscal year 17-18 directly under the Board of Directors to *(1) Enhance the Board of Directors efficiency by allowing experts, i.e. the Board Members to focus on specific areas, thereby putting forward more sound recommendations to the Board of Directors; (2) Develop professional skills of each Board Member in various aspects of the Company's activities; (3) Improve the objectivity and independence in evaluation of the Board's Governance and Management status.*"

INTRODUCTION OF THE AUDIT COMMITTEE

Full name	Position in the Board	Position in Audit Committee	Date of appointment	Share Ownership	Rights and duties
Ms. Nguyen Thuy Van	Non-executive BOD Member	Head of Committee	May 15th 2018	0.24%	» Preparing action plan for Audit Committee » Directing Members to perform the Audit Committee rights and duties » Directing the IA Department to fulfill assigned duties
Mr. See Beow Tean	Independent BOD Member	Member	May 15th 2018(*)	0%	» Performing tasks assigned by the Head of the Audit Committee » Taking responsibility of Law compliance and to the AGM, BOD for ensuring the accuracy and truthfulness of data and records related to the Company's activities
Mr. Henry Chung	Independent BOD Member	Member	May 15th 2018	0.07%	
Total				0.31%	

(*) On April 29th 2019, Mr. See Beow Tean resigned from his position as a BOD Member.
TTC Bien Hoa collected Shareholders' opinion in written to obtain approval on his resignation on July 1st 2019

ACTIVITIES OF THE AUDIT COMMITTEE

From November 20th 2017, after the new CG model was officially approved by the AGM, TTC Bien Hoa has operated Audit Committee under the BOD, replacing the former BOS. Audit Committee's operational objectives are to review key issues, make recommendations and propose solutions to the BOD in handling arising issues related to *(1) CG, (2) FS, AR and Information Disclosure, (3) Internal Control and Risk Management, (4) IA, (5) Independent Audit, (6) Conflicts of interest and RPTs, (7) BOM's efficiency and responsibility.*

Audit Committee currently consists of 3 Non-executive BOD Members, 2 of whom are Independent Board, to ensure the supervision and control duties being carried out independently and transparently. Audit Committee is built in accordance with International standards, especially those related to civility in governance that promoting gender equality and holding women's talents and their contribution to Company's activities in respect. European Strategic Shareholders are impressed by the CG model applied as well as Environmental, Social and Governance issues addressed in the Company. They also selected TTC Bien Hoa as the typical model of the "*2X Challenge*" Program. For the Audit Committee, the Head is a female Non-executive BOD Member, specializing in Accounting and Auditing which proves that the importance is attached to feminism. The other 2 Members have proven qualifications and experience in Finance-Accounting and Sugarcane Industry.

"By the end of Fiscal year 18-19, the Audit Committee held 3 direct meetings with the full participation of Members. The meeting was organized in order to discuss implemented tasks and evaluate Company's activities for arising risks and timely warning to the Board of Directors. In addition, the Audit Committee carried out tasks flexibly by conducting online conferences as well as collecting Member's opinions via emails to address unforeseen issues."

DATE OF THE MEETING
15th OCTOBER 2018

Discussing the tasks implemented in the 1st Quarter

- Collecting Shareholders' Opinion in Written and preparing Audit Committee's Report for FY 17-18 AGM held in November 2018
- Reviewing and evaluating IA's Reports
- Reviewing and evaluating financial activities in Quarter I of FY 18-19
- Making preparation for harvesting Sugarcane and cultivating new crop in 18-19 as well as carrying out plant maintenance
- Making a plan for inspecting and supervising internal control system as well as proposing recommendations for improving its performance in FY 18-19
- Preparing and supervising the implementation of the Quarterly, Semi-annual and Annual FS in FY 18-19

Discussing the tasks required to be implemented in the 2nd Quarter

DATE OF THE MEETING
21st JANUARY 2019

Discussing the tasks implemented in the 2nd Quarter

- Attending and preparing the Committee's Report for FY 17-18 AGM
- The content of Audit Committee's activities and commitments to the truth and fairness in FY 17-18 AR
- Reviewing and evaluating briefings Reports of IA in October, November and December 2018
- Reviewing and evaluating the draft of separate financial report in 2nd Quarter of FY 18-19
- Planning to supervise the preparation for crushing Sugarcane in FY18-19

Discussing the tasks required to be implemented in the 3rd Quarter

DATE OF THE MEETING
23rd APRIL 2019

Discussing the tasks implemented in the 3rd Quarter

- Monitoring the BOD and BOM's activities in Governance and Management by attending the BOD's meetings
- Supervising the handling of issues related to plan for increasing Charter capital and amendment to the Company Charter
- Reviewing and evaluating briefings reports of IA in January, February and March 2019
- Inspecting, evaluating and suggesting recommendations for improving Audit Committee's operational efficiency in new FY
- Controlling, supervising and evaluating the implementation of the Semi-annual FS of E&Y Independent Audit Firm
- Evaluating audit services in order to select Independent Audit Firm for FY 19-20

Discussing the tasks required to be implemented in the 4th Quarter.

REPORTS FROM COMMITTEES UNDER THE BOARD OF DIRECTORS
AUDIT COMMITTEE'S REPORT (CONTINUED)

THE MAIN ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FISCAL YEAR

1 Inspecting compliance with the Laws and Company's Regulations

- Supervising and inspecting compliance with the provisions of the Laws
- Periodically inspecting compliance with Vietnamese Accounting Standards
- Inspecting compliance with the State's regulations on disclosure of financial information and RPTs
- Inspecting, supervising and promoting the efficiency of pre-inspection activities in order to ensure Units/Divisions/ Committees' compliance with the schedule of guidelines and action plans
- Monitoring and supervising the progress in Units/ Departments/Committees in order to review and report on implementation results
- Enhancing the review of regulatory documents and ensuring timely update
- Strictly supervising the training and guidance on regulations

2 Accompanying and promoting pre-inspection especially in the main activities of Agriculture and Project

- Regularly inspecting the Sugarcane harvesting and transporting activities being carried out at Contracted Farms and Owned Farms
- Inspecting the progress in the implementation of existing projects
- Ensuring compliance with harvesting standards for Sugarcane to reach high quality
- Inspecting and supervising the document preparation and management
- Making sure the investment capital being disbursed in the right time, for the right purpose and to the right object
- Conducting verification of report on invesment capital settlement at the completion phase of a project in order to carry out the preparation of the report in a true and fair way as well as in accordance with relevant regulations, processes and provisions
- Periodically evaluating the growth of Sugarcane in Contracted Farms for investment efficiency
- Regularly inspecting the mechanic activities in planting and tending Sugarcane at the farms to ensure the fuel management and fuel settlement activities being implemented in compliance with standards and in an efficient and well-managed manner

3 Ensuring the truth and fairness of Financial Statements

- Proactively supervising the quality and timely updating Auditor's reports on FS
- Deploying the appraisal of Quarterly, Semi-Annual and Annual FS according to the action plan
- Proposing corrective measures, adjusting and warning risks (if any) in the process of accounting, preparing and archiving documents in order to ensure the truth and fairness of the reports

4 Improving the efficiency of internal control activities

- Continuing to implement internal training to improve the qualification of IA's personnel
- Conducting training programs to update knowledge and coordination with other sectors according to action plan of Divisions/Departments/Committees:
  - "IFRS Conversion" March 23rd 2018 - *Deloitte*
  - "CG model for listed company towards Sustainable Development" May 19th 2018 - *HCM University of Technology and Business Research and Training Center*
  - Monthly tax training - *Tran Xoa Lawyer*

OPERATION PLAN FOR FISCAL YEAR 19-20

COMPLIANCE AUDIT	OPERATION AUDIT	FINANCIAL STATEMENT AUDIT
Ensuring compliance with the provisions of the internal regulations, deploying the policies in accordance with the Resolutions/Decisions of the AGM and BOD	Timely identifying and reporting on risks in the Company operations	Ensuring financial data being accordance with Vietnamese Accounting Standards and regime to ensure the truth and fairness of FS
Ensuring compliance of the Company with the laws	Timely identifying and reporting on risks as well as inadequacies in the management system	Ensuring the timely detection of material errors and key violations in financial accounting processes and proposing corrective measures
Ensuring compliance of the Company's Units/Departments/ Committees with approved action plan	Completing the Internal control system in line with the change of Organization Model	Timely identifying risks that may occur in financial activities and suggesting appropriate solutions to control financial ratios.

LIST OF INDEPENDENT AUDIT FIRMS FOR TTC BIEN HOA'S FINANCIAL STATEMENTS IN THE LAST 5 FISCAL YEARS

Fiscal year 2013-2014	Fiscal year 2014-2015	Fiscal year 2015-2016	Fiscal year 2016-2017	Fiscal year 2017-2018
KPMG Vietnam Co., Ltd.	KPMG Vietnam Co., Ltd.	Ernst & Young Vietnam Ltd.	Ernst & Young Vietnam Ltd.	Ernst & Young Vietnam Ltd.

Audit opinion: True and fair

REPORTS FROM COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

REPORTS FROM OTHER COMMITTEES UNDER THE BOARD OF DIRECTORS

"In order to increase efficiency and speed up the decision-making process in a responsible and careful manner, TTC Bien Hoa sets up the Committees operating under the Board of Directors including Strategy Committee and Human Resources Committee, besides the Audit Committee."

INTRODUCTION OF THE STRATEGY COMMITTEE

Strategy Committee, in compliance with Regional standard CG, consists of 3 Members, with the Committee Chairman being the BOD Chairman, 2 Deputy Heads being the Independent Board Member and Non-executive Board Member. The BOD Chairman is also Chairman of HR Committee.

No.	Full name	Date of appointment	Date of resignation	Title	Position	Ratio of shares owned on Charter capital
1	Mr. Pham Hong Duong	April 20th 2018	Incumbent	Chairman of the Board	Chairman of the Committee	0.47%
2	Mr. See Beow Tean	April 20th 2018	July 1st 2019	» Independent Board Member » Audit Committee Member	Deputy Head	0%
3	Mr. Le Ngoc Thong	April 20th 2018	July 1st 2019	Non-executive Board Member	Deputy Head	0.02%
	Total					**0.49%**

INTRODUCTION OF THE HUMAN RESOURCE COMMITTEE

Human Resources Committee is established in accordance with good practices. The Chairman of the Committee is the BOD Chairman while Deputy Heads are the Independent Board Member and HR Director. As mentioned above, the BOD Chairman is in charge of both Committees.

No.	Full name	Date of appointment	Date of resignation	Title	Position	Ratio of shares owned on Charter capital
1	Mr. Pham Hong Duong	May 29th 2018	Incumbent	Chairman of the Board	Head of the Committee	0.47%
2	Mr. Henry Chung	May 29th 2018	Incumbent	» Independent Board Member » Audit Committee Member	Permanent Deputy Head	0.07%
3	Ms. Le Ha Thi Mai Thao	January 28th 2019	Incumbent	HR Director	Member	0.004%
4	Mr. Huynh Ngoc Sinh	May 29th 2018	January 28th 2019	HR Manager	Member	-
	Total					**0.544%**

MAIN ACTIVITIES OF THE COMMITTEES IN FISCAL YEAR 18-19

	STRATEGY COMMITTEE	HUMAN RESOURCES COMMITTEE
Establishment	» April 20th 2018: Decision No. 15/2018/QD-HDQT Approving the establishment of the Strategy Committee, its Organization and Management » January 28th 2019: Decision No. 2/2019/QD-HDQT Updating information of Strategy Committee Members	» May 29th 2018: Resolution No. 11/2018/BB-HDQT Approving the establishment of HR Committee » January 28th 2019: Resolution No. 04/2019/NQ-HDQT Changing the Members of HR Committee
Duties and rights	» Approving visions, missions and long-term objectives » Proposing effective management plans for achieving long-term objectives » Being in charge of sustainable and responsible development orientations » Supervising the formulation, implementation and deployment of strategies » Being in charge of developing RPT policies » Being in charge of building the management report system	» Proposing criteria and processes for assessing the quality and competence of Members of the BOD, BOM and Senior Managers » Developing training programs for Members of the BOD, BOM and Senior Managers » Advising BOD on personnel structure of each department and putting forward a succession plan for senior managers » Supporting in framing compensation policy with the intention of encouraging, maintaining and promoting the efficient activities of Members being in charge of Governance and Management
Activities in Fiscal year 18-19	» Cooperating with a consultancy company, named Deloitte Consulting Vietnam Co, Ltd. to work out pricing strategy: Strategy review was conducted from December 12th 2018 to March 31st 2019 » Supervising and monitoring the implementation of proposed strategies » Coordinating with Project Development Committee to plan strategies for By-products for example Fruits, Microbial Fertilizers	» Approving the implementation of assessing the business health » Approving the development of competency dictionary » Bringing standards and cultural issues up for discussion to ensure timely update of related policies » Advising the BOD on HR structure » Recruiting and introducing candidates to fill the position of the BOD Member and Independent BOD Member » Orienting, analyzing and developing HR strategy

REPORTS FROM COMMITTEES UNDER THE BOARD OF DIRECTORS

MAIN ACTIVITIES OF THE OTHER COMMITTEES IN FISCAL YEAR 18-19 (CONTINUED)

	STRATEGY COMMITTEE	HUMAN RESOURCES COMMITTEE
Meetings in Fiscal year 18-19	» December 12th 2018: Meeting to implement pricing strategy » January 4th 2019: Meeting to review strategy » January 25th 2019: Meeting to review strategy » February 27th 2019: Meeting to review strategy » March 19th 2019: Meeting to agree on price strategy content Achievements: The pricing strategy for each TTC Bien Hoa Product in consultation with Deloitte Asia was completed on time	» July 10th 2018: First Quarterly Meeting in FY 18-19: Meeting to orient, analyze and develop HR strategy » November 24th 2018: Second Quarterly Meeting in FY 18-19: Meeting to orient, analyze and develop HR strategy » February 15th 2019: Third Quarterly Meeting in FY 18-19: Meeting to discuss corporate culture » May 5th 2019: Fourth Quarterly in FY 18-19: Meeting to discuss personnel structure
Plans for Fiscal year 19-20	» To come up with a development strategy » To continue to implement development strategy as well as activities of each regulatory division (sales, finance, supply chain and etc.) as approved » To coordinate with Project Development Committee to promote the Sugarcane Value Chain: Fruit, Microbial Organic Fertilizer, Agricultural Machinery and Equipment » To supervise the strategy implementation in whole Business line	» To develop the plan for training senior managers » To structure the development and HR roadmap for recruiting senior successor managers » To supervise the process of assessing the business health.

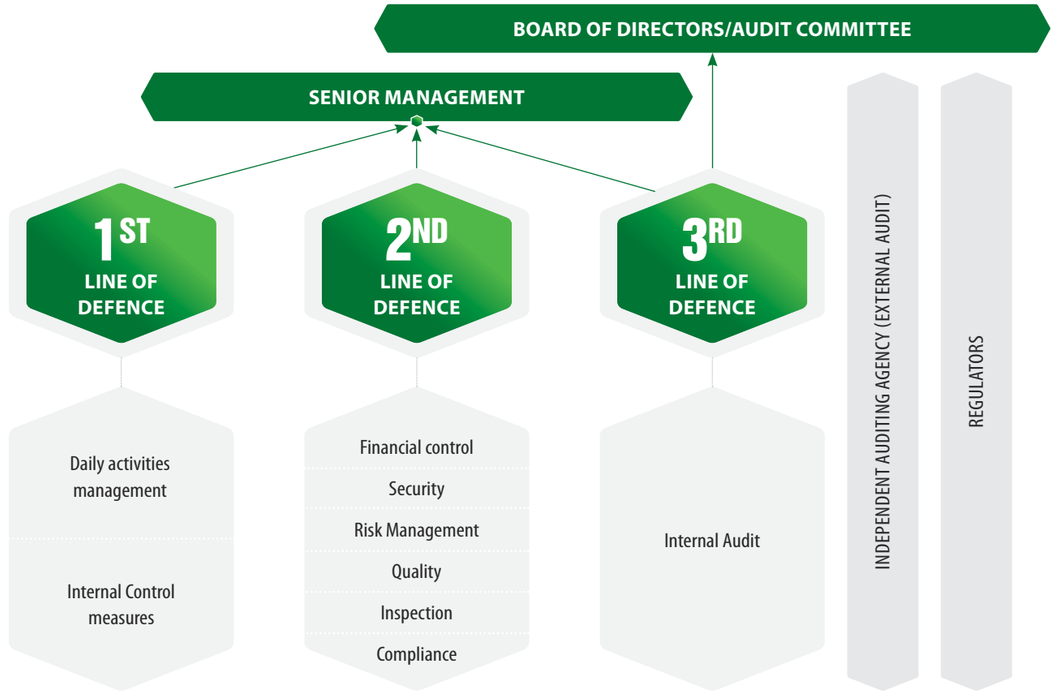
RISK MANAGEMENT

"THREE LINES OF DEFENCE" MODEL IN RISK MANAGEMENT AT TTC BIEN HOA

"Risk management is one of the crucial components of Corporate Governance in line with International standards. Structure of Risk Management is the foundation of Corporate Governance activities through the principles of establishing a solid Risk Management framework and control environment."

The BOD of TTC Bien Hoa has officially established a Control Unit through Audit Committee in charge of control management and risk monitoring. Although there is not a separate Committee on Risk Management to directly report to the BOD, the Committees under the BOD have coordinated closely in overseeing how the BOM carries out the strategies of the Company as well as managing related risks. In the case of exceeding the risk appetite as the BOD view, the Committees shall report to the BOD for timely adjusting these strategies.

In order to ensure the effectiveness of Risk Management framework, TTC Bien Hoa has applied the model of "Three Lines of Defence". The BOD and the BOM make sure that the relevant functional departments are fully and effectively established, enhancing the resonance and exchange between supervision and assurance.



On May 16th 2018, TTC Bien Hoa issued a Decision on Risk Management Process based on International practices for promptly identifying risks and exploiting opportunities, optimizing operation efficiency, and clearly assigning responsibilities as a guidance of Risk Management in an appropriate and comprehensive manner. A number of procedures are for providing information on how to identify, analyze, evaluate and handle the risks. In TTC Bien Hoa, the organizational structure for implementation of "1st Line of Defence" and "3rd Line of Defence" is being completed and "2nd Line of Defence" is in the process of consolidation for effectiveness.

RISK MANAGEMENT (CONTINUED)

A specific assignment of Risk Management responsibilities for each unit includes:

Unit	Responsibilities
Board of Directors	» Giving orientation on the risks nature and the way how to deal with each specific risk that affects the Company's strategy » Overall monitoring Risk Management activities
Audit Committee	» Supervising the development and deployment of Risk Management models and policies » Supervising the Company's risk records » Directly reporting the arising risks to the BOD
Internal Audit Department	» Independently monitoring of selected risks and supervising the BOM performance in preventing risks as the BOD directions » Supervising Risk Management systems and processes
Board of Management	» Being responsible for implementing Risk Management » Managing and monitoring risk records » Being a pioneer in risk identification, planning for risk mitigation/contingency » Analyzing risks before making essential decisions
Department of Legal Policy	» Coordinating with other departments to appraise the legal documents on Risk Management » Ensuring legal compliance, consistently with the control principles
System Management Unit	» Building, deploying and managing the applications of Information Technology system » Ensuring the Risk Management system being effectively operated
The Functional Departments	» Complying with Risk Management policies » Ensuring the risks arising in their units, being identified and minimized » Being responsible for risks in their activities
Staffs	» Undertaking Risk Management in activities under their responsibilities.

For the Risk Management to be comprehensive and completed, TTC Bien Hoa always aims to supplement and implement International practices

» Risk Management strategy is developed in line with the Company's goals, orienting to build other components of Risk Management framework

» Policies, procedures and reports are documented and followed the report channels in the business

» Risk Management tools are used to detect, synthesize, evaluate and minimize risks

» Information Technology system is to support and automate Risk Management activities.

MATERIAL RISKS AND CONTINUOUS RISK MANAGEMENT MODEL AT TTC BIEN HOA

"In order to effectively prevent arising risks for continuous production and business activities, TTC Bien Hoa has set out various specific measures for each of the most likely risk groups and divided into specific fields."

Risk	Description	Measures
Strategy Plan	Inappropriate medium-term and long-term development plans	» Hiring Deloitte Asia's consultant to complete the medium-term strategy » The strategy is monitored by the BOD for prompt adjustment in the event that major changes may affect the proposed strategy
Financial Activities	» Exchange rate fluctuation » Interest rate fluctuation » Difficulties in liquidity	» Planning for payment and foreign currency demand » Monitoring and analyzing fluctuations in capital market to get a balance of demand and appropriate adjustments » Balancing the structure of short and long-term loan » Strictly managing cash flow to maintain liquidity
Raw Material Areas	» The risk of insufficient input materials for production » Drought weather negatively affecting the Cane growth » Variety degeneration » Soil degradation due to chemical Fertilizers, pesticides » Lack of seasonal workers	» Providing various support policies for Farmers to continue planting Sugarcane » Actively expanding the area of farms » Research Center, Scientific Council always pay a great attention to restore breeds, cultivation methods to enhance water retention capacity of soil » Producing Organic fertilizer, using Organic fertilizer instead of chemical fertilizer » Releasing Red-eye bees for pest-controlling and pesticide-replacing purpose » Providing policies to encourage and support Farmers for mechanization in planting, tending and harvesting to address the shortage of seasonal workers
Production Activities	» Environmental pollution due to Waste water and emissions » Lack of labor » Unqualified products	» Investing in Waste water treatment system, ensuring Wastewater discharged into the Environment without causing pollution » Investing in the monitoring system of emissions and Waste water to detect and promptly handle signs of exceeding the regulated levels » Making the most of Bagasses to replace fossil fuels » Doing research and using less polluted fossil fuels » Strong investment in Renewable Energy sources - Solar Power » Giving priority to local labor » Maximum support for transportation, accommodation for workers from other localities » Continuing training policy to ensure the succession of HR at all levels » Establishing QHSE Department to regularly check product quality, receive Customer feedback for determining causes and proposing appropriate solutions » The new product has been repeatedly tested by the R&D Team, making sure that the products fulfilling the quality standards before being put into mass production
Business Activities	» Customers buying products of other companies » Loss of competitive advantage » Being unadaptive to the Socio-Economic Environment changes that causing negative effects to business plan	» Diversifying products, especially natural and Organic products, aiming to Consumer health, increasing product value » Identifying and promptly analyzing changes of competitors, business environment, interests and tastes of Customers » Developing up-to-date action programs for maintenance of competitive advantages » Quickly adapting to changing environments, fulfilling the increasingly diverse demands of the Customers
Politics	Changes in the political environment and transactions in the countries where the investment being disbursed, adversely affecting production and business activities	» Regularly updating the political situation in these countries » Making timely adjustment decisions in investment as well as import and export activities.

CORPORATE GOVERNANCE PRACTICES BASED ON ASEAN SCORECARD AND CORPORATE GOVERNANCE CODE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM

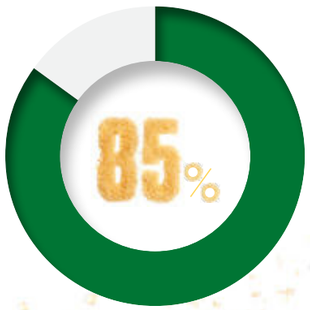
"In the Annual Report of Fiscal year 17-18, TTC Bien Hoa applied ASEAN Scorecard to its self-assessment of Corporate Governance practices. The Company has well implemented 152 out of 184 criteria, equivalent to 83%. Particularly, the criteria of "Role of Stakeholders" was fully achieved the best practices. With 32 criteria in ASEAN Scorecard not being fully executed, an improvement plan was put forward, in which 31 criteria were expected to be improved in 1 year and 1 item in 5 years. At the end of Fiscal year 18-19, the Company scored 27 out of 32 target criteria, leaving 5 criteria in need of continuous improvement in Fiscal year 19-20."

ASEAN CORPORATE GOVERNANCE SCORECARD

ASEAN SCORECARD IN FISCAL YEAR 17-18

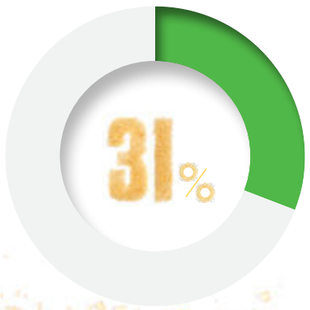
LEVEL 1

146 Standard criteria
Well-implemented:
124/146

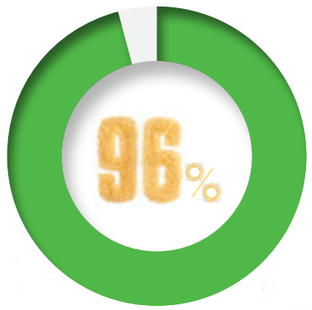


LEVEL 2

13 Bonus criteria
Well-implemented:
4/13



25 Penalty criteria
Well-implemented:
24/25



Source: TTC Bien Hoa

THE IMPLEMENTATION OF THE IMPROVEMENT ON 32 CRITERIA IN ASEAN SCORECARD IN FISCAL YEAR 17-18

☑ Well-implemented (>=70%) ☑ Fair-implemented (31%-69%) ☒ Not implemented (<30%)

A: *Rights of Shareholders,* ***B:*** *Equitable treatment of Shareholders,* ***D:*** *Disclosure and transparency,*
E: *Responsibilities of the Board,* ***(B):*** *Bonus,* ***(P):*** *Penalty*

Code	Item	Identification	Implementation
	A. RIGHTS OF SHAREHOLDERS		
A .1.1	Does the Company pay (interim and final /annual) dividends in an equitable and timely manner; that is, all Shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by Shareholders at general meetings for final dividends?	☑	» Stock dividend: 6% in FY 16-17 » Cash dividend: 8% in FY 17-18
A.3.8	Does the Company disclose that all Board Members and the CEO attended the most recent AGM?	☑	» 17-18 AGM: 3 out of 6 BOD Members and CEO attended » 3 Member did not attend: 1 Member resigned on November 6th 2018; 2 Members were on foreign business trip
A.3.11	Does the Company disclose that it has appointed an Independent party to count and/or validate the votes at the AGM?	☑	» Code of CG, Article 7 » Collecting written opinions of Shareholders: Appointed Independent Shareholders to supervise the votes
A.3.13	Does the Company provide at least 21-day notice for all AGMs and EGMs?	☑	Exactly 21 days
A.3.14	Does the Company provide the rationale and explanation for each agenda item which requires Shareholder's approval in notice of AGM/circulars and/or the accompanying statement?	☑	The rationale for each agenda item was provided in the statement
A.5.1	Does the Company disclose its practices to encourage Shareholders to engage with the Company beyond AGM?	☑	» Roadshow to meet potential Investors, VIP Shareholders » Daily and weekly update financial calendar and events
(B) A.1.1	Does the Company practice secure electronic voting in absentia at the GMS?	☑	» Code of CG, Article 7 » 17-18 AGM: Shareholders could grant a power of attorney to a third party for attending the GMS
(P) A.5.1	Does pyramid ownership and/or cross holding structure exist?	☒	» Significant reduction » DEG invested USD 28 million in Preferred Dividend Shares of SBT
	B. EQUITABLE TREATMENT WITH SHAREHOLDERS		
B.2.1	Does each Resolution in the most recent AGM deal with only one item; that is, there is no bundling of several items into the same Resolution?	☑	17-18 AGM: finished
B.2.2	Are the Company's notices of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	☑	17-18 AGM: finished
B.4.2	Does the Company have a policy requiring a Committee of Independent Directors/ commissioners to review material related party transactions to determine whether they are in the best interests of the Company and Shareholders?	☑	Audit Committee Charter on July 3rd 2018
(B) B.1.1	Does the Company release its notice of AGM, as announced to the Exchange, at least 28 days before the date of the meetings?	☑	Before 30 days
	D.DISCLOSURE AND TRANSPARENCY		
D.1.2	Does the Company disclose the direct and indirect (deemed) shareholdings of major and/ or substantial Shareholders?	☑	FY18-19 AR: IR and Capital Market activities
D.1.3	Does the Company disclose the direct and indirect (deemed) shareholdings of Directors/commissioners?	☑	
D.1.4	Does the Company disclose the direct and indirect (deemed) shareholdings of senior management?	☑	
(B) D.1.1	Are the Audited Annual FS released within 60 days from the financial year end?	☑	Exactly 90 days in accordance with Circular 155

CORPORATE GOVERNANCE PRACTICES BASED ON ASEAN SCORECARD AND CORPORATE GOVERNANCE CODE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM (CONTINUED)

Code	Item	Identification			Implementation
	E. RESPONSIBILITIES OF THE BOARD				
E.2.6	Has the Company set a max limit of five Board seats that an Individual Independent/ Non-executive Director/Commissioner may hold simultaneously?	☑			Code of CG, Article 12.1
E.2.10	Is the Chairman of the Nominating Committee an Independent Director/Commissioner?		☑		» Committee Members are Independent BOD Members » The Head of the Committee is Non-executive Chairman of the Board
E.2.11	Does the Company disclose the terms of reference/Governance structure/Charter of the Nominating Committee?	☑			FY18-19 AR: Reports from Committees under the BOD
E.2.14	Is the Remuneration Committee comprised of a majority of Independent Directors/ Commissioners?		☑		HR Committee concurrently served as Remuneration Committee
E.2.15	Is the Chairman of the Remuneration Committee an Independent Director/Commissioner?		☑		
E.3.6	Are board papers for BOD/Commissioners meetings provided to the Board at least 5 business days in advance of the Board meeting?	☑			» Charter - Article 28.3: Periodically, at least 5 days before the meeting » Charter - Article 28.8: Extraordinary, at least 2 days before the meeting
E.3.8	Is the Company Secretary trained in legal, accountancy or Company secretarial practices and has kept abreast on relevant developments?	☑			Finished
E.3.21	Does the Company disclose the key risks to which the Company is materially exposed to (i.e. financial, operational including Information technology, Environmental, Social and Economic)?	☑			FY 18-19 AR: Risk Management
E.4.5	If the Chairman is not Independent, has the Board appointed a Lead Independent Director and has his/her role been defined?		☑		» Non-executive Chairman of the Board » Defining roles and responsibilities of BOD Members, but has yet to appoint a Lead Independent Director
E.5.1	Does the Company have orientation programs for new Directors/Commissioners?		☑		Approving orientation programs in each BOD meeting
(B) E.1.1	Does the Company have at least one female Independent Directors/Commissioners		☑		» 2/2 Independent BOD Members are male » 2/6 Non-executive BOD Members are female
(B) E.1.2	Does the Company have a policy and disclose measurable objectives for implementing its Board diversity and report on progress in achieving its objectives?	☑			FY18-19 AR: CG
(B) E.2.1	Is the Nominating Committee comprise entirely of Independent BOD/Commissioners?		☑		» 1/4 is Independent BOD Member » 2/4 are Non-executive BOD Members
(B) E.3.1	Does the Company use professional search firms or other external sources of candidates when searching for candidates to the BOD/Commissioners?		☑		Searching for candidates via Vietnam Institute of Directors established by HOSE
(B) E.5.1	Does the Board describe its governance process around IT issues including disruption, cybersecurity, disaster recovery, to ensure that all key risks are identified, managed and reported to the Board?	☑			FY 18-19 AR: CG
(B) E.6.1	Does the Company have a separate Board level Risk Committee?		☑		Audit Committee concurrently served as Risk Committee

> "In the Fiscal year 18-19 Annual Report, TTC Bien Hoa proactively assessed its Corporate Governance Practices based on the Code of Corporate Governance of Best Practices for Public Companies in Vietnam, published by the State Securities Commission at the beginning of August 2019, with support from the International Finance Corporation - IFC."

The Company decided to select principles that reflect best practices in the new Code of CG, in addition to the criteria in ASEAN Scorecard that were fully implemented. This demonstrated the Company's effort in providing Shareholders, Investors with the latest Code of CG, ensuring compliance with Regulatory Agencies' guidelines, moving the practices of CG closer to International standards, meeting the demand of International Strategic Investors, typically DEG - German Government Development Fund - who invested VND649 billion in Convertible Preferred Shares of SBT.

ASSESSMENT OF CORPORATE GOVERNANCE PRACTICES IN FISCAL YEAR 18-19 BASED ON CODE OF CORPORATE GOVERNANCE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM LAUNCHED IN AUGUST 2019

☑ *Well-implemented (>=70%)* ☑ *Fair-implemented (31%-69%)* ☒ *Not implemented (<30%)*

***(1)** Establishing clear roles, responsibilities and commitment of the Board, **(2)** Establishing a competent and professional Board, **(3)** Ensuring effective Board leadership and independence, **(4)** Establishing Board Committees, **(5)** Ensuring effective performance for Board, **(6)** Establishing and maintaining an ethical corporate culture, **(7)** Establishing a sound Risk Management and control environment, **(8)** Strengthening Company disclosure practices, **(9)** Establishing a framework for effective exercise of Shareholder rights, **(10)** Building effective Stakeholder engagement*

Code	Principle	Identification			Implementation
	1. ESTABLISHING CLEAR ROLE, RESPONSIBILITIES AND COMMITMENT OF THE BOARD OF DIRECTORS				
	1.1 The Board should clearly define and disclose the full scope of its roles, responsibilities and accountabilities				
1	The Board should adopt a separate Board Charter that clearly defines its roles, responsibilities and accountabilities; the Board Charter should be disclosed on the Company's Website	☑			» Code of CG » The BOD Charter hasn't been disclosed on the Company's Website
2	The Board should review and guide corporate strategy, major plans of action, risk policy, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures	☑			» Charter: Rights and duties of the BOD » Audit Committee and HR Committee under the BOD
4	The Board should embody high standards of business ethics and oversee the implementation of Codes of Conduct that engender a Corporate culture of integrity	☑			» Code of Conduct » IA Department has supervisory responsibilities
5	The Board should assess the major risks facing the Company and the steps taken by management to monitor and control such risks	☑			FY 18-19 AR: Risk Management, Reports from Committees under the BOD
6	The Board should oversee the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for Risk Management, financial and operational control and compliance with the law and relevant standards	☑			FY 18-19 AR: Risk Management, Reports from Committees under the BOD
7	The Board should select, compensate, monitor and, when necessary, replace key executives and oversee their succession planning	☑			HR Committee Charter
9	The Board should monitor and manage potential conflicts of interest of management, Board Members, Supervisory Board (if applicable) and Shareholders, including misuse of Corporate assets and abuse in RPTs	☑			Charter, Code of CG, Audit Committee Charter, Code of Conduct
10	The Board should oversee the process of disclosure and communications of the Company	☑			» Chairman Charter is the spokesperson » FY 18-19 AR: IR and Capital Market activities
	1.2 Board Members should fully understand their fiduciary duties to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the Shareholders, while taking into account the interest of the Company's relevant Stakeholders				
1	Board Members should perform their duties in good faith and in the best interest of the Company and all Shareholders, avoiding all potential or actual conflicts of interest	☑			» Charter, Code of CG » FY 18-19 AR: CG
4	Board Members should fully understand the Board's roles and responsibilities as described in the law and Company policies; and help ensure the Board is effectively discharging its roles and responsibilities	☑			Company Charter, Code of CG, The BOD Charter
5	Board Members should inform themselves of applicable CG and ethics requirements and ensure the Company continuously acts in accordance with its policies on good governance and ethical conduct	☑			» Code of Conduct » FY 18-19 AR: CG
8	Unless required to do so by law, Board Members should not, during their membership on the Board or afterwards, disclose any information that they know or should know to be of a confidential nature and that came to their knowledge through their work at the Company's Board. Board Members should not use such confidential information for their personal benefit	☑			» Charter, Code of CG, Code of Conduct » FY 18-19 AR: CG

CORPORATE GOVERNANCE PRACTICES BASED ON ASEAN SCORECARD AND CORPORATE GOVERNANCE CODE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM (CONTINUED)

Code	Principle	Identification		Implementation
1.3 Together with Senior Management, the Board should promote good Corporate Governance culture within the Company and monitor its effectiveness at all time				
1	The BOD sits at the center of the CG system of the Company and plays a critical oversight role	☑		» Code of CG, The BOD Charter » FY 18-19 AR: CG
3	To foster the confidence of Shareholders, Employees, Investors and the Public, a CG code should reach beyond compliance with established local legal and regulatory frameworks to embrace both nationally and internationally recognized CG best practices	☑		» Code of CG, The BOD Charter » FY 18-19 AR: CG
2. ESTABLISHING A COMPETENT AND PROFESSIONAL BOARD OF DIRECTORS				
2.1 Collectively, the Board should possess a diversified and broad range of views, expertise, skills and competencies, sufficient to provide effective stewardship and oversight of the Company				
5	The Board, with assistance of Nomination Committee, should select and recommend Director nominees for election by Shareholders. The Nomination Committee of the Board should oversee the development and implementation of the formal Board nomination process. The Board should disclose the process in appointing new Directors, and the criteria used to select new Directors		☑	» Company Charter, Code of CG, HR Committee Charter » FY 18-19 AR: CG
6	All Shareholders should have the opportunity to nominate candidates to the BOD. The Shareholders owning at least 5% of Company's shares should be provided with a right to propose nominees. The Shareholders owning less than 5% of Company's voting shares should be provided with the opportunity to propose nominees. The deadlines for nominee director proposals, procedures for considering them and including into the agenda should be determined in the Board Charter		☑	Company Charter requires 10%, however Shareholders/ Minority Shareholders are allowed to add up their shares and increase their share ownership to 10%, thereby having the right to propose candidates to the BOD
7	An odd number of Board Members between 5 and 11 is recommended. This number may vary according to the Company's industry, size, complexity, as well as where it is in its life cycle, and whether what Committees need to be created		☑	» Company Charter stipulates the number of BOD Member from 3 to 11 » The BOD currently has 6 Members
3. ENSURING EFFECTIVE BOARD LEADERSHIP AND INDEPENDENCE				
3.1 Once elected, all Board Members have a responsibility to the Company, regardless of the Shareholders, Shareholder group, Administrator or Stakeholder who appointed them to the position				
3	Board Members should not serve as paid consultants or advisors to the Company	☑		None
3.2 To promote independent judgment by all Board Members and the integrity of the Governance system, Boards should have at least one-third Independent Directors				
2	There is increasing global recognition that the presence of Independent Directors on the Board will help ensure more objective decision-making, particularly in conflict of interest situations	☑		2/6 are Independent BOD Members
3.3 The Board should ensure that its Independent Directors possess the necessary qualifications and none of the disqualifications for an Independent Director to hold the position				
2	It is worthy to note that Independence and competence should go hand-in-hand	☑		
3	It is important that Independent Directors possesss the qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board	☑		2/6 are Independent BOD Members who have experiences in Finance, Retail and Sugarcane Industry
4	All Companies should have at least 1 Independent Director who have financial expertise and experience to participate and lead the Audit Committee		☑	» 1/2 is Independent BOD Member who specializes in Finance » The Head of Audit Committee is female Independent and Non-executive BOD Member who has expertise in Accounting-Auditing
3.5 The Board should designate a Lead Director among the Independent Directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person				
3	A suggested mechanism is the appointment of a strong "Lead Director" among the Independent Directors and it is also recommended that Boards are comprised of majority of Independent Directors where the Chairman is not Independent		☒	» It has yet to designate the Lead Director between 2 Independent BOD Members » The Chairman of the Board is Non-executive BOD Member
4	This Lead Director has sufficient authority to lead the Board in cases where the remaining Directors (including the dual Chairman-CEO) have clear conflicts of interest		☑	

Code	Principle	Identification		Implementation
4. ESTABLISHING COMMITTEES UNDER THE BOARD OF DIRECTORS				
4.1 The Board should set up an Audit Committee and ensure that it has adequate resources and authorities. The Audit Committee should ensure that proper internal controls are maintained and the Company is in compliance with all relevant laws and regulations				
3	The role and responsibilities of Audit Committee should be covered in separate charter which should be adopted by the Board and disclosed at Company's Website	☑		» Audit Committee Charter » FY 18-19 AR: CG
4.2 The Board should establish a competent Risk Management Committee to ensure that the risks inherent to the Company's business activities are properly managed				
1	The Board should establish Risk Management Committee with at least 3 Non-executive Directors, the majority of whom, including the Committee Chairman, should be independent		☒	It has yet to establish Risk Management Committee, Audit Committee is in charge of these tasks
2	The Board should adopt a Risk Management Committee charter which should be made publicly available via Company's Website		☒	
4.3 The Board should establish Corporate Governance, Nomination and Remuneration Committee to strengthen the effectiveness of Company's Corporate Governance framework and ensure that the Company's nomination and remuneration policies and practices support the successful appointment, development and retention of Directors and Managers				
1	The Board should establish CG Nomination and Remuneration (CGNR) Committee which should be composed of at least 3 qualified Non-executive Directors, the majority of whom, including the Committee Chairman, should be independent		☑	It has yet to establish CGNR Committee, HR Committee is in charge of these tasks
5. ENSURING EFFECTIVE PERFORMANCE FOR THE BOARD OF DIRECTORS				
5.1 The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual Members and Committees. Every 3 years, the assessment should be supported by an external facilitator				
1	Board assessment helps the Directors to thoroughly review their performance and understand their roles and responsibilities	☑		
2	The periodic review and assessment of the Board's performance as a body, the Board Committees, the Individual Directors and the Chairman show how the afore-mentioned should perform their responsibilities effectively	☑		FY 18-19 AR: CG
3	In addition, it provides a means to assess a Director's attendance at Board and Committee meetings, participation in boardroom discussions and manner of voting on material issues	☑		
5.2 The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual Directors, and its Committees. Such a system should allow for a feedback mechanism from the Shareholders				
1	Disclosure of the criteria, process and collective results of the assessment ensures transparency and allows Shareholders and Stakeholders to determine if the Directors are performing their responsibilities to the Company		☑	» The BOD and HR Committee Charters » FY 18-19 AR: CG
3	In establishing the criteria, attention is given to the values, principles and skills required for the Company. Normally, the CGNR Committee oversees the evaluation process		☑	
5.3 When proposing Director remuneration to the Shareholders' meeting for approval, the Board should consider whether the remuneration structure is appropriate for the Directors' respective roles and responsibilities, linked to their individual and Company performance, and provide incentives for the Board to lead the Company in meeting its objectives, both in the short and long term				
1	The Board's Remuneration Committee with the majority of its Members and the Chairman being Independent Directors is responsible for setting the remuneration policy		☑	
3	Shareholders must approve the Board remuneration structure, including level and pay components (both cash and non-cash compensation). The Board should consider the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and attendance fee) and remuneration paid according to the Company's performance (such as bonus and rewards). The remuneration should reflect the values that the Company creates for Shareholders taking a long-term perspective on Company performance, and the pay level should not be too high so as to avoid the Board excessively focusing on the Company's short-term results		☑	» The BOD and HR Committee Charters » FY 18-19 AR: CG

CORPORATE GOVERNANCE PRACTICES BASED ON ASEAN SCORECARD AND CORPORATE GOVERNANCE CODE OF BEST PRACTICES FOR PUBLIC COMPANIES IN VIETNAM (CONTINUED)

Code	Principle	Identification	Implementation	
6. ESTABLISHING AND MAINTAINING THE ETHICAL CORPORATE CULTURE				
6.3 The Board of Directors is the focal point of and collectively bears accountability for the governance of the Company, its long-term success and the delivery of sustainable value to its Stakeholders. The Board should set the role model for Management and Employees of the Company to follow				
1	The Board and Management of the Company shall act in an ethical manner, with honesty and integrity in all of its dealings with and on behalf of the Company and its Shareholders at all times	☑		» Company Charter, Code of CG, Code of Conduct » FY 18-19 AR: CG
7. ESTABLISHING A SOUND RISK MANAGEMENT AND CONTROL ENVIRONMENT				
7.1 The Board of Directors should ensure integration of strategy, risk and control and oversee the effectiveness of Company's internal control system				
3	Audit and Risk Committees should ensure that the management team is equipped with the mechanisms and internal controls to identify, assess and mitigate risks, with a view to keeping them at levels in line with the Company's risk appetite. The internal control system should have forward-looking and pro-active perspectives in an attempt to anticipate potential risks. Committees should organize face-to-face meetings with the executive team to understand the most pressing internal control issues		☒	» The BOD and Audit Committee Charters » FY 18-19 AR: CG, Risk Management » Audit Committee is in charge of Risk Management
7.2 The Board of Directors should establish an Internal Audit function that provides objective assurance and consulting activity designed to add value and improve an Organization's operations				
4	Audit Committee should receive results of the annual risk assessment, IA reports, results of quality assessment and improvement plan of the IA Department, updates on key audit issues, extensions on audit resolutions; and provide necessary guidance	☑		» Audit Committee Charter » IA Charter
7.3 The Board should establish a compliance function as a second line of defense with the necessary standing and authority				
3	The Head of Compliance should advise senior management and the Board on the applicable laws, rules and standards, including keeping informed on developments in the area; educate staff on compliance issues; identify, document, assess, measure, monitor and report the compliance risks associated with the Company's business activities	☑		FY 18-19 AR: CG, Legal Compliance
7.4 The Board should oversee the Company's enterprise-wide Risk Management and ensure the Risk Management activities help the Company in making better and risk-informed strategic decisions, and managing risks within the Company's risk appetite				
3	The Board should develop and publish a Risk Management policy with clear Risk Management framework and structure. This framework should incorporate a "three lines of defense" concept, where management is the first line of defense, Risk Management and compliance functions are the second line of defense, and IA is the third line of defense	☑		FY 18-19 AR: CG, Risk Management
4	Board with an aim to encourage prudent risk taking should ensure that executive remuneration packages aligned with the long-term interest of the Shareholders and are adjusted for all types of risks (E.g. operational risks, reputational risks). Organizations can employ risk-adjustment measures such as deferral of payment, longer performance periods etc. when designing their remuneration framework	☑		» HR Committee Charter » FY 18-19 AR: CG, Risk Management
5	The Company should appoint a Chief Risk Officer (CRO) to head its risk management function. The CRO should have direct access to the Board and/or Risk/Audit Committee	☑		FY 18-19 AR: CG, Risk Management
6	The CRO is responsible and accountable for the execution of the Risk Management policy and development of Risk Management strategies	☑		

Code	Principle	Identification	Implementation	
7.5 The Board should ensure that foundation and framework for a cyber-resilient Company are properly established				
1	The Board should have the necessary capacity to understand cybersecurity risks and the related legal implications. If necessary, the Board should seek independent cybersecurity expertise to have discussions on this topic		☒	FY 18-19 AR: CG
2	Cybersecurity risk should be dealt as part of the Company's enterprise-wide Risk Management rather than a separate issue. Adequate time should be given to the cybersecurity on board agenda to ensure satisfactory cyber protection		☒	
3	The Board should approve Company's strategy on identification and mitigation of cyber risks including the transfer of risks through insurance		☒	
4	The Board should seek AR from the internal auditors on the Company's cybersecurity program		☒	
8. STRENGTHENING COMPANY DISCLOSURE PRACTICES				
8.1 The Board should establish the guidelines and procedures for disclosure of information to Shareholders and other stakeholders and oversee their enforcement				
1	The Board should adopt the disclosure policy which ensures that all relevant information on the Governance and Operations of the Company is disclosed accurately, in time and in full in accordance with applicable laws and regulations, and that it is available to Shareholders and other Stakeholders at the same time	☑		» The BOD approved Information Disclosure Code built on Circular 155 » FY18-19 AR: IR and Capital Market activities
8.2 To promote an effective cost-efficient access to relevant information, the Board should ensure easy and non-discriminatory access to disclosed information using diverse tools of communication				
3	The Company should allow Investors and Analysts to ask their questions related to Company's operations. This can be achieved through open meetings with Investors/ Analysts, Press conferences, Analyst's briefings or in other formats allowed by a Company and subject to guidance defined in the applicable legislation/listing rules	☑		FY18-19 AR: IR and Capital Market activities
9. ESTABLISHING A FRAMEWORK FOR EFFECTIVE EXERCISE OF SHAREHOLDER RIGHTS				
9.4 All Shareholders shall be treated equally				
4	The Company shall establish and publish on its Website an effective Complaints Policy and mechanism which enable Shareholders and others to register their complaint, have it investigated and acted upon	☑		» FY18-19 AR: IR and Capital Market activities, IR Contact Information » Website: IR - IR Activities - Contact us
10.BUILDING EFFECTIVE STAKEHOLDER ENGAGEMENT				
10.1 The Board should ensure establishing rules for Stakeholder protection and engagement				
5	Board should ensure that Company's Social and Environmental requirements are incorporated into requirements for contractors	☑		» Requirements were stated in the Invitation to bid and in the contract with the Contractor » FY18-19 AR: Connection with Society

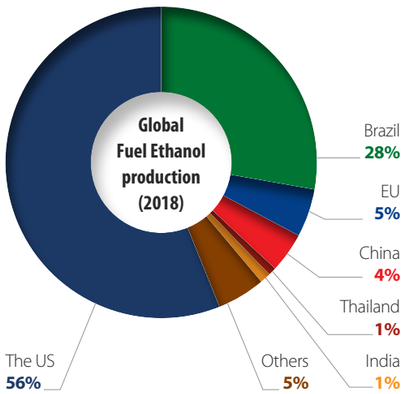
GLOBAL SUGAR INDUSTRY EXPECTATION OF A BRIGHT FUTURE

After a period of oversupply from the previous years, FY 18-19 witnessed the Sugar Industry facing difficulties because (1) Global Sugar Industry has reached saturation, (2) Global climate change has had an impact on Sugarcane output.

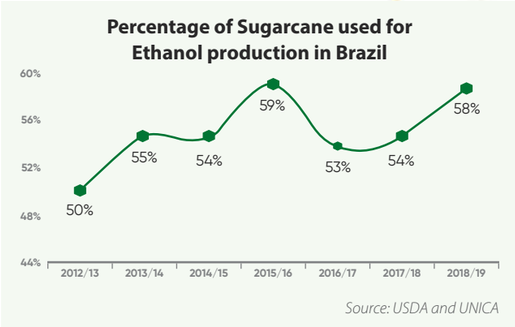
> There have been positive indications for the Global Sugar Industry as the supply from Sugar Producing and Exporting Countries are showing signs of decline and demand for Sugar consumption and import tends to increase.

At the 4th ASEAN Sugar Allinace Conference on June 17th 2019, hosted by TTC Bien Hoa, experts released statistics showing that Global Sugar market would go into a deficit of 3.1 million tons in the crop 19-20 compared to a surplus of 2.6 million tons in the crop 18-19; particularly in Asia, the deficit would be 9.5 million tons. Global Sugar output in FY 18-19 decreased by 7.5 million tons to about 188 million tons and continues to fall to 184 million tons in FY 19-20 . Future Raw Sugar price increased by 20% to 12.6 cents/lb by the end of June 2019 and is forecast to reach 14.5 cents/lb in early 2020 thanks to negative influences caused by weather, new trend in using Sugarcane for Ethanol production, the cut in production from Factories caused by the large amount of previous years' inventory. This transition is also attributed to changes in Global Leading Sugarcane Countries such as Brazil, India, Thailand and China. Some common changes need taking into consideration, for example, Farmers are switching to planting Soybean instead of Sugarcane; Gasoline prices has soared recently thanks to the increasing demand for biofuel, resulting in several countries direct their focus on Ethanol production; and Hedge Funds keep purchasing in the context of price reduction.

Farmers in Brazil, India are focusing on planting Soybean instead of Sugarcane to supply to China with higher price, while China is sharply reducing Soybean imports from the US as the result of the trade war. Within 2 years of 2017-2018, Soybean Planted Area in Brazil increased by 2 million hectares, meanwhile Sugarcane's reduced by 400,000 hectares - according to the Brazilian Government statistics. In addition, Gasoline prices rise as the Middle East conflict persists, spurring the sale of Ethanol. Factories in Brazil, India and Thailand continue to prefer Biofuel production to Sugar production. In the crop year 18-19, Brazilian Factories reached a record low while only using 35% of Sugarcane volume for Sugar production. Not only the Domestic demand, Global one for Ethanol is also on the increase, especially in the US, encouraging the acceleration in Ethanol production in many countries. As the result, the export of Sugar to the market has kept plummeting.

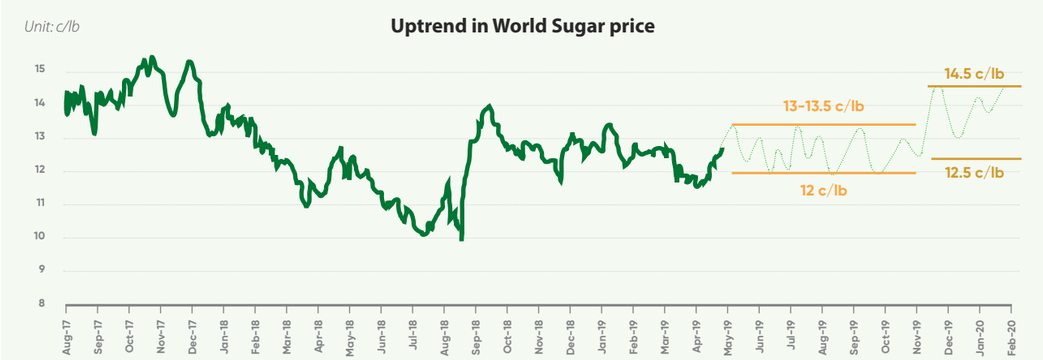


Source: American Renewable Fuels Association (RFA)



Source: USDA and UNICA

In the last FY, a number of Countries increased Sugar imports such as Malaysia, Indonesia - once the World's second largest Sugar Exporter but now becomes the second largest Sugar Importer after China. In the 2000-2008 period, Indonesia produced 1.5 - 2.8 million tons of Sugar; however, in 2018 and 2019, the production decreased to 2.2 million and 2.1 million tons respectively. The annual Sugar consumption in Indonesia is 6 million tons, resulting in about 3.9 million tons needed to offset the gap by importing, meanwhile China needs to import 6 million tons. All the above factors are having positive influences on Sugar price in the next years and being expected to bring opportunities for companies operating in the Sugar Industry.



Source: Thomson Reuters, LMC Sugar and Sweeteners Market Report in June 2019

Top Countries dominate the Global Sugar Industry

Country	Top 5 in the world	Output (million ton)/ Weight (%)							Reasons
		17-18	Weight	18-19	Weight	19-20 Forecast	Weight	+- 19-20/ 18-19	
Brazil	» 1st Producer » 1st Exporter » 4th Consumer	36.1	*19%*	26.5	*14%*	26.0	*14%*	**-2%**	» FY 19-20: The lowest supply in 13 years thanks to drought, a surge in Ethanol production, Sugar price reduction and Gasoline price increase » FY 18-19: Ethanol production arrived at 30.1 billion liters, accounting for 28% of Global production
India	» 2nd Producer » 4th Exporter » 2nd Consumer	34.7	*18%*	33.0	*18%*	29.0	*16%*	**-12%**	» FY 19-20: Supply will be low thanks to prolonged drought, reducing pressure on Global Sugar prices, expecting profits without Government subsidies, and escalating Domestic Sugar reserves » FY 18-19: Ethanol production reached 1.3 billion liters, 1% of Global production
Thailand	» 4th Producer » 2nd Exporter	14.7	*8%*	14.5	*8%*	13.0	*7%*	**-10%**	» FY 19-20: 40-50% exported Raw Sugar will be cut thanks to commitments in Biochemical support, shifting from planting Sugar to Cassava, receiving no signs of continuous Government susidies and boosting Ethanol production » FY 18-19: Ethanol production was 1.5 billion liters, 1% of Global production
China	» 5th Producer » 1st Importer » 3rd Consumer	11.2	*6%*	10.8	*6%*	10.4	*6%*	**-4%**	» FY19-20: It is continued to consume 16.8 million tons, of which 6 million tons will be imported, similar to Indonesia » FY 18-19: Ethanol production was 4.5 billion liters, 4% of Global production

Source: Worlddatlas, Nasdaq

VIETNAM SUGAR INDUSTRY - SUPPORTIVE FACTORS FROM THE GOVERNMENT AND PROSPECTS FOR GROWTH POTENTIAL

In FY 18-19, besides pressures from Global Sugar Industry, the Domestic Sugar Industry had to suffer more competitive pressures from smuggled Sugar whose amount was estimated to be nearly 500,000 tons. At the same time, the volume of imported Liquid Sugar continued to escalate. The import of Liquid Sugar reached 46,000 tons in 2014 and then increased to 140,000 tons in 2018, 3 times higher than 2014. Difficulties still exist but can be looked upon as motivation for Domestic Sugar Enterprises to engage in introspection, change the production thinking and enhance competitiveness. Opportunities for Vietnam Sugar Industry in FY 19-20 come from *(1) Close attention of the Government, (2) The potential Domestic Sugar Industry growth.*

In order for the Industry to survive, develop and enhance competitiveness in Global integration era, especially ATIGA entering into force as of January 1st 2020, the Government has increasingly issued Policies to support Domestic Sugar Industry.

No.	Main activities	Details
1	Decree 98/2018/ND-CP dated July 5th 2018 *Incentive policies for development of linkages in production and consumption of Agricultural products*	It must ensure that by 2020, from 80% to 95% products of Sugarcane, Shrimp and Basa; from 15% to 30% the output of Tea, Rice, Coffee, Exported Fruits, Safe Vegetables and etc. being consumed through the Chain linkage
2	Decision 4612/QD-BNN-CBTTNS dated November 22nd 2018 *Plan on enhancing competitiveness of Sugarcane Industry in the period 18-20*	» It helps to ensure the benefits of Sugarcane Farmers by implementing incentive policies and sign contracts of linking production and Sugarcane consumption: Supporting the development of associated projects, infrastructure; Agricultural extension support, Sugarcane planting materials and etc. » There are objectives to 2020: • The Sugarcane production area will be stable with 300,000 ha • Sugarcane output is aimed at over 20 million tons • The average yield of Sugarcane shall achieve 68-70 tons/ha • The average CCS is expected to reach 11-12, yield of 7 tons Sugar/ha » This Resolution plays an important role in supporting Vietnam Sugar Industry to increase competitiveness in the backdrop of imported Sugar penetration, especially that of Thailand
3	The EU - Vietnam Free Trade Agreement (EVFTA)	» It was officially signed on June 30th 2019 » Vietnamese Sugar exporting to Europe will not be taxed
4	Top priority and offered various options	» To tighten supervision of anti-smuggling of Sugar and commercial fraud » To develop the Liquid Sugar Tax Law » To control prices and quality
5	Approving the establishment of the Sugarcane Law	» To overcome shortcomings in the management and promulgation of legal documents and provisions » To entitle the competent Authorities to implement the inspection and punishment for the smuggled Sugar, avoiding the situation of "knowing something but cannot do anything about it"
6	Potential of Electricity and Ethanol	» There is a shortage of supply of Gasoline products because of Energy demand increase » Gasoline retail price increased by 7.5% -17.9% compared to the end of 2017 » The policy on boosting Biomass Electricity price to USD cents 7.5 from 5.8 per kWh is expected to be approved in 2019

Source: TTC Bien Hoa compiled

In addition, Vietnam Sugar Industry is gaining benefits from the overall National economic growth. In 2018, GDP has increased 7.08% yoy, the highest rate since 2008, exceeding the target set at the beginning of the year by 6.7%. Although the Global economy has entered a slowdown as risks increased from the US-China trade war, geopolitical conflicts in the Persian Gulf, no-deal Brexit and instability in Global policy, Vietnam's GDP in the first 3 Quarters of 2019 climbed to 6.98%. This is the best performance in the past 9 years, in which Agriculture, Forestry and Fishery gained by 2.02%, contributing 4.8% to the overall growth. According to ANZ and Standard Chartered, Vietnam's GDP growth in 2019 is forecasted to reach 7% and continue to maintain stability in the next coming years.

With a young age structure average at 31 years old, Vietnam's population has reached over 96 million by June 2019, becoming the 15th most populous Country in the World and 3rd in Southeast Asia. Consumption demand has continuously increased for products from FMCG and F&B Industries such as Confectionery, Soft drinks, Milk and etc. of which Sugar is an important and essential ingredient. Revenue in F&B Industry has grown quickly in recent years, been expected to achieve USD40 billion in 2021 from USD27 billion in 2017. According to Deloitte's projection, the Sugar market will continue to escalate both in quantity and quality.

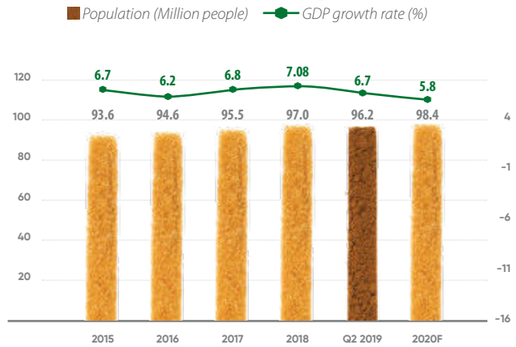
VIETNAM'S POPULATION BY JUNE 2019

96 MILLION PEOPLE

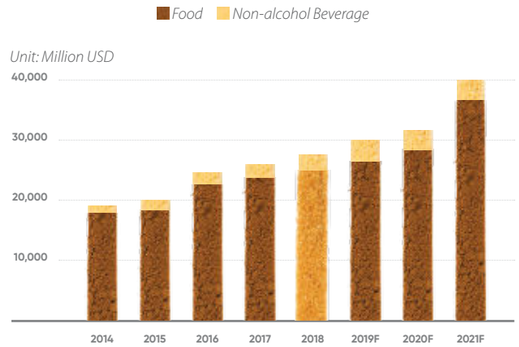
VIETNAM'S SUGAR DEFICIT OUTPUT IN FISCAL YEAR 19-20

0.8 MILLION TONS

GDP Growth rate and Population



F&B Industry Revenue

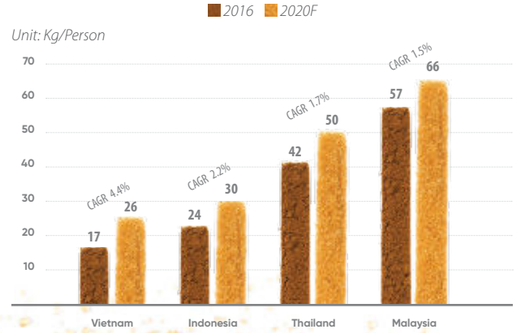


Source: Deloitte, TTC Bien Hoa compiled

Sugar consumption per capita in Vietnam in 2016 was only 17 kg/person/year, much lower than neighboring Asian Countries as Indonesia of 24 kg, Thailand of 42 kg and Malaysia of 57 kg according to EIU statistics. It is forecasted that by 2020, Vietnam's Sugar consumption per capita will reach 26 kg but that would be lower than that of Indonesia, Thailand and Malaysia, respectively at 39 kg, 50 kg and 66 kg.

> "Vietnam's output in Fiscal year 19-20 is expected to come to 1 million tons, while consumption will be 1.8 million tons, indicating a deficit of about 0.8 million tons. The room for Vietnam Sugar Industry development is relatively large. This is an opportunity for Sugar enterprises to focus on improving production and continuing to grow."

Consumption Sugar per capita in Asian Countries



Source: Deloitte, EIU, TTC Bien Hoa compiled

ATIGA - ANY OPPORTUNITY FOR VIETNAM SUGAR INDUSTRY

As of January 1st 2020, Vietnam is expected to officially eliminate quotas and tariffs in Sugar imports from ASEAN Countries as committed in the ATIGA. Domestic Sugar Enterprises are required to enhance their competitiveness due to the intense competition with major ones in the Region. The Vietnam Sugar Industry has have disadvantages on Raw Material Areas, farming practices and etc., causing the higher Cost of goods sold than other countries'.

> "The integration into Regional and Global markets will be a catalyst for Sugar factories to conduct self-analysis, implement process innovation, attach importance to expand mechanised Agriculture, connect closer to Farmers to ensure their stable income, invest in researching the diversification of Sugarcane Value Chain, thereby reducing price pressure on Sugar products."

This may cause difficulties for Domestic Sugar Enterprises, but they can consider this is as an opportunity to boldly change and catch the trend. The opportunity for the Sugar Industry to make a breakthrough at present is to provide product of best quality and in line with Consumer' preferences and especially diversify not only the Sugar product lines but also the By-products, serving the purpose of achieving perfect Sugarcane Value Chain. Only then can it cut costs and thus offering competitively priced products to Consumers but still ensuring business efficiency.

TTC Bien Hoa has proactively changed, improved production processes, reduced expenses, constantly researched and developed new products to maintain its Brand in Vietnam Sugar Industry which are a readiness for the competition with foreign Sugar enterprises. TTC Bien Hoa has focused more on producing healthy, high value-added Sugar products, which results in Profit margin achievements. In the last FY, TTC Bien Hoa decided to continue the expansion of Raw Material Areas to Cambodia, besides Laos, for its land being unspoiled and exempt from pollution caused by chemical cultivation. In addition, the Company can rent a large and seamless planted area and implement mechanization with ease to plant Organic Sugarcane in accordance with European standards. These are key steps to ensure the Company will continue to keep the pace and develop its Domestic Sugar market share in FY 20-21.

Sugar Industry still has a number of opportunities for development, in addition to Sugar products, it still has high Value-added By-products. Plenty of countries around the World has acknowledge Electricity produced from Bagasse as a type of Renewable Energy needing actively exploiting. Leading Sugar producing Countries such as India, Thailand and the Philippines all have specific policies to encourage Sugar Factories to sell Electricity to their National grid. The volume of Molasses allocated by the Thai Government to Ethanol producer this year is 300,000 tons as the demand for Biofuels to be expected to increase sharply and support the Environment protection. For TTC Bien Hoa, modern Factories besides producing Sugar have been fully prepared to deliver other By-products such as Commercial Electricity, Molasses, Fertilizers, Tea, Caramel.

> "TTC Bien Hoa is completing resources for the development of Products such as Mushroom, Paper/Pulp, Ethanol and other By-products Materials in the near future, forming a closed Production Chain to ensure the full exploitation of Sugarcane. Its well preparation will support the Company to dominate Domestic market share and enlarge Export markets."

STRATEGIC ORIENTATION

"With a milestone of M&A with Bien Hoa Sugar Joint Stock Company in September 2017, TTC Bien Hoa has been the largest Sugar Company in Vietnam in terms of operation scale and market share and on the way of maintaining a stable growth momentum, combining the strengths of Brand, Technology, Distribution System and Human Resources. From Fiscal year 19-20, the Company will focus on boosting production and business activities to get ready for strategic action **"3 Units: Manufacturer - Distributor - International Trade"**. TTC Bien Hoa aims at being a Leading Agriculture Company in Vietnam and the Region thereafter, principally providing clean Agricultural products through a sustainable production and distribution system."

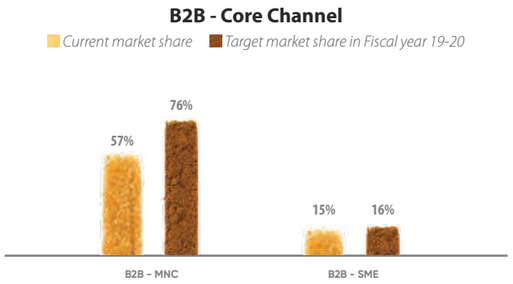
MANUFACTURING – EXPLOITING THE SUGARCANE VALUE CHAIN

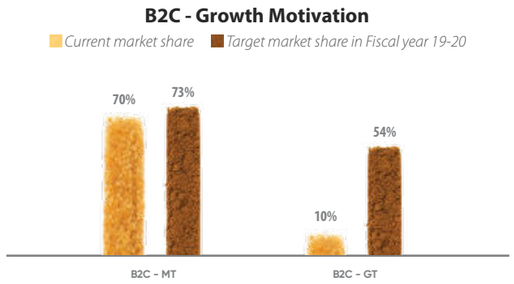
MAIN PRODUCT LINE DIVERSIFICATION

For development strategy to 2021, TTC Bien Hoa will consistently achieve 3 principal goals:

1. To maintain a leading position in B2B - MNC Channel with the best Customer service
2. To focus on opening markets in order to increase market share of B2B - SME Channel
3. To maintain the position of No.1 Sugar Brand in Vietnamese Consumers.

TTC Bien Hoa provides products as well as solutions to Customers. For B2B Channel, the Company will offer specialized product lines for each Customer, based on the criteria of cutting cost and facilitating the Partner's technology system. Regarding B2C Channel, the Company will provide a wide range of products catching up with modern culinary trends but still keeping the traditional essence including Black Sugar, Sugar Syrup, Rock Sugar and etc. In FY 19-20, the Company plans to launch new Sugar products with quality, design, and packaging in response to various Customer demands.





Source: TTC Bien Hoa

PROMOTING THE DEVELOPMENT OF HIGH-TECH BY-PRODUCTS AS WELL AS AGRICULTURAL PRODUCT CHAIN

With 24 years of experience in integrated and mechanized farming, applying the latest science and mechanical technology to production, combining with the available advantages in the Agricultural machinery business, at the same time, optimizing Raw Material Areas' strength of nearly 70,000 hectares in 3 Indochina Countries; the BOD aims at developing a clean, high-tech Agricultural Product Chain to maximize Revenue and Profit. In order to well-prepare for the diversification of Revenue, the Company has added 11 new professions, mainly in the field of breeding and cultivation of crops beside Sugarcane, thereby raising the total business lines to 42.

The Company plans to enhance the proportion of By-products, significantly adding to the proportion of products in the Agriculture Chain for fulfilling the stable and Sustainable Development goals. Revenue from By-products in FY 20-21 are expected to escalate 30% of total Revenue compared to 15% in FY 18-19. Total number of 8 By-products will be deployed comprising Drinking Water from Sugarcane, Bagasse, Mushrooms, Biomass Power, Molasses, Microbial Fertilizers, Liquid Fertilizers, Ethanol/ Biological Fuels.

In addition, the Company will expand their own business by other products including Agricultural mechanics, Industrial park lease, Logistics and the Agricultural Product Chain to prove its dynamism, deep understanding of the economy development and taking appropriate actions to minimize risks of one main product focus. Currently, TTC Bien Hoa is in the process of negotiating to link and cooperate with a various Asian large Corporations in the field of cultivation and breeding to take available advantages of relevant Parties in boosting and optimizing Profitability indicators for the Company.

By-products will be deployed according to the operational strategy

Product	Having deployed	Being under planning
Drinking water from Sugarcane	x	
Bagasse	x	
Mushrooms		x
Biomass Power	x	
Molasses	x	
Microbial Fertilizer	x	
Liquid Microbial Fertilizer		x
Ethanol / Biological fuels		x

Source: TTC Bien Hoa

STRATEGIC ORIENTATION (CONTINUED)

DISTRIBUTORS
EXPANDING BUSINESS NETWORK AND OPERATION SCALE

The Company will promote HORECA - Hotel, Restaurant, Catering/ Cafe system of B2C Channel which is a familiar term referring to the product distribution channel through Restaurants - Hotels and Food Service Units. In Developed Countries, HORECA is not a new concept, however in Vietnam this can be considered as an unfamiliar and attractive market that having momentums for development with a young age population structure leading to push consumption demand. The large number of businesses in the field of FMCG and F&B have been significantly grown in recent years.

> With a number of unexploited potentials, TTC Bien Hoa has quickly penetrated this Segment through making use of the existing distribution system, as well as high recognition of well-known Brand to Customers.

By end of FY 18-19, the Company exploited nearly 3,500 points of the total 90,000 points of sale from this Channel. Despite gaining a sharp growth of 77% yoy, it still accounted for a very modest proportion of about 4% market share. This demonstrates the plenty of room for growth potential of the HORECA Channel which, if reasonably developed, will bring tremendous market share.

3,500

POINTS OF SALE HAVE BEEN EXPLOITED FROM HORECA CHANNEL BY END OF FISCAL YEAR 18-19

Sugar products is expected to conquer the HORECA Channel consist of RE Sugar - *Pure and Natural*; Rock Sugar and Baking Sugar - *The gift for kitchen*; Brown Sugar and Dark Brown Sugar - *The nature's sweetness*; Cube Sugar - *Sugar to share*; Molasses and Sugar Syrup - *Sweetness from nature* and Diet Sugar. It is expected that by 2022, the points of sales in the Southern, Central and Northern Region will cover up to 30,000 points, an expansion of 9 times compared to FY 18-19 with an output of 54,000 tons and a Revenue of VND1,200 billion. Orientation of the HORECA Channel will gain 5 core goals:

1. To be a Leader in Sugar Industry in the Domestic market
2. To develop and boost the output of Sugar Bag and Sugarcane Juice products
3. To rapidly widen and cover in the wide area
4. To be available in at least 13 major Cities and Provinces
5. To cooperate with 10,000 Partners at the end of FY 19-20.

With the increasingly rapid urbanization rate, promoting the product distribution to the B2C Channel in areas with numerous development potentials consisting of the Countryside and the Northern Region will support the Company to remain a Leading in controlling market share, at the same time, affirming the position of brand, thereby promoting growth for the retail channel of Consumer goods. With a wide distribution network from the Southeast Region to the Central Coast, the Company will push up and expand the distribution system of the Northern Region through the approach of mid-range and near mid-range Customer segments. In FY 18-19, the output structure of Sugar consumption by Areas in the Northern Region was only 3%. The number of distribution points in this Area arriving in 10,000 is the Company's FY 19-20 target, a raise of 27% yoy. Thereby, the Sugar consumption in the North can be doubled compared to the FY 18-19.

INTERNATIONAL TRADE COMPANY
SMART OPENING, INTEGRATION WELCOME

> October 2018 marked a milestone for the Organic Sugar segment when TTC Bien Hoa officially signed a Strategic Cooperation Agreement with ED&F Man Sugar Company - the United Kingdom on offtaking Organic Sugar products produced in Laos and other Sugar Products in the Fiscal year 18-19 to the European market. An agreement between TTC Attapeu and the Strategic Partner was signed on product supply and consumption, including Organic Golden Cane Sugar and Golden Cane Sugar in the following 5 years at European Countries which require the most demanding standards for quality.

In December 2018, the first Organic Sugar products was produced and officially exported. In the end of FY18-19, a contract to export Organic Sugar to Europe was signed. The Organic Sugar products currently are significantly lucrative segment in the Company's business with the Profit Margin being much higher than the others average. In the future, the Company will continue to accrete Organic Sugar production in both Domestic and Export markets to optimize Revenue and Profit.

According to Market Research Future & Absolute Market Insights statistic, Global demand for Organic Sugar boosted by 31% in 4 years from 2010 to 2014. In 2017, the Organic Sugar Industry reached over USD784 million and was forecasted to stand at nearly USD1.4 billion by 2022 with CAGR of 16% in the period 2017-2022. To fully exploit the potential of this market, make careful preparation and proactive steps into the Organic Sugar segment, continue to invest and widen the Organic Farms in the upcoming time are TTC Bien Hoa's roadmap to International market share.

Although this is a big investment, however, being a Pioneer and Promoter of Organic Agriculture to minimize environmental impact, has both brought high Value-added Products to Consumers and profitability to the Company. TTC Bien Hoa therefore has showed serious investment in this Project. This is considered as a Strategic approach of TTC Bien Hoa to improve the competitiveness of Vietnam's Sugar Industry during integration.

In FY 17-18, TTC Bien Hoa exported its Premium Products to 6 markets. Just 1 year later, the Company gained outstanding achievements when the number of Export markets enhanced by 3.5 times, to 21 Countries including the US, Europe, Singapore and etc. with high value-added Products of Organic Sugar and Gold Sugar. Therefore, TTC Bien Hoa aims the short-term and medium-term strategy at continuing to exploit new Import markets, boost orders and expand International market shares. It is expected that the export Sugar consumption for FY 19-20 of TTC Bien Hoa will grow by 80% yoy, and FY 20-21 will record a 4-year CAGR of 26%.

In addition, in order to be proactive in competitive sources, the Company will study International trade markets, give specific plans for purchasing Raw Materials at forward prices/negotiated prices to minimize production costs, in consistency with different Customer channels.

Business plan in the Fiscal year 19-20

Items	Unit	Fiscal year 19-20	Fiscal year 18-19
Consolidated Revenue	VND Billion	10,903	10,885
Profit before tax	VND Billion	430	422
Dividend	%	4-6	4

CAPITAL MARKET ACTIVITIES

"Fiscal year 18-19 is considered to be a tough year for TTC Bien Hoa and Vietnam Sugar Industry due to the inadequate positive signals from the Global Sugar. In order to bring the Company out of temporary difficulties, the Board has strived to devise a number of Capital Market strategies to ensure liquidity for production, business, reinvestment, performance, Raw Material Areas expansion, keep moving in Domestic market share and enlarging Export markets."

Source: TTC Bien Hoa

DIVERSIFYING FUNDRASING METHODS

In Fiscal year 18-19, TTC Bien Hoa took initiative in liberation of capital in various types, including attracting capital from Foreign Strategic Investors and Bonds Issuance.

ON JULY 26TH 2019, THE COMPANY OFFICIALLY ANNOUNCED THE STRATEGIC INVESTOR AS DEG - ONE OF EUROPE'S WELL-KNOWN DEVELOPMENT FINANCE INSTITUTIONS OWNED BY THE GERMAN GOVERNMENT - AN INVESTMENT OF

USD **28** MILLION | VND **649** BILLION

WITH A PRICE OF VND30,000 PER SHARE, 75% HIGHER THAN SBT MARKET PRICE ON JUNE 30TH 2019.

The Preferred Stocks should be restricted in transfer for at least 1 year from the date of issuance. The preferred dividend period should be 6.5 years, with a fixed dividend of 5.5% per year for the first 1.5 years and then dependent upon an agreement between SBT and DEG in subsequent years. All preferred stocks do not come with voting rights but can be converted into common stocks upon 2 Parties agreement. The conversion price will be decided by TTC Bien Hoa and DEG at the time of conversion and will not exceed VND38,000 per share. This investment disbursed in September 2019 and TTC Bien Hoa's Charter capital reached over VND6,084 billion, up 3.7%. This International fundraising proves the Sugar Industry's prospects and TTC Bien Hoa's right orientation.

This disbursement will be used to make strategic investments in the Sugarcane business of Hoang Anh Gia Lai in Laos that TTC Bien Hoa bought in 2017 and changed its name to TTC Attapeu, along with investment costs for mechanization to expand Organic Sugar production. TTC Attapeu has a capacity of Sugarcane crushing of 7,500 tons per day, producing 750 tons of Sugar per day and Contracted Raw Material Area of some 10,000 ha in Attapeu Province. The investment from DEG will greatly contribute to the long-term capital restructuring and ensure stable resources for TTC Bien Hoa's Sustainable Development.

In addition to strict commitments on Financial indicators as capital structure, liquidity ratios, dividend payment, profitability ratios and etc., TTC Bien Hoa should fulfill and adhere to other Non-financial standards. During the negotiation process, DEG conducted due diligence on all non-financial information related to Governance, Information disclosure standards, Environment and Society. Moreover, Independent evaluation from a third party on TTC Bien Hoa's Social and Environmental performance was carried out in order to meet DEG requirements. Periodically, the Company had to plan for building, implementing and operating the Company's activities in accordance with local Environmental and Social standards; IFC Performance Standards on Environmental and Social Sustainability; Labour standards of the International Labour Organization and etc. These were a significant challenge, but also an opportunity for the Company to strive toward the UN's Sustainable Development Goals by 2030.

DEG, being a Financial Institution, has strategically invested in private companies in emerging markets over 55 years as well as provided the necessary support for Sustainable Development, by creating stable jobs for many Employees in the fields of Agriculture, Industry, Infrastructure and Financial Services. The close cohesion in investment strategy of DEG and TTC Bien Hoa is expected to support the Deal to achieve positive results during the cooperation process. In 2018, DEG's total investment was EUR8.4 billion, with a wide record in Asia, Africa, Latin America, Europe, North America, the Middle East and etc. DEG has been operating in Vietnam since 1993 and so far is managing a portfolio of more than EUR100 million. Identifying Vietnam as an important market, DEG is planning to significantly spread out its operations.

CAPITAL MARKET AND INVESTOR RELATIONS ACTIVITIES

In addition, the Company continues to mobilize capital by the issuance of Bond packages in order to increase working capital, invest for projects as well as restructure debts. Typically, in June 2019, TTC Bien Hoa issued a VND500 billion Bond package for Vietnam Maritime Commercial Joint Stock Bank - MSB. Successful Bond issuance in the condition of the Sugar Industry facing significant difficulties has demonstrated the reputation of the Company to Credit Institutions. The raised amount will be added to the Company's Working capital and used for production, researching new products, rising the production output volume, improving the Factories operation efficiency, thereby maximizing production costs and promoteing economic advantages by scale. Since then the Company continues to boost production, consumption and market share in both Domestic and International markets.

On September 3rd 2019, the private placement of Convertible bonds in VND was approved by the GMS for financial restructuring in a healthier manner, continuing to reduce short-term debt, and shifting capital structure in a long-term and safe direction, ensuring stable financial resources, fulfilling the rigorous requirements of Strategic Investors of the Company. TTC Bien Hoa has a plan to issue 2,400 Convertible Bonds with par value of VND1 billion per Bond, minimum term of 3 years and interest rate as negotiated specifically with Investors. 1 year since the date of issuance, the Bonds can be partly or entirely converted into common shares. The issues related to Conversion Price, Conversion Rate, Conversion Time, adjustment of Conversion Price (anti-dilution) and other issues related to conversion of bonds will be decided by the BOD.

PORTFOLIO RESTRUCTURING

"For ensuring internal rate of return and maximizing benefits for Shareholders as well as the Company, besides main businesses in Sugarcane, TTC Bien Hoa has restructured its investment portfolio by expanding to invest in potential sectors in line with the Company's development strategy."

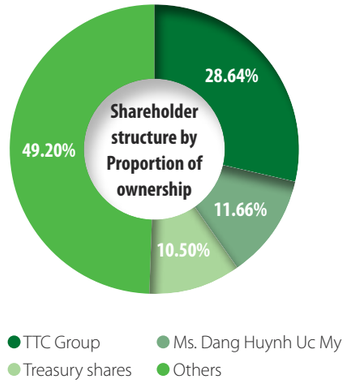
Adding to the Revenue from 152 MW of Thermo Power from Bagasse, TTC Bien Hoa's Member Company also purchased shares of Gia Lai Electricity JSC (GEC, Ticker: GEG - HOSE) in order to expand its investment. GEC is currently known as the Renewable Energy Development Company with a diverse portfolio of Hydropower, Solar Power, Rooftop Solar Power and Wind Power. Additionally, in FY 18-19, the Company also liquidated a number of profitable portfolios including divestment of 78.21% and 13.5% of Equity held in Tanisugar and Betrimex respectively.

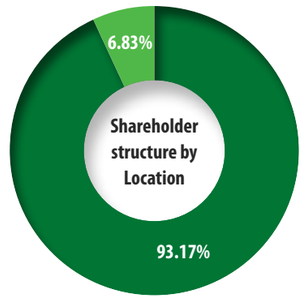
BUILDING AND MAINTAINING GOOD RELATIONSHIPS WITH DOMESTIC AND FOREIGN BANKS

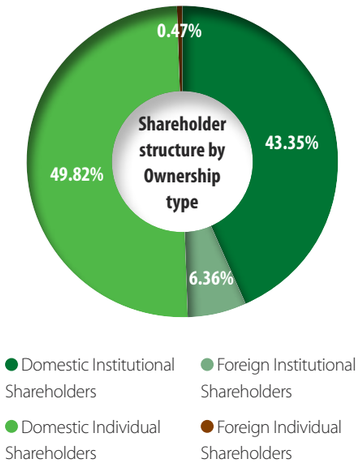
To improve efficiency of capital use, building the close relationship with the major financial institutions is highly prioritized by the Company. TTC Bien Hoa now has the credit lines with a total of 21 Banks including 12 Domestic and 9 Foreign Banks.

INVESTORS RELATION ACTIVITIES

SHAREHOLDER STRUCTURE IN THE FISCAL YEAR 18-19







"As of June 30th 2019, TTC Bien Hoa had 2 Major Shareholders held more than 5% of Share capital, accounted for 40.29% of Charter capital. These were 1 Organization, Thanh Thanh Cong Investment JSC, holding 168,021,963 shares equivalent to 28.64% and 1 Individual, Ms. Dang Huynh Uc My - Member of the Board of Directors, with 68,394,826 shares, equivalent to 11.66%."

The Company owned 61,600,900 Treasury shares, equivalent to 10.50% of the total outstanding shares. Treasury Shares represented an effort to protect the Shareholders interests, limit dilution risks for the existing Shareholders as well as express optimist view about the development prospects and growth potentials of the Company in the long term. On May 17th 2018, the Company completed the re-purchase of Treasury Shares starting on April 18th, 2018. Through the order matching, with an average price of VND17,857 per share, TTC Bien Hoa spent a total of nearly VND1,100 billion.

TTC Bien Hoa's Shareholder structure at June 30th 2019

No.	Shareholder structure by proportion of ownership	Number of shares	Ownership rate	Number of Shareholders	
				Individual	Organization
I	**Major Shareholders holding 5% or more of Share capital**	**236,416,789**	**40.29%**	**1**	**1**
1	Domestic	236,416,789	40.29%	1	1
2	Foreign	-	0.00%	-	-
II	**Shareholders holding 1% - 5% of Share capital**	**66,767,918**	**11.38%**	**2**	**3**
1	Domestic	42,276,355	7.21%	2	1
2	Foreign	24,491,563	4.17%	-	2
III	**Shareholders holding under 1% of Share capital**	**221,954,945**	**37.83%**	**9,978**	**115**
1	Domestic	206,359,544	35.17%	9,685	74
2	Foreign	15,595,401	2.66%	293	41
IV	**Treasury shares**	**61,600,900**	**10.50%**	**-**	**1**
	Total	**586,740,552**	**100%**	**9,981**	**120**

Source: TTC Bien Hoa

CAPITAL MARKET AND INVESTOR RELATIONS ACTIVITIES

SBT share transactions of Internal Persons and their Related Parties in period July 1st 2018 - June 30th 2019

No.	Transactor	Position	Ownership as of July 1st 2018 (*)		Ownership as of June 30th 2019 (**)		Reason for increase, decrease	Note
			Share	Ratio	Share	Ratio		
Internal Persons								
1	**Mr. Pham Hong Duong**	Chairman of the Board	1,585,469	0.28%	2,740,597	0.47%	Net buying, share dividend at 6%	-
2	**Ms. Dang Huynh Uc My**	Member of the Board	32,523,424	5.84%	68,394,826	11.66%	Net buying, share dividend at 6%	-
3	**Mr. Nguyen Thanh Ngu**	CEO	2,181,361	0.40%	3,372,241	0.57%	Net buying, share dividend at 6%	-
4	**Ms. Tran Que Trang**	Permanent Deputy CEO	1,225,550	0.21%	469,999	0.08%	Net selling	Resigned February 28th 2019
5	**Mr. Tran Quoc Thao**	Deputy CEO	199,938	0.03%	1,218,934	0.21%	Net buying, share dividend at 6%	-
6	**Mr. Nguyen Quoc Viet**	Deputy CEO	661,602	0.12%	1,761,298	0.30%	Net buying, share dividend at 6%	-
7	**Ms. Nguyen Thi Thuy Tien**	Be in charge of Information disclosure	100,446	0.02%	1,060,472	0.18%	Net buying, share dividend at 6%	-
Related Parties								
8	**Ms. Huynh Bich Ngoc**	Mother of Ms. Dang Huynh Uc My - The Board Member	5,551,864	1.06%	15,551,864	2.96%	Net buying, share dividend at 6%	-
9	**Mr. Nguyen Vu Linh Phung**	Mr. Truong Tri Cuong's wife - Deputy CEO	160,060	0.03%	0	0.00%	Net selling	-
	Total		**44,189,714**	**7.94%**	**94,570,231**	**16.12%**		

SBT share transaction of Major Shareholders in period July 1st 2018 - June 30th 2019

No.	Transactor	Ownership as at July 1st 2018 (*)		Ownership as at June 30th 2019 (**)		Reason for increase, decrease	Status
		Share	Ratio	Share	Ratio		
1	**Thanh Thanh Cong Investment Joint Stock Company**	107,511,290	19.30%	168,021,963	28.64%	Net buying, share dividends at 6%	Major Shareholders
2	**Ben Tre Import and Export Joint Stock Company**	76,124,566	13.67%	0	0%	Net selling	No longer be a major Shareholder since November 2018
3	**Ms. Dang Huynh Uc My**	32,523,424	5.84%	68,394,826	11.66%	Net buying, share dividends at 6%	Major Shareholders
	Total	**216,159,280**	**38.81%**	**236,416,789**	**40.30%**		

(*) Total number of shares as at July 1st 2018 was 557,018,673 shares
(**) Total number of shares as at June 30th 2019 was 586,740,552 shares

Source: TTC Bien Hoa

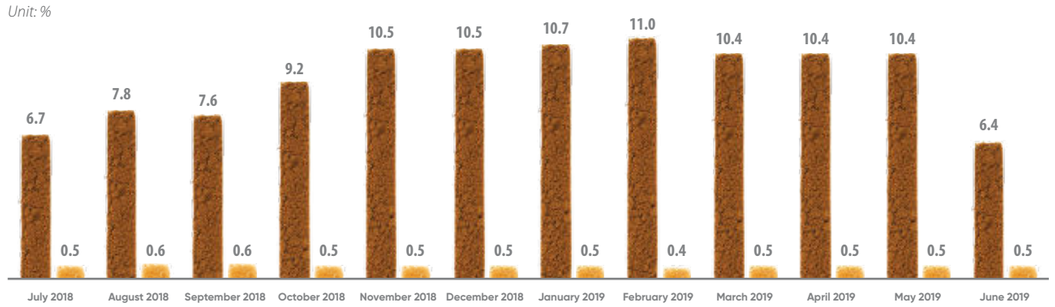
FOREIGN OWNERSHIP LIMIT OF 100%, SBT WAS IN 9 PRESTIGIOUS ETFS AND INDEX BASKETS IN THE MARKET

The ownership ratio of Domestic Shareholders accounted for a major proportion in the structure, being of 93.17% and the remaining 6.83% belonged to Foreign Shareholders. Since being approved by the State Securities Commission to raise the FOL to 100% from 49% in May 2018, TTC Bien Hoa's Foreign ownership ratio has been steadily increasing throughout the year. Foreign Investors have played an important role in Vietnam's stock market as their trading accounts for 15-20% of the total trading value as a whole. Attracting investment from Foreign Investors is crucial, especially when Foreign Investors have always been net sellers. In the context of fluctuating World economy, Foreign Investors became more cautious in choosing stocks for their investments.

In the opposite direction, stock code SBT has been one of the Foreign Investor's options in being net buying. In the first 3 weeks of October 2018, approximately 6 million SBT shares with a total value of nearly VND120 billion were net sold for Foreign Investors. The peak was on October 11th, SBT was in the Top 3 net buying of Foreign Investors along with DXG and VRE with a value of about VND15 billion while a series of Blue Chip shares were net sold.

SBT, as one of the 30 stock codes in VN 30, remained unchanged during the 2 reviewing periods in July 2018 and January 2019, was entered into the 9 Baskets of the World's most prestigious ETFs, being 19.2 million shares as of June 28th 2019. The outstanding ones were V.N.M ETF with nearly 14.1 million shares, VFMVN30 EFT with 2.9 million shares, DB XTRACKER FTSE VIETNAM SWAP UCITS ETF with 1.4 million shares and iShares MSCI Frontier 100 ETF with 849,000 shares. SBT fulfilled all the rigorous requirements through the screening of VN30 including: *(1) Market capitalization being among the Top 50 Enterprises listed on HOSE, on 25 January 2019 being VND9,958 billion, (2) High and stable liquidity with an average trading volume of 3.4 million shares per session, (3) Free-float rate reaching 50%, be greater than 10% on HOSE, (4) Stock turnover ratio being always equal and higher than 0.05%.*

Ownership ratio of Foreign Investors in July 1st 2018 - June 30th 2019



Source: TTC Bien Hoa

SBT share ownership of ETFs and Indices

No.	ETFs/ INDEX	July 2018		June 2019		Increase/ Decrease (Stock)	Status
		Quantity (Stock)	Ratio (%)	Quantity (Stock)	Ratio (%)		
1	VNM ETF - MVIS VN Index	9,889,745	1.79%	14,055,991	2.70	4,166,246	Increase
2	VFMVN30 ETF FUND	2,775,660	1.02%	2,852,408	0.77	76,748	Increase
3	DB XTRACKER FTSE VN SWAP UCITS ETF	2,823,861	1.25%	1,373,050	-	(1,450,811)	Decrease
4	iShares MSCI Frontier 100 ETF	988,920	0.12%	848,768	0.13	(140,152)	Decrease
5	SSIAM VNX50 ETF FUND	63,050	0.77%	53,049	0.55	(10,001)	Decrease
6	FTSE VN Index	Being of the Index					
7	FTSE VN All-Share Index						
8	MSCI Frontier Market 100						
9	MSCI VN Small Cap Index (USD)						
10	VN30						
11	VN100						
	Total	**16,541,236**	**-**	**19,183,266**	**-**	**2,642,030**	**Increase**

Source: Bloomberg

In June 2019, HOSE announced 26 stock codes in which SBT became the second underlying asset for derivative product in the stock market - Covered Warrant. The total limit offered for sale through SBT's Covered Warrant were nearly 24 million shares, equivalent to 4.6% of the outstanding shares. Because of being in the early stage of implementation, securities companies would issue call Covered Warrants. There were 8 securities companies participated in the issuance, including SSI, HSC, VCI, MBS, BSC, VNDS, VPS and KIS, according to the criteria of *(1) Customer's demand, (2) Capital potential for stock hedging and (3) Price fluctuation, potential and level of risk of the picked stock codes.*

CAPITAL MARKET AND INVESTOR RELATIONS ACTIVITIES

STOCK PRICES AND LIQUIDITY REMAINED STABLE DURING FISCAL YEAR 18-19

As of June 28th 2019	Last 23 days	3 months	6 months	12 months
Average daily trading volume (shares)	3,402,604	2,299,479	2,148,562	3,031,607
Average daily trading value (VND billion)	59.6	41.1	40.2	59.1
Share price				
› The highest price (VND)	18,050	19,000	21,150	22,700
› The lowest price (VND)	16,700	16,700	16,700	14,450
› Average closing price (VND)	17,413	17,878	18,757	19,038

Source: TTC Bien Hoa

In the period of July 1st, 2018 - June 28th, 2019, SBT remained stable developments with an average trading price of VND19,038, the highest price was VND22,700 on November 14th, 2018, and the lowest price was VND14,450 on July 2nd, 2018. As of June 28th, 2019, SBT's stock price had relatively good growth, reaching VND17,200 per stock, up 19% compared to the price of VND14,450 per stock at the beginning of the FY. SBT is currently one of the best liquidity stocks in the Sugar Industry when the average trading volume for 12 months came to over 3 million stocks, equivalent to trading value for each session of about VND59 billion while the average trading volume of other stocks was only about 93,000 shares, trading value of about VND3.2 billion, 32 and 17 times lower than SBT, respectively.

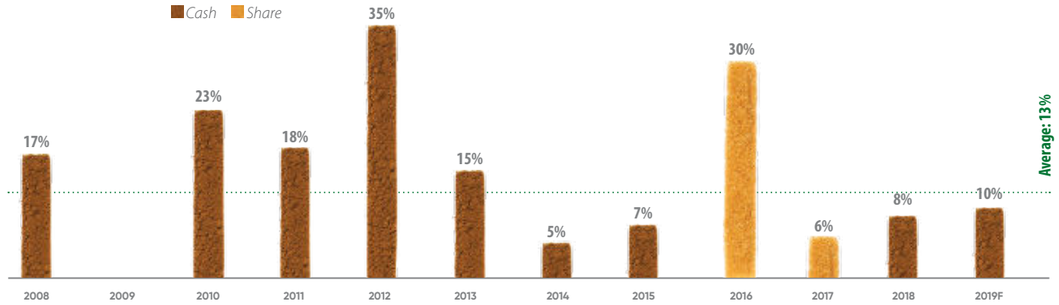
Liquidity of SBT and Peers' in the period of July 1st 2018 - June 28th 2019

No.	Company	Stock Code	Stock Exchange	Trading Volume (Shares)	Trading Value (VND billion)
1	Thanh Thanh Cong Bien Hoa Joint Stock Company	SBT	HSX	3,031,610	59.10
2	Quang Ngai Sugar Joint Stock Company	QNS	Upcom	296,740	11.92
3	Lam Son Sugar Joint Stock Company	LSS	HSX	66,730	0.45
4	Son La Sugar Joint Stock Company	SLS	HNX	6,470	0.37
5	Kon Tum Sugar Joint Stock Company	KTS	HNX	270	0.01

Source: Vietstock.vn

ENSURING DIVIDEND POLICY FOR SHAREHOLDERS, INVESTORS

In the recent FY, the Company has fulfilled all obligations to the Shareholders that was shown by a cash dividend of VND408 billion, equivalent to 8% of the par value of FY 17-18 and a share dividend of issuing 29,721,879 shares, equivalent to 6% of FY 16-17, The retained amount from this share issuance would ensure stable production performance in the current context.



Source: TTC Bien Hoa statics in June 2019

SECURITIES COMPANIES VALUATION ON SBT SHARES IN FISCAL YEAR 18-19

No.	Securities Company	Recom-mendation	Market price (VND)	Target price (VND)	Increase/ Decrease (%)	Revenue forecast in Fiscal year 18-19 (VND billion)		Time
						Net Revenue	Profit after Tax	
1	DVSC	Hold	16,200	18,847	16	-	-	August 13th 2018
2	PHS	Buy	19,200	25,137	31	14,636 (+42%)	775 (+42%)	August 22nd 2018
3	BVSC	Neutral	18,800	19,885	6	12,637 (+23%)	* 344 (+248%)	September 5th 2018
4	SSI		Earning Flash			12,000 (+17%)	700 (+28%)	September 18th 2018
5	FPTS	Hold	20,800	23,330	12	12,763 (+24%)	559 (+3%)	October 3rd 2018
6	HSC	Hold	20,400	21,724	6	11,993 (+17%)	579 (+6%)	October 5th 2018
7	Morning star	Appraisal	22,350	27,416	23	-	-	November 10th 2018
8	HSC	Hold	19,800	21,724	10	10,607(+3%)	**676 (-0.9%)	December 19th 2018
9	Morningstar	Appraisal	19,750	20,321	3	-	-	March 1st 2019
10	BSC		Earning Flash					March 1st 2019
11	BVSC	Neutral	19,000	19,039	0.2	10,928 (+6%)	492 (-10%)	April 8th 2019

** Profit coming from core business*
*** Profit before tax*

Source: TTC Bien Hoa

EXPECTED FINANCIAL CALENDAR FOR FISCAL YEAR 19-20

July 2019

- Separate and Consolidated FS in Quarter IV of FY 18-19
- Interpretation of FS in Quarter IV of FY 18-19
- CG Reports in FY 18-19

September 2019

Audited Separate FS and Consolidated FS in FY 18-19

October 2019

- Separate and Consolidated FS in Quarter I of FY 19-20
- Interpretation of FS in Quarter I of FY 19-20
- AGM in FY 18-19

November 2019

Investors Bulletin in Quarter I of FY 19-20

January 2020

- Separate and Consolidated FS in Quarter II of FY 19-20
- Interpretation of FS in Quarter II of FY 19-20
- Semi-annual CG Reports in FY 19-20

February 2020

- Roadshow for potential Investors, VIP Shareholders and Analysts
- Reviewed Separate and Consolidated Semi - Annual FS in FY 19-20
- Investors Bulletin in Quarter II of FY 19-20

March 2020

Investor Day - Vietnam Access Day - VCSC

April 2020

- Separate and Consolidated FS in Quarter III of FY 19-20
- Interpretation of FS in Quarter III of FY 19-20

May 2020

- Investor Day - Citi-SSI Vietnam C-Suite Corporate Day - SSI and Citi Group
- Investors Bulletin in Quarter III of FY 19-20

June 2020

Investor Day - HSC Emerging Vietnam - HSC

PROFILE OF THE BOARD OF MANAGEMENT

Mr. **Nguyen Thanh Ngu**
Chief Executive Officer
Year of Birth: 1987

Time of appointment as CEO: November 2014
Duration of service as CEO: *4 years and 7 months*
Duties and responsibilities: Overall management in HR, Business and Finance of the Company
Position held in other organizations (except for the Holding Company - Subsidiaries): *None*
Ownership of voting shares at the Company: 3,372,241 shares, accounting for 0.58%

Outstanding achievements

Graduation as Bachelor of Business Administration - International University of Vietnam National University HCMC, Mr. Ngu also participated in the first course of the *"Institute of Potential Leaders (IPL) Program - PACE"* which was sponsored by famous Entrepreneurs in Vietnam, with the participation of Mr. Dang Van Thanh - Chairman of TTC Group, Mr. Vo Quoc Thang - Chairman and CEO of Dong Tam Group, Professor Tran Van Tho - Waseda University - Japan and etc.

He early joined Thanh Thanh Cong Group and officially be chosen to stay on with the Sugar Industry. He has had experience in various Leadership positions at Ninh Hoa Sugar JSC, Gia Lai Sugarcane Thermoelectricity JSC, then moved to Thanh Thanh Cong - Tay Ninh JSC, Nuoc Trong Rubber JSC before taking the positions of Deputy Chairman of Tay Ninh Tapioca JSC, Chairman of the Board of Tay Ninh Sugar JSC, Deputy Chairman of Tapioca Vietnam Co., Ltd. and CEO of TTC Bien Hoa since 2014. In 2016, Mr. Ngu was named in the list of *"Under 30"* - Forbes Vietnam's 30 outstanding faces under 30 years old in various fields in Vietnam - the World's leading prestigious Business Magazine.

Over 10 years of experience in operation management in various Companies with different characteristics of production, technological level and Customer segments in Vietnam Sugarcane Industry, Mr. Ngu has flexibly applied and built effective management structure for pre and post M&A periods. This has been proven by the fact that TTC Bien Hoa's market share being up to 42% in Vietnam as well as its Brand name expanding into 21 Export markets. In FY 18-19, the total management expense of the post-M&A period decreased by 11% yoy while the consumption volume was rising impressively from 572,300 tons to nearly 749,000 tons, about 31%.

Ms. **Duong Thi To Chau**
Deputy Chief Executive Officer
Year of Birth: 1973

Time of appointment as Deputy CEO: October 2014
Duration of service as Deputy CEO: *4 years and 8 months*
Duties and responsibilities: Division of Sales
Position held in other organizations (except for the Holding Company - Subsidiaries): *None*
Ownership of voting shares at the Company: 89,395 shares, accounting for 0.02%

Outstanding achievements

Having graduated with a Bachelor Degree in Foreign Trade Economics from HCMC University of Economics, she participated in CEO and CFO Training Courses organized by the *"Institute of Potential Leaders (IPL) Program - PACE".* With gained experience in management at Nike Vietnam, Nagarjuna International and NIVL, She became Business Managers at Bourbon Tay Ninh JSC, Thanh Thanh Cong - Tay Ninh JSC and Bien Hoa Sugar JSC before being Deputy CEO of Thanh Thanh Cong - Tay Ninh JSC and Deputy CEO of TTC Bien Hoa since 2014.

With experience working at Sugar Enterprises as NIVL, Nagarjuna International, She has successfully developed the MNC Channel for TTC Bien Hoa with an over 20 years close sales relationship with Cocacola, Pepsi, Nestle, URC and etc. Post M&A, She and her colleagues skillfully brought out the synergies from 2 Groups, Bien Hoa JSC and TTC Bien Hoa, while applying flexible product tactics between different Factories and Customer Channels and specially investing for after-sales services, Customer care in order to enhance Brand reputation as well as expand market share.

"TTC Bien Hoa does not sell Sugar, we sell solutions to Customers", in FY 18-19, she has participated and successfully implemented the "Big Bag" Delivery Project for MNC Channel of B2B Customers, currently being the dominant one with 61% market share in Vietnam. The Project has brought a steady growth of sales volume at 10% annually, of which MNC Customers accounted for 37% of total sales. At the same time, She herself also directly involved in seeking and promoting process of cooperation with ED&F Man Sugar - United Kingdom on export and consumption of Organic Sugar made in Laos, as well as selling TTC Bien Hoa Sugar of the 2018-2019 crop to the European market for the first time.

Mr. **Nguyen Quoc Viet**
Deputy Chief Executive Officer
Year of Birth: 1977

Time of appointment as Deputy CEO: November 2016
Duration of service as Deputy CEO: *2 years and 7 months*
Duties and responsibilities: Division of Agriculture
Position held in other organizations (except for the Holding Company - Subsidiaries): *None*
Ownership of voting shares at the Company: 1,761,298 shares, accounting for 0.3%

Outstanding achievements

Graduation as Bachelor of Economics - Business Administration, Mr. Viet has over 10 years of experience in operation management at many Factories under the Company such as Bien Hoa Phan Rang Sugar JSC, Thanh Thanh Cong Tay Ninh JSC. After that, He was a BOD Member of Thanh Thanh Cong - Tay Ninh JSC and has held the position as Deputy CEO of TTC Bien Hoa since 2016.

Mr. Nguyen Quoc Viet is assigned to manage the Agricultural sector, which is considered the backbone in the Company's production and business.

Besides successful implementation of the Organic Cane Farm Project in Laos, FY 18-19 also marked the great contribution from his team upon successful signing a cooperation agreement with John Deere - a leading and reputable US Group with 180 years of operation in supplying Agricultural equipment. TTC Bien Hoa has officially become the sole agent of John Deere in Vietnam in selling mechanized equipment in the Sugarcane Sector.

Mr. **Le Quang Hai**
Deputy Chief Executive Officer
Year of Birth: 1964

Time of appointment as Deputy CEO: December 2017
Duration of service as Deputy CEO: *1 year and 6 months*
Duties and responsibilities: Division of Production Technology
Position held in other organizations (except for the Holding Company - Subsidiaries): *None*
Ownership of voting shares at the Company: 634,293 shares, accounting for 0.11%

Outstanding achievements

Being a Food Chemistry Engineer, Mr. Hai started working at Bien Hoa Sugar Company as Head of Technical Department, he then moved to be a Project Manager and Deputy CEO in charge of Production Technology. After that, He came to Thanh Thanh Cong - Tay Ninh JSC with the same position - Deputy CEO in charge of Production Technology and BOD Member before working at TTC Bien Hoa as Deputy CEO since 2017.

Having been working in the field of Sugar production technology since the 1990s, Mr. Hai has had over 30 years of experience in Sugarcane production technology and especially in Sugar refinery Factories. He participated in over 100 large and small scale Projects which were the Project on TTC Gia Lai Factory capacity upgrading Project, Project on the Coal-fired boilers capacity increase for Bien Hoa-Dong Nai Factory as well as R&D Project of new products as Co Ba Golden Sugar, Black Queen Sugar and etc. for B2C Channel.

In the FY 17-18, He has also played a crucial role in launching special Cube Sugar which could be successfully exported to stringent markets as the US and Singapore. He is currently working with the R&D Team to study other Projects to be launched in the FY 19-20, including Canned Sugarcane Juice, Sugarcane-Bagasse Paper Box in response to the rethinking-plastic movement and Sustainable Development in Environmental protection committed by TTC Bien Hoa to DEG Strategic Investors.

Mr. **Tran Quoc Thao**
Deputy Chief Executive Officer
Year of Birth: 1979

Time of appointment as Deputy CEO: February 2018
Duration of service as Deputy CEO: *1 year and 4 months*
Duties and responsibilities: Division of Finance
Position held in other organizations (except for the Holding Company - Subsidiaries): *None*
Ownership of voting shares at the Company: 1,218,934 shares, accounting for 0.21%

Outstanding achievements

Having graduated as Bachelor in Business Finance, he has had more than 12 years experience in finance across a wide range of industries from Real Estate to Manufacturing and Processing. Starting as Head of Investment Department of Dai Phuc Dafuco Housing Trading and Construction Company, then Deputy Director of Dang Huynh Industrial Zone Exploitation and Management Company, He joined the Sugar Industry in 2012 as Director of Sales and Support Division at Ninh Hoa Sugar JSC. He continued his leadership role as Deputy CEO at Ninh Hoa Sugar, Bien Hoa Sugar and TTC Bien Hoa - Dong Nai, before becoming Deputy CEO of TTC Bien Hoa since 2018.

Mr. Thao has indepth understanding of the cash flow, budget control in different Sugar Plants consisting of those from Sugarcane and from Raw Sugar. In the FY 18-19, Mr. Thao and his team contributed to the successful cooperation with DEG - one of European well-known development finance organizations owned by the German Government. This was a remarkable effort to improve the capital structure efficiency in line with sustainability and ensure stable resources for long-term development. He also formed a foundation for the development and application of IFRS Accounting Standards for TTC Bien Hoa. In the FY 18-19, the Company restructured its capital source towards a safer manner when the total Debts significantly felt yoy.

MESSAGE FROM CHIEF EXECUTIVE OFFICER

"TTC Bien Hoa - on sophistication through 50 years in the Sugar Industry, the Board of Management was instructed to fully implement business strategies in consonance with the Board of Director's guidelines, thereby maintaining the Company's momentum."

EXPECTED MARKET SHARE
IN FISCAL YEAR 20-21

MULTINATIONAL CORPORATION - MNC
AN INCREASE BY

33%

GENERAL TRADE - GT
AN INCREASE BY

440%

Dear Esteemed Shareholders/Investors, Customers, Farmers and Partners

Last fiscal year, due to the cyclical Industrial downtrend with an intensive Sugar surplus, the Global and Vietnam Sugar Industry had to face challenges and to a certain extent, TTC Bien Hoa was incontrovertibly affected. However, on sophistication through 50 years in the Sugar Industry, the BOM was instructed to fully implement business strategies in consonance with the BOD's guidelines, thereby maintaining the Company's momentum. We considered the Sugar Industry declining in FY 18-19 as a short-term and cyclical phenomenon; and Vietnam's Sugar Industry still has plenty of room for stable long-term growth, thanks to below crucial factors:

(1) *Sugar consumption per capita in Vietnam approximately stands at 17 kg/person/year, much lower in comparison with neighboring countries. Vietnam is 3.4 times lower in comparison with Malaysia, 2.5 times lower than Thailand and 1.4 times lower than the Philippines and Indonesia;*

(2) *Vietnamese food and nutrition trend is also influenced by the Western culture, in the way that it increasingly adopts convenience F&B while Consumer's health is remaining the core of attention;*

(3) *As of the end of Q2 2019, the national population, with a young age structure having high nutritional demands, reached 96 million people.*

A growth of 31% in sales volume and 6% in Revenue, equivalent to nearly 749,000 tons of Sugar and VND10,857 billion; and an increase of Domestic market share to 42% from 40% were remarkable for the Company in the last FY. While Sugar Industry as well as a plenty of Enterprises have been suffering from difficulties and losses, TTC Bien Hoa's achievements are a testament to the ceaseless and outstanding efforts of both Leaders and Employees.

In order to raise competitiveness and grasp opportunities when the Sugar Industry recovers, over the years, TTC Bien Hoa has consistently persisted in constructing a solid foundation for business, completing and continuously expanding distribution channels. It might be stated that TTC Bien Hoa is one of the few Vietnamese Sugar Companies owning a complete distribution system on 4 Customer Channels including B2B, B2C, Trading and Export through hundreds of Distributors across the Country.

At the end of FY 18-19, the market share in each Channel also proved to be predominant. The MNC of B2B recorded 57% of the market share, the Trading Channel was 22 Level 1 Distributors and approximately 50 Level 2, 3, 4 Distributors across the Country. Especially, TTC Bien Hoa' Sugar has been sold at over 60,000 Retail Stores, 3,500 Horeca Channel's Points of sale and predominantly 3,600 Supermarkets and Convenience Stores, accounting for 70% of the MT's market share. At the same time, the growth of the total export market by 3.5 times, catering to 21 Countries in 5 Regions of North America, Europe, Asia, Africa and Pacific Islands also contributed to the Company's success.

"TTC Bien Hoa has always been a Pioneer in Research and Development of multi-purpose Sugar products with high nutritional value or Organic origin to meet the demand of high-end Customers, namely the group of food production and processing Industry as well as the World's fastidious Import Countries including the US, Belgium, Italy, France and Singapore."

Complying to this philosophy, in FY 18-19, TTC Bien Hoa became the first export Vietnam Sugar Enterprise with over 5,000 tons of Organic Sugar - a high quality one to the US, European markets. In addition, Domestic Organic food production companies are also noticeable being Organic Sugar product Customers. For continuing improvement in business performance, the Company aims to cater for each Customer's specific requirements, producing products for particular markets, segments consisting of Big Bag's Sugar for B2B Channel or products under sub-labels comprising to ED&F Man Organic Sugar, OEM - Lotte Sugar and etc. In addition, by grasping the market trends, the Company has demonstrated itself sensitivity and dynamism. Specifically, a variety of products from Sugar to Co-products and By-products consisting of Queen Black Sugar, Bep Xua Caramel, Dark Brown Herb Tea, which were successfully researched, will be launched to the market in the near future for diversifying the Sugarcane Value Chain, improving operation efficiency and increasing competitiveness. At the end of the FY, total Sugar products of the Company numbered over 50 product lines and 5 By-products.

In terms of challenges, the Company consistently persisted in the core Industry of Sugarcane production and business, represented the determination and responsibility of a leading Firm and to Sugarcane Farmers. Under pressure when Global Sugar prices has been declining since 2018, TTC Bien Hoa made impressive efforts to call for successful investment from Foreign Financial Institutions as the DEG deal of USD28 million and being a Strategic Shareholders in September 2019. All is for the existence and overcoming difficulties along with the Farmers. In previous FY, the Agricultural policies on non-refundable subsidy increased from VND2 million to VND12 million per hectare. In particular, in Tay Ninh Region, the Company provided VND3.8 million per hectare for Ratoon crop level 2 harvested from stubbles and VND13 million per hectare for Sugarcane harvested from new plant crop in the Winter-Spring crop and enhanced to VND18 million in the Summer-Autumn crop. Furthermore, insurance policy for 10 CCS Cane has also been improved.

While Vietnam's Sugarcane area in 19-20 crop is forecasted to continue to decline, TTC Bien Hoa, with its efforts, still effectively controls the Raw Material Areas, constantly expanding and becoming the first and only Vietnam Sugar Company owning Raw Material Areas spreading across the Indochina Region.

The Company has also centralized on promoting R&D activities in the field of Agriculture. In FY 18-19, TTC Bien Hoa's R&D Department successfully bred and restored 8 Sugarcane varieties, completing experiments on a number of farms comprising to Thanh Long 1, Svayrieng, Tan Hung, Pi-dong and Mien Trung Bovine Breeding farm. In addition, the Company has also raised and released 365 million of red-eye bees for pest-controlling and pesticide-replacing purpose, thereby improving the quality of Sugarcane varieties, enhancing harvest yield and contributing to limiting environmental pollution causing soil degradation.

All the Company's business aspects closely adhere to the sustainable and environmentally friendly trend. Entering FY 19-20, the BOD realized an increase of Sugar demand recovery positive signals thanks to the shortage of Domestic and Global Sugar supply being more serious. The BOM and all Employees of TTC Bien Hoa have specific action plans in each Value Chain including (1) Streamlining the structure and processes - regulations, (2) Strictly monitoring and saving cost, (3) Controlling the effectiveness of investment projects and (4) Constantly improving product quality and etc.

For business plan to FY 20-21, TTC Bien Hoa continues to maintain production and market share growth in 2 target segments being B2B and B2C Channels; in which market share of the MNC and SME Channels respectively gaining by 33% to 76% and by 7% to 16%, and MT and GT Channels arriving in 73% and 54% respectively, climbing by 4% and 440%.

"Expanding the market share - Promoting the Value Chain" is the way to go as well as core message that the BOD and BOM convey to all Shareholders, Investors, Customers, Farmers and Partners, as appreciation for their companionship during the times of challenges. On basis of clearly-defined strategic directions in line with goals in Environment - Community - Society, I am fully confident to welcome outstanding development in FY 19-20 and subsequent years.

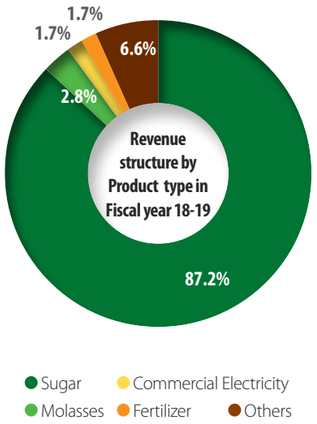
Nguyen Thanh Ngu
Chief Executive Officer

ANALYSIS OF PRODUCTION AND BUSINESS ACTIVITIES

ORIENTATION IN PURSUIT OF CORE STRATEGIES - MOTIVATION FOR FISCAL YEAR 19-20

"Consolidated Net Revenue reached VND10,857 billion, escalating VND572 billion year-over-year; Capital structure positively changed with reduced Liabilities of VND1,152 billion; Cash significantly grew to VND1,005 billion. Those were the highlights of the past year."

With thoughtful preparation and the proactive attitude towards developing and implementing plans, together with the solidarity and efforts of the Company's Leaders and Employees, TTC Bien Hoa achieved encouraging results in FY 18-19. The Company continued to sustain the growth in Sales, Market share as well as improve the Key Financial Indicators in the best possible way. Consolidated NR reached VND10,857 billion, escalating VND572 billion yoy; Capital structure positively changed with reduced Liabilities of VND1,152 billion; Cash significantly grew to VND1,005 billion. Those were the highlights of the past year. Considering the difficulties faced by Sugar Industry, the achievements in Market share growth, Export development, Raw Material expansion, Cost control and Revenue diversification showed determined efforts.



Source: Audited Consolidated FS for FY 18-19, TTC Bien Hoa

MOLASSES REVENUE

VND 302 BILLION

FERTILIZER REVENUE

VND 179 BILLION

In FY 18-19, Sugar was still the core Product when the accumulated Sugar Revenue of the whole FY was VND9,471 billion, up 5% over the same period, accounting for 87% of the NR. This development has been in line with the strategy for continuing to maintain and dominate the Domestic market share, expanding Export markets since the Company has officially entered "sprint stage" in FY 17-18 which lasts till FY 20-21. In order to minimize the risk of relying on a single source, the Company promoted the Sugarcane Value Chain of 5 By-products including Sugarcane-favored Bottled Water, Bagasse, Commercial Electricity, Molasses and Microbial Fertilizers. Remarkable achievements in FY 18-19 were Revenue of Electricity at VND181 billion, an increase of 106%; Molasses and Fertilizer contributed VND302 billion and VND179 billion respectively. Other Revenues of other Products such as Rubber, Milk, Beer, Rental services and etc. reached VND724 billion, up 26% yoy.

In the Revenue structure of TTC Bien Hoa in FY 18-19, 87.2% of Revenue came from Sugar products, 6.2% from By-products, 6.6% from Others. Compared to the same period last year, Revenue from Sugar decreased by 1%, By-products unchanged and Others went up by 1%. In addition, Revenue from Financial activities also showed an increase of 56% over the same period, at VND1,111 billion, which gained on the disposal of investments, accounting for 78% and the interest from bank deposits, loans, advance payments to supplier accounting for 20% of the total.

AS OF JUNE 30th 2019, TOTAL ASSETS

VND 16,743 BILLION

In FY 18-19, while Sugar consumption volume soared by 31%, the ratio of Sales Expenses on NR was controlled relatively well by the Company, a slight increase of 3.7% compared to 3.1% yoy. The expense was considered moderate in the context that the Company had to accept the increase in sales expense in the first few months in order to focus on the expansion of market share in other Customer channels which have room for development and great potential not only in FY 18-19 but also in years to come, including SMEs in B2B, GT in B2C. More importantly, Export Channel offered the most premium Sugar products which have an extremely attractive Profit Margin. Meanwhile, the ratio of Administrative Expense on NR in FY 18-19 slightly dropped to 4.1% due to efficient application of corporate management system ERP to the Company's overall management of its operations, thereby contributing to saving time and enhancing work efficiency.

As of June 30th 2019, TA achieved VND16,743 billion, with Cash accounting for about 6%, up 209% compared to the beginning of the FY, thanks to coherent sales policies and strategies of paying for financial investments and assets. Thereby Cash ratios increased substantially by 175% yoy and reached 0.11 times, better than the Industry Average of only 0.08 times. The net Cash flow in FY 18-19 improved remarkably while increasing from VND325 billion to VND1,005 billion of which the majority was from Net Cash flows from operating activities and investment from paying interests on the portfolio. This helps the Company enhance financial strength with a large amount of cash and ensure high liquidity in case of any payment issues, as well as enable punctual and effective investment when opportunities arise.

Item (VND Billion)	June 30th 2018	June 30th 2019
Net cash flow from operating activities	1,085	1,435
Net cash flow from investing activities	775	559
Net cash flow from financing activities	-1,737	-1,315
Cash and cash equivalent at the beginning of year	203	325
Impact of exchange rate fluctuation	-1	0
Cash and cash equivalent at end of year	**325**	**1,005**

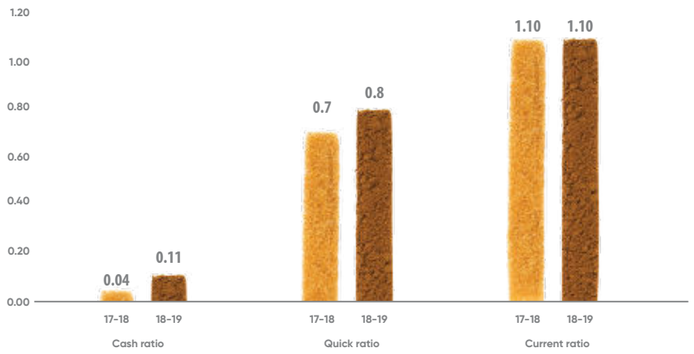
Source: TTC Bien Hoa

Meanwhile, Inventory was better controlled, thanks to the promotion of sales activities for market share domination, good management of Liability and Inventory optimization, resulting in Inventory decreased by 30% and accounted for 17% of TA as compared to 23% at the beginning of the FY. Thus, the average days that Sugar products in Inventory also were reduced yoy. Current ratio and Quick ratio were kept at a positive level, arriving at 1.1 times and 0.8 times respectively, higher than the Industry Average of 1.08 times and 0.64 times.

In terms of Liability structure, the Total Liabilities of the Company went down by 6% to VND672 billion, due to the decrease of 5% in Short-term Liabilities, equivalent to VND419 billion and that of 28% in Long-term Liabilities, equivalent to VND733 billion. The ratios of Net interest bearing debt on Owners' Equity and Net interest bearing debt on TA declined to 1.57 time and 0.55 time respectively, equivalent to a deduction of 7% and 5% compared to the beginning of the FY. In FY 18-19, the Company resolutely determined to reorganize the financial structure in order to reduce Short-term Liabilities, ensuring a healthier liability structure for long-term development plans in the future.

Liquidity ratios

Unit: Time



Source: TTC Bien Hoa

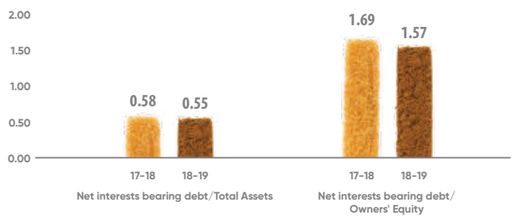
ANALYSIS OF PRODUCTION AND BUSINESS ACTIVITIES (CONTINUED)

In addition, with the orientation towards gradually shifting to using Equity instead of Liabilities, in which the highlight was the sales of USD28 million (equivalent to VND21.6 million of Preferred Dividend Shares) to Strategic Investors - DEG which was disbursed in September 2019, the Company's strategies for capital mobilization from International capital markets in FY 19-20 had a great start. The next highlight is VND2,400 billion Convertible Bond for Strategic Investors. It is expected to be disbursed at the latest by the beginning of 2020.

The strong shifts in the Liability structure indicate that the Company are faithfully following the planned roadmap to restructure the financial leverage towards a positive direction, thereby contributing to reducing interest expenses and enhancing operational efficiency and competitiveness. The Company's Charter capital as of June 30th 2019 achieved VND5,868 billion, up nearly 6% thanks to shares issuance in dividends to Shareholders.

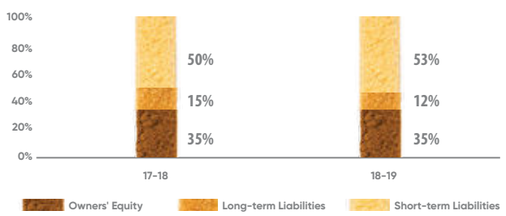
Capital ratios

Unit: Time



Capital structure

Unit: %



Source: Audited Consolidated FS for FY 18-19, TTC Bien Hoa

MARKET SHARE - THE FOUNDATION FOR COMPETITION AND DEVELOPMENT WITH ATIGA

"Although the Sugar Industry has not recovered as expected by Analysts, the total consumption volume of TTC Bien Hoa continued to maintain the development momentum in all Distribution Channels, reaching nearly 749,000 tons, an escalation of 31% over the same period. The gain in consumption volume primarily was in Business to Business when this Channel rose by 23%, especially in Small and Medium-sized Enterprises and Trading. TTC Bien Hoa considers this Channel as an instrument to deliver its products to new markets as well as to Northern and Central Regions, where the Company has no advantage of market share."

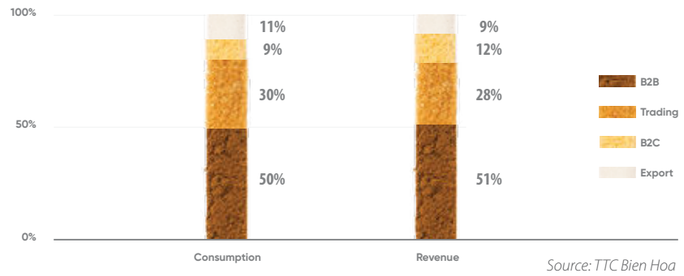
As being the Leading Company in Vietnam Sugar Industry when it comes to both market share and production technology, TTC Bien Hoa continues to focus on expanding the market, developing more new products to meet the diverse needs of Customers, conducting R&D activities to launch more premium and value-added products, thereby providing Consumers with the highest quality products.

REMARKABLE ACHIEVEMENTS IN FISCAL YEAR 18-19	BUSINESS TO BUSINESS	BUSINESS TO CUSTOMER	EXPORT
CONSUMPTION VOLUME GAIN YEAR-OVER-YEAR	Increasing by 23%	Increasing by 11%	Increasing by 5%
SUGAR CONSUMPTION STRUCTURE BY OUTPUT	50%	9%	11%
SUGAR REVENUE STRUCTURE	51%	12%	9%
CHANNEL	» MNC » SME	» GT » MT » KA	21 Export markets
MARKET SHARE	MNC: 57% - 30+ Customers SME: 15% - 700+ Customers	GT: 10% - 60,000 Retail Stores, 100 Distributors MT: 70% - 3,600 Supermarkets, Convenience stores KA: 4% - 3,500 Outlets	1 North America 6 Europe 8 Asia 1 Africa 5 The Pacific Islands
CHARACTERISTICS	» MNC Customers accounted for 78% of consumption volume, including big Names such as Pepsi, Coca Cola, Red Bull, Nestle, Masan, Nutifood, Tan Hiep Phat and etc. At present, for the MNC Segment, TTC Bien Hoa owns high market share which is forecast to keep increasing to 76% in FY 20-21 » The Company also focuses on SME Customers of which the number increased by 43% yoy. In Vietnam, more than 90% of Enterprises are SMEs, contributing up to 45% GDP. This is a segment that requires special attention, in which more than 10,000 potential Customers operating in Food Industry. The market share in this Segment is forecast to rise to 16% in FY 20-21	» The Company made the best use of BHS's extensive distribution system after the merger to bring products to each Consumer » The Company continued to introduce products with different packaging, 5 kg/bag and 12 kg/bag besides the previous packaging such as 50 kg, 25 kg, 1 kg, 500 gr in order to satisfy the diverse needs of Customers » The Company carried out the trial using E-commerce Channels for the retail system. It is expected to contribute to increasing Profit and making the process of bringing TTC Bien Hoa's Sugar to the Consumer easier and faster after it enters into stable operation » The market share in MT is at an attractive level and expected to raise to 73% in FY 20-21. For GT Channel, the market share is pretty modest but forecasted to have a breakthrough growth of 54% in the next 2 years	» Although this was a new Channel that was strongly concerned by the Company recently and greatly affected by changes in transaction prices and the supply - demand of Sugar in the World, the Company made great effort to maintain the expansion » The Company diversified the types of offering to Customers, enabling Customers to decide the purchase price on their own will as well as competing with International Traders » The Company succeeded in signing an agreement with Strategic Distributor ED&F Man who underwrites high-quality products - Organic Sugar for its export to Europe. Expected output is up to 33,000 tons per year » The Company gained access to demanding markets, for example, the US, Europe, South Korea, Singapore besides the expansion of its exports to China, Combodia, Philippines » This is the motivation for the Export Channel to continue to grow stronger in the future.

ANALYSIS OF PRODUCTION AND BUSINESS ACTIVITIES (CONTINUED)

Vietnam Sugar price has continuously plummeted, the steady upturn in Output, Market share and Revenue is a clear demonstration of the strategy that TTC Bien Hoa pursuing, "*Profit is temporary, Market share is permanent*". In FY 18-19, the Company's Profit decreased considerably compared to the plan and the same period last year when the Net Profit from Operating activities, PBT and PAT reached VND319 billion, VND422 billion and VND259 billion respectively. However, the results were fairly positive in comparison with other companies in the Industry as well as reasonable in the period of forming the strong base for the development of the following years, especially after ATIGA officially takes effect.

Sugar Structure by Consumption and Revenue in Fiscal year 18-19



Source: TTC Bien Hoa

Gross Profit Margin was only about 8%, a light reduction compared to 13% of the previous FY because the price was down faster than the cost as well as Finished Products and Raw Sugar in Inventory recorded a high price. EBITDA and EBIT Margins achieved 15% and 10% respectively, comparing to lower Gross Profit Margin but still decreased yoy.

In addition, some Ratios related to Profit also decreased being ROA at 2% and ROE at 5%. Apart from unmanageable causes that resulted in the decline in PAT, other causes when the Company restructured its finance and used more Equity instead of loans, serving the purpose of achieving long-term development and meeting the requirements of Strategic Investors - DEG that ensured a healthier financial structure.

ACHIEVEMENTS ON RAW MATERIALS AND PRODUCTION MANAGEMENT

RAW MATERIALS

"The volume of crushed Sugarcane in the last Fiscal year was lower than the same period due to the impact of climate conditions such as El Nino and prolonged hot weather. However, the average CCS of the Company reached 9.59 CCS, surging by 104% year-over-year thanks to the measures of improving Sugarcane quality, for example, underground plowing combined with other efficient tending activities."

Agricultural extension activities were promoted based on the results from the R&D Center of TTC Bien Hoa. The Company effectively fertilized the Sugarcane according to the soil test results at the Farms and increased the percentage of Organic Fertilizers used by proposing the subsidy policy on Organic Sugarcane Fertilizer and encouraging the Farmers to apply the right amount of fertilizer. The Company also put forwards policies on application of 3-in-1 farming system and cultivation of germination and single bud setts at Thanh Long Farm. The result earned from these drastic courses is that Sugarcane quality in FY 19-20 is forecast to increase 9.75 CCS.

PRODUCTION MANAGEMENT

The production consumption in FY 18-19 reached nearly 550,000 tons and processing costs were controlled well, achieving 97% as planned. The Sugar production was flexibly adjusted to meet the business needs and the goals of increasing output and dominating market share as well. In addition, with the policy aimed at improving the recovery efficiency and minimizing the total loss in the production stage, in FY 18-19, the Company strictly controlled the production activities in order to ensure the Factories being optimally-operated.

The Company also controlled the repair costs well when the costs dropped VND47 billion compared to those in FY 17-18 meanwhile the repair progress was good as planned, leading no harm to the preparation of new season. Besides, the consumption of auxiliary materials reduced quite effectively when it was lower than that of the same period. Quality control was implemented more strictly, contributing to minimizing consumption in most Factories. The recently-deployed activities of reducing steam and electricity consumption helped lower steam and electricity consumption below the norms and that of the previous season.

In the year, the Company implemented and completed a number of important projects in order to lessen costs but still assure the output quality. Steam-saving Project contributed to reducing steam consumption, saving Bagasse for the Sugar production after season as well as enhancing the refined Sugar output produced from Raw Sugar without using other fuel materials but Bagasse. In order to satisfy the requirements of Customers such as Nestle, Ajinomoto and etc. about changing delivery methods as well as to become the pioneer and seize the opportunities of monopolizing the method of delivering in 1 ton bag, the Project of Diversify delivery methods by using Big Bag packaging was also put into operation.

In order to increase the optimization in transportation and reduce labor costs as well as meet the increasing requirements of the Customers, the Project of Completing the automation Robot system in loading 50 kg bag at the Bien Hoa - Dong Nai Factory started to show some results and prepared to enter the 2nd phase which was using pallets in all the stage of production, storage and delivery. The Company also installed and utilized the Rooftop Solar Power generated at 9 Factories to take advantage of clean Energy source and save operating costs as the State encouraged the sales of Solar Power and offered the purchasing price at USD cents 9.35 per kWh, equivalent to VND2,086 per kWh. Finally, the Project of Drying Bagasse was already installed and ready to undergo the trial. This has a capacity of 110 tons/hour, in which the excess heat of flue gas was used to dry and reduce the moisture in the Bagasse before being put into the boilers.

THE MAIN OBJECTIVES FOR THE FISCAL YEAR 19-20

CAPITAL STRUCTURE

Restructuring Liability structure

Turning Short-term Liabilities to Long-term Liabilities at least

VND**2,000** BILLION

Ensuring liquidity

Maintaining the limit of available Short-term Liabilities at least at

VND**7,000** BILLION

ACCOUNTING SYSTEM

- Completing the reporting system IFRS and AX in all Business Units
- Developing forms/regulations regarding internal transactions according to IFC guidance
- Reporting on compliance with Accounting and Law on tax in Business Units
- Controlling internal transactions
- Managing Liabilities for the Stakeholders

REPORTING SYSTEM

- Issuing and standardizing the Report on Governance and Operation in order to optimize price management and business efficiency
- Controlling outstanding loans and indicators as committed to Investors
- Standardizing periodic reports according to the new cost structure "11 Cost Driven"

ACTIVITIES OF SUBSIDIARIES AND ASSOCIATES

As of 30th June 2019, TTC Bien Hoa owned 6 Direct Subsidiaries, 12 Indirect Subsidiaries and 2 Associates. To have more details of the business areas of each Company, please refer to page 99 to 100 - Audited Consolidated FS by E&Y in the AR of TTC Bien Hoa in FY 18-19.

THANH THANH CONG - BIEN HOA JOINT STOCK COMPANY

DIRECT SUBSIDIARIES

1 Thanh Thanh Cong Alcohol Trading Production Joint Stock Company
Ownership rate: **90%**
Head office: Tay Ninh
Voting rights (*): 90%
Charter capital: VND189 billion

2 Miaqua Water One Member Limited Company
Ownership rate: **100%**
Head office: Tay Ninh
Voting rights (*): 100%
Charter capital: VND1 billion

3 Hai Vi Limited Company
Ownership rate: **100%**
Head office: Tay Ninh
Voting rights (*): 100%
Charter capital: VND2 billion

4 Gia Lai Thermoelectricity One Member Company Limited
Ownership rate: **100%**
Head office: Gia Lai
Voting rights (*): 100%
Charter capital: VND130 billion

5 TSU Investment Private Limited Company
Ownership rate: **100%**
Head office: Singapore
Voting rights (*): 100%
Charter capital: VND284 billion

6 Thanh Thanh Cong Gia Lai Limited Company
Ownership rate: **100%**
Head office: Gia Lai
Voting rights (*): 100%
Charter capital: VND540 billion

INDIRECT SUBSIDIARIES

1 Nuoc Trong Sugar Joint Stock Company
Ownership rate: **58.59%**
Head office: Tay Ninh
Voting rights (*): 58.59%
Charter capital: VND58 billion

2 Mien Trung Bovine Breeding Joint Stock Company
Ownership rate: **92.04%**
Head office: Khanh Hoa
Voting rights (*): 92.04%
Charter capital: VND24 billion

3 Bien Hoa - Phan Rang Sugar Joint Stock Company
Ownership rate: **95.79%**
Head office: Ninh Thuan
Voting rights (*): 95.79%
Charter capital: VND2 billion

4 Bien Hoa - Thanh Long One Member Limited Liability Company
Ownership rate: **98%**
Head office: Tay Ninh
Voting rights (*): 98%
Charter capital: VND20 billion

5 BTCO Limited Company
Ownership rate: **100%**
Head office: Gia Lai
Voting rights (*): 100%
Charter capital: VND8 billion

6 Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company
Ownership rate: **100%**
Head office: Tay Ninh
Voting rights (*): 100%
Charter capital: VND30 billion

7 Bien Hoa Import - Export - Trading Joint Stock Company
Ownership rate: **100%**
Head office: HCMC
Voting rights (*): 100%
Charter capital: VND120 billion

8 Gia Lai Thermoelectricity One Member Company Limited
Ownership rate: **100%**
Head office: Khanh Hoa
Voting rights (*): 100%
Charter capital: VND300 billion

9 Bien Hoa - Ninh Hoa Sugar One Member Limited Liability Company
Ownership rate: **100%**
Head office: Khanh Hoa
Voting rights (*): 100%
Charter capital: VND608 billion

10 TTC Attapeu Sugar Cane Sole Limited Company
Ownership rate: **100%**
Head office: Laos
Voting rights (*): 100%
Charter capital: VND1,470 billion

11 TTC Attapeu Sugarcane Limited Company
Ownership rate: **100%**
Head office: Gia Lai
Voting rights (*): 100%
Charter capital: VND1,715 billion

12 TTC Bien Hoa - Dong Nai Sugar One Member Limited Company
Ownership rate: **100%**
Head office: Dong Nai
Voting rights (*): 100%
Charter capital: VND2,979 billion

ASSOCIATES

1 Tay Ninh Chemical Industry Joint Stock Company
Ownership rate: **19.13%**
Head office: Tay Ninh
Voting rights (*): 19,13%
Charter capital: VND165 billion

2 Tay Ninh Sugar Joint Stock Company
Ownership rate: **21.67%**
Head office: Tay Ninh
Voting rights (*): 21,67%
Charter capital: VND294 billion

(*) Including direct and indirect voting rights of the Group

THANH THANH CONG - BIEN HOA JOINT STOCK COMPANY

AUDITED FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS FISCAL YEAR 18-19

CONSOLIDATED FINANCIAL STATEMENTS 18-19

GENERAL INFORMATION

THE COMPANY

Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Investment License No. 1316/GP issued by the Ministry of Planning and Investment on 15 July 1995 and as amended, with the latest being the 7th amended Enterprise Registration Certificate dated 14 February 2019.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange with trading code as SBT in accordance with License No. 27/QD-SGDCKHCM issued by the Ho Chi Minh City Stock Exchange on 18 February 2008.

The current principal activities of the Company are producing sugar and electricity; planting sugar cane; producing and trading products using sugar or its by-products, Waste products; producing and trading fertilizer, Agricultural materials; constructing civil project; trading hotel and restaurant; constructing and trading industrial zone infrastructure; mechanical processing; consulting engineering, technology, and management in sugar's production industry; producing and trading alcohol products; trading real estates, rent houses and apartments and investing activities.

The Company's head office is located at Tan Hung Commune, Tan Chau District, Tay Ninh Province, Vietnam and its representation office is located at No. 253, Hoang Van Thu Street, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Pham Hong Duong	Chairman	
Ms Dang Huynh Uc My	Member	
Mr Henry Chung	Member	
Ms Huynh Bich Ngoc	Member	appointed on 1 July 2019
Mr Hoang Manh Tien	Member	appointed on 1 July 2019
Ms Nguyen Thuy Van	Member	resigned on 3 September 2019
Mr See Beow Tean	Member	resigned on 1 July 2019
Mr Le Ngoc Thong	Member	appointed on 15 November 2018 resigned on 1 July 2019
Ms Nguyen Thi Hoa	Member	resigned on 15 November 2018

INTERNAL AUDIT FUNCTION UNDER THE BOARD OF DIRECTORS

Members of the Internal Audit Function under the Board of Directors during the year and at the date of this report are:

Mr Hoang Manh Tien	Head of the Board	appointed on 3 September 2019
Ms Nguyen Thuy Van	Head of the Board	resigned on 3 September 2019
Mr Henry Chung	Member	
Mr See Beow Tean	Member	resigned on 1 July 2019

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Nguyen Thanh Ngu	General Director	
Ms Tran Que Trang	Permanent Deputy General Director	resigned on 28 February 2019
Ms Duong Thi To Chau	Deputy General Director	
Mr Tran Quoc Thao	Deputy General Director	
Mr Le Quang Hai	Deputy General Director	
Mr Nguyen Quoc Viet	Deputy General Director	resigned on 22 July 2019
Mr Le Duc Ton	Acting Branch Director	
Mr Le Huy Thanh	Agricultural Director cum acting Material Development Director - Zone 1	appointed on 1 July 2018
Ms Truong Thi Kim Phuong	Business Director	
Mr Tran Huy Hao	Director of Commercial Center TTC Plaza Tay Ninh	appointed on 1 September 2018
Mr Huynh Van Phap	Business Director	
Mr Trang Thanh Truc	Public Relationship Director	
Ms Doan Vu Uyen Duyen	Chief Finance Director	appointed on 5 September 2018
Mr Luu Anh Kiet	Supply Director	appointed on 15 October 2018 resigned on 1 July 2019
Ms Le Ha Thi Mai Thao	Human Resources Director	appointed on 20 November 2018
Mr Nguyen Ba Chu	Development Director	appointed on 9 November 2018
Mr Nguyen Anh Vu	Investment Relationship Director	appointed on 1 August 2018 resigned on 15 December 2018
Mr Truong Tri Cuong	Acting Deputy General Director Management System Director	appointed on 22 August 2018 resigned on 23 April 2019

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Pham Hong Duong.

Mr Nguyen Thanh Ngu is authorized by Mr Pham Hong Duong to sign the accompanying consolidated financial statements for the year ended 30 June 2019 in accordance with the Decision No. 45a/2018/QD - CT.HDQT dated 1 November 2018.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

AUDITED FINANCIAL STATEMENTS FISCAL YEAR 18-19

CONSOLIDATED FINANCIAL STATEMENTS 18-19

REPORT OF THE MANAGEMENT AND APPROVAL OF THE BOARD OF DIRECTORS

The Board of Directors and The Management of Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") are pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2019.

THE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

APPROVAL OF THE BOARD OF DIRECTORS

The Board of Directors does hereby approve the accompanying consolidated financial statements. Those consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of the consolidated results of its operations and its consolidated cash flows for the year ended 30 June 2019 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of The Board of Directors:

Pham Hong Duong
Chairman

Ho Chi Minh City, Vietnam
28 September 2019

INDEPENDENT AUDITORS' REPORT

Reference: 61248763/20673558/HN

To: The Shareholders of Thanh Thanh Cong - Bien Hoa Joint Stock Company

We have audited the accompanying consolidated financial statements of Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 28 September 2019 and set out on pages 92 to 146 which comprise the consolidated balance sheet as at 30 June 2019, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 30 June 2019, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited

Pham Thi Cam Tu
Deputy General Director
Audit Practicing Registration Certificate
No. 2266-2018-004-1

Tran Thanh Thuy
Auditor
Audit Practicing Registration Certificate
No. 3076-2019-004-1

Ho Chi Minh City, Vietnam
28 September 2019

CONSOLIDATED FINANCIAL STATEMENTS 18-19

CONSOLIDATED BALANCE SHEET
as at 30 June 2019

B01-DN/HN

VND

Code		ASSETS	Notes	Ending balance	Beginning balance (Reclassified - Note 36)
100	**A.**	**CURRENT ASSETS**		**9,794,108,835,254**	**9,813,282,063,081**
110	***I.***	***Cash and cash equivalents***	***5***	***1,004,775,238,727***	***324,968,354,928***
111	1.	Cash		916,275,238,727	270,968,354,928
112	2.	Cash equivalents		88,500,000,000	54,000,000,000
120	***II.***	***Short-term investments***		***767,786,825,451***	***614,337,054,432***
121	1.	Held-for-trading securities	6	165,370,489,390	147,759,126,842
122	2.	Provision for held-for-trading securities	6	(808,663,939)	(8,622,072,410)
123	3.	Held-to-maturity investments	7	603,225,000,000	475,200,000,000
130	***III.***	***Current accounts receivable***		***5,036,419,501,120***	***4,714,794,529,834***
131	1.	Short-term trade receivables	8.1	1,697,027,535,241	1,985,622,504,186
132	2.	Short-term advances to suppliers	8.2	1,946,736,551,586	2,327,714,818,742
135	3.	Short-term loan receivables	9	15,000,000,000	215,317,000,000
136	4.	Other short-term receivables	10	1,425,093,673,613	261,557,425,508
137	5.	Provision for doubtful short-term receivables	8, 10	(47,438,259,320)	(75,417,218,602)
140	***IV.***	***Inventories***	***11***	***2,781,398,584,531***	***3,971,722,969,990***
141	1.	Inventories		2,803,564,311,503	4,009,377,285,392
149	2.	Provision for obsolete inventories		(22,165,726,972)	(37,654,315,402)
150	***V.***	***Other current assets***		***203,728,685,425***	***187,459,153,897***
151	1.	Short-term prepaid expenses	12	140,253,036,651	126,639,033,019
152	2.	Value-added tax deductible	22	51,414,140,996	45,214,465,625
153	3.	Tax and other receivables from the State	22	12,061,507,778	15,605,655,253

VND

Code		ASSETS	Notes	Ending balance	Beginning balance (Reclassified - Note 36)
200	**B.**	**NON-CURRENT ASSETS**		**6,949,187,500,459**	**7,880,275,890,655**
210	***I.***	***Long-term receivables***		***146,094,934,345***	***542,698,458,694***
212	1.	Long-term advances to suppliers	8.2	109,158,380,150	129,111,796,826
216	2.	Other long-term receivables	10	36,936,554,195	413,586,661,868
220	***II.***	***Fixed assets***		***4,352,308,080,526***	***4,698,440,525,940***
221	1.	Tangible fixed assets	13	4,135,227,110,484	4,506,630,843,371
222		Cost		8,458,357,225,032	8,483,696,268,432
223		Accumulated depreciation		(4,323,130,114,548)	(3,977,065,425,061)
224	2.	Finance leases	14	102,937,566,560	119,133,104,380
225		Cost		142,678,391,405	151,725,361,276
226		Accumulated depreciation		(39,740,824,845)	(32,592,256,896)
227	3.	Intangible fixed assets	15	114,143,403,482	72,676,578,189
228		Cost		157,580,686,655	106,932,919,031
229		Accumulated amortisation		(43,437,283,173)	(34,256,340,842)
230	***III.***	***Investment properties***	***16***	***157,234,743,426***	***181,161,531,163***
231	1.	Cost		179,231,206,174	205,807,780,825
232	2.	Accumulated depreciation		(21,996,462,748)	(24,646,249,662)
240	***IV.***	***Long-term asset in progress***		***678,948,939,496***	***134,062,023,484***
242	1.	Construction in progress	17	678,948,939,496	134,062,023,484
250	***V.***	***Long-term investments***	***18***	***124,931,823,163***	***637,130,825,071***
252	1.	Investments in associates	18.1	105,631,208,868	192,557,122,221
253	2.	Investments in other entities	18.2	20,041,830,629	445,314,919,184
254	3.	Provision for long-term investments		(741,216,334)	(741,216,334)
260	***VI.***	***Other long-term assets***		***1,489,668,979,503***	***1,686,782,526,303***
261	1.	Long-term prepaid expenses	12	1,332,920,724,205	1,500,510,998,039
262	2.	Deferred tax assets	34.3	8,941,089,965	15,853,707,016
269	3.	Goodwill	19	147,807,165,333	170,417,821,248
270		**TOTAL ASSETS**		**16,743,296,335,713**	**17,693,557,953,736**

CONSOLIDATED BALANCE SHEET (CONTINUED)
as at 30 June 2019

B01-DN/HN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	**C. LIABILITIES**		**10,924,103,440,168**	**11,596,198,019,420**
310	***I. Current liabilities***		***8,966,033,051,411***	***8,901,828,418,619***
311	1. Short-term trade payables	20	503,771,032,003	357,620,227,232
312	2. Short-term advances from customers	21	147,197,520,262	189,075,241,605
313	3. Statutory obligations	22	193,431,046,035	159,302,208,063
314	4. Payables to Employees		21,063,605,678	26,482,285,100
315	5. Short-term accrued expenses	23	366,675,617,145	299,200,761,237
318	6. Short-term unearned revenues	26	13,697,420,559	6,717,903,350
319	7. Short-term other payables	24	284,522,703,568	80,757,931,129
320	8. Short-term loans and finance lease obligations	25	7,284,286,378,356	7,702,811,475,586
321	9. Short-term provisions		1,922,008,250	3,862,913,000
322	10. Bonus and welfare fund	3.16	149,465,719,555	75,997,472,317
330	***II. Non-current liabilities***		***1,958,070,388,757***	***2,694,369,600,801***
336	1. Long-term unearned revenues	26	12,202,129,425	12,946,654,043
337	2. Other long-term liabilities	24	6,718,381,960	6,679,256,280
338	3. Long-term loans and finance lease obligations	25	1,848,530,201,711	2,581,878,050,298
341	4. Deferred tax liabilities	34.3	87,850,408,862	90,300,433,513
342	5. Long-term provision		769,266,799	565,206,667
343	6. Scientific and technological development fund		2,000,000,000	2,000,000,000

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
400	**D. OWNERS' EQUITY**		**5,819,192,895,545**	**6,097,359,934,316**
410	***I. Capital***	***27.1***	***5,818,592,161,948***	***6,097,359,934,316***
411	1. Share capital		5,867,405,520,000	5,570,186,730,000
411a	*- Shares with voting rights*		5,867,405,520,000	5,570,186,730,000
412	2. Share premium		6,243,045,915,565	6,243,045,915,565
414	3. Other fund's belonging to owner's equity		(5,502,116,030,924)	(5,534,410,411,336)
415	4. Treasury shares		(1,099,985,561,092)	(1,099,985,561,092)
417	5. Foreign exchange differences reserve		(44,001,327,529)	(60,609,170,380)
418	6. Investment and development fund		124,701,077,143	69,863,681,464
421	7. Undistributed earnings		181,120,487,767	856,496,451,241
421a	*- Undistributed earnings up to the end of prior year*		(50,928,020,415)	308,122,494,453
421b	*- Undistributed earnings of current year*		232,048,508,182	548,373,956,788
429	8. Non-controlling interests		48,422,081,018	52,772,298,854
430	***II. Other fund***		***600,733,597***	**-**
431	1. Subsidised fund		600,733,597	-
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**16,743,296,335,713**	**17,693,557,953,736**

Nguyen Thuy Trang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

Ho Chi Minh City, Vietnam
28 September 2019

CONSOLIDATED FINANCIAL STATEMENTS 18-19

CONSOLIDATED INCOME STATEMENT
for the year ended 30 June 2019

B02-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	28.1	10,884,713,247,355	10,325,400,666,889
02	2. Deductions	28.1	(28,100,847,211)	(40,705,067,180)
10	3. Net revenues from sale of goods and rendering of services	28.1	10,856,612,400,144	10,284,695,599,709
11	4. Cost of goods sold and services rendered	29	(9,984,924,715,250)	(8,958,611,031,521)
20	5. Gross profit from sale of goods and rendering of services		871,687,684,894	1,326,084,568,188
21	6. Finance income	28.2	1,110,636,362,737	712,478,611,133
22	7. Finance expenses	30	(823,392,731,847)	(806,070,490,610)
23	In which: Interest expense		(705,491,023,191)	(714,074,144,851)
24	8. Shares of profit from associates	18.1	7,221,968,308	60,942,913,700
25	9. Selling expenses	31	(400,439,326,380)	(317,657,679,907)
26	10. General and administrative expenses	31	(447,127,107,682)	(436,326,601,038)
30	11. Operating profit		318,586,850,030	539,451,321,466
31	12. Other income	33	143,368,375,466	178,470,049,565
32	13. Other expenses	33	(40,171,279,603)	(35,629,630,048)
40	14. Other profit	33	103,197,095,863	142,840,419,517
50	15. Accounting profit before tax		421,783,945,893	682,291,740,983
51	16. Current corporate income tax expense	34.1	(158,028,686,431)	(149,395,403,503)
52	17. Deferred tax (expense) income	34.3	(4,462,592,400)	12,193,387,854
60	18. Net profit after tax		259,292,667,062	545,089,725,334
61	19. Net profit after tax attributable to Shareholders of the parent		268,425,858,779	544,871,022,423
62	20. Net (loss) profit after tax attributable to non-controlling interests		(9,133,191,717)	218,702,911
70	21. Basic earnings per share	27.4	437	940
71	22. Diluted earnings per share	27.4	437	940

Nguyen Thuy Trang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

Ho Chi Minh City, Vietnam
28 September 2019

B02-DN/HN

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2019

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**421,783,945,893**	**682,291,740,983**
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	13, 14, 15, 16, 19	492,028,403,104	629,119,582,515
03	(Reversal of provision) provision		(53,017,800,801)	59,778,780,260
04	Foreign exchange (gains) losses arisen from revaluation of monetary accounts denominated in foreign currencies		(5,972,608,468)	685,718,668
05	Profit from investing activities		(1,096,605,388,453)	(834,844,728,106)
06	Interest expense	30	705,491,023,191	714,074,144,851
08	**Operating profit before changes in working capital**		**463,707,574,466**	**1,251,105,239,171**
09	Decrease in receivables		852,574,883,928	731,341,809,826
10	Decrease in inventories		1,205,812,973,889	109,490,373,651
11	Decrease in payables		(411,478,118,795)	(437,500,329,900)
12	Decrease in prepaid expenses		153,976,270,202	148,580,746,790
13	Decrease in held-for-trading securities		75,434,980,880	17,637,697
14	Interest paid		(714,368,155,580)	(574,728,514,548)
15	Corporate income tax paid	22	(117,747,598,634)	(118,970,300,226)
17	Other cash outflows for operating activities		(72,445,157,401)	(23,939,198,356)
20	**Net cash flows from operating activities**		**1,435,467,652,955**	**1,085,397,464,105**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(1,303,763,127,960)	(479,534,685,000)
22	Proceeds from disposals of fixed assets		98,379,571,024	79,678,702,438
23	Loans to other entities		(686,735,166,667)	(682,600,000,000)
24	Collections from borrowers and term deposits		534,742,753,646	1,424,125,000,000
25	Payments for investments in other entities		(8,662,795,800)	-
26	Proceeds from sale of investments in other entities		1,756,807,803,729	317,063,186,329
27	Interest and dividends received		168,522,351,212	116,651,561,966
30	**Net cash flows from investing activities**		**559,291,389,184**	**775,383,765,733**

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
for the year ended 30 June 2019

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Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Capital redemption	27.1	-	(1,099,985,561,092)
33	Drawdown of borrowings	25	13,658,599,528,090	14,288,029,800,620
34	Repayment of borrowings	25	(14,752,764,526,999)	(14,895,977,008,106)
35	Finance lease principal paid	25	(28,092,150,657)	(29,384,431,079)
36	Dividends paid	27.2	(192,683,748,041)	(12,074,600)
40	**Net cash flows used in financing activities**		**(1,314,940,897,607)**	**(1,737,329,274,257)**
50	**Net increase in cash and cash equivalents for the year**		**679,818,144,532**	**123,451,955,581**
60	**Cash and cash equivalent at beginning of year**		**324,968,354,928**	**202,593,033,644**
61	Impact of exchange rate fluctuation		(11,260,733)	(1,076,634,297)
70	**Cash and cash equivalents at end of year**	**5**	**1,004,775,238,727**	**324,968,354,928**

Nguyen Thuy Trang
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

Ho Chi Minh City, Vietnam
28 September 2019

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2019 and for the year then ended

1. CORPORATE INFORMATION

Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Investment License No. 1316/GP issued by the Ministry of Planning and Investment on 15 July 1995 and as amended.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange with trading code as SBT in accordance with License No. 27/QD-SGDCKHCM issued by the Ho Chi Minh City Stock Exchange on 18 February 2008.

The current principal activities of the Company and its subsidiaries ("the Group") are producing sugar and electricity; planting sugar cane; producing and trading products using sugar or its by-products, Waste products; producing and trading fertilizer, Agricultural materials; constructing civil project; trading hotel and restaurant; constructing and trading industrial zone infrastructure; mechanical processing; consulting engineering, technology, and management in sugar's production industry; producing and trading alcohol products; trading real estates, rent houses and apartments and investing activities.

The Company's normal course of business cycle is 12 months.

The Company's head office is located at Tan Hung Commune, Tan Chau District, Tay Ninh Province, Vietnam and its representation office is located at No. 253, Hoang Van Thu Street, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam.

The number of the Group's Employees as at 30 June 2019 was 3,759 persons (30 June 2018: 4,217 persons).

Corporate structure

As at 30 June 2019, the Group's corporate structure includes 6 direct subsidiaries and 12 indirect subsidiaries, as follows:

No	Name of subsidiaries	Head office	Principal activities	Equity interest (%)	Voting right (*) (%)
I	**Direct subsidiaries**				
1	Thanh Thanh Cong Alcohol Trading Production Joint Stock Company	Tan Chau District, Tay Ninh Province	Manufacturing and trading alcohol and related by-products; manufacturing and trading electricity; manufacturing fertilizer and planting sugarcane	90.00	90.00
2	Thanh Thanh Cong Gia Lai Company Limited	Ayunpa District, Gia Lai Province	Manufacturing sugar and other by-products from sugar-cane for sales; manufacturing electricity for sales; manufacturing and trading in fertilizer	100.00	100.00
3	TSU Investment Private Limited Company	Singapore	Trading and apart of manufacturing and packaging raw and refined sugar to sell in Singapore and export to region	100.00	100.00
4	Gia Lai Thermoelectricity One Member Company Limited	Ayunpa District, Gia Lai Province	Manufacturing, transmitting and distributing electricity	100.00	100.00
5	Miaqua Water One Member Company Limited	Tan Chau District, Tay Ninh Province	Manufacturing non-alcoholic beverages, mineral water; manufacturing and processing soft drinks, fruit juice and soy milk; manufacturing bottled water	100.00	100.00
6	Hai Vi Limited Company	Chau Thanh District, Tay Ninh Province	Plant sugarcane; provide services of planting and technical advisory and trade Fertilizers, Agricultural products, Agricultural machines and tools	100.00	100.00

(*) Comprising direct and indirect voting right by the Company

1. CORPORATE INFORMATION (CONTINUED)

Corporate structure (continued)

As at 30 June 2019, the Group's corporate structure includes 6 direct subsidiaries and 12 indirect subsidiaries, as follows: (continued)

No	Name of subsidiaries	Head office	Principal activities	Equity interest (%)	Voting right (*) (%)
II	Indirect subsidiaries				
1	Bien Hoa - Ninh Hoa Sugar One Member Limited Liability Company	Ninh Hoa District, Khanh Hoa Province	Produce sugar and by-products from sugar cane; trade Agricultural materials; produce and trade fertilizer; and provide storage services	100.00	100.00
2	Ninh Hoa Thermoelectricity One Member Limited Liability Company	Ninh Hoa District, Khanh Hoa Province	Manufacture and sell electricity; and provide electricity system installation service	100.00	100.00
3	Nuoc Trong Sugar Joint Stock Company	Tan Chau District, Tay Ninh Province	Producing sugar; planting sugar cane and wheat trees; installing food industry machineries and equipment; and wholesale commercial goods	50.58	50.58
4	TTC Bien Hoa - Dong Nai Sugar One Member Limited Company	Bien Hoa City, Dong Nai Province	Produce and trade sugar, plant sugar cane, produce and trading products and by-products from sugar, producing and trading in fertilizers and Agricultural materials; produce and sale of electricity; and technical and management consultancy in the sugar industry	100.00	100.00
5	Bien Hoa - Phan Rang Sugar Joint Stock Company	Phan Rang - Thap Cham City, Ninh Thuan Province	Produce and trade sugar, by-products from sugar, beverage, animal feed and other Agriculture products and organic fertilizer	95.79	95.79
6	Bien Hoa - Thanh Long One Member Limited Liability Company	Chau Thanh District, Tay Ninh Province	Plant sugar cane; produce and trade fertilizer and Agricultural materials	98.00	98.00
7	Bien Hoa Import Export Trading Joint Stock Company	Phu Nhuan District, Ho Chi Minh City	Trade sugar and products using sugar as material; trading foods and beverages	100.00	100.00
8	TTC Attapeu Cane Sugar Limited Company	Gia Lai Province	Trade sugar and other by-products from sugar cane	100.00	100.00
9	TTC Attapeu Sugar Cane Sole Co., Ltd.	Attapeu Province, Laos	Plant sugar cane; produce and trade sugar and other by-products from sugar cane	100.00	100.00
10	Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	Chau Thanh District, Tay Ninh Province	Researching and developing sugar cane sprouts; analysing cultivation and planting protection products; producing and developing mechanic machineries for sugar canes production	100.00	100.00
11	BTCO Co., Ltd	Tan Binh District, Ho Chi Minh City	Trade sugar and products using sugar as material; trade foods and beverages	100.00	100.00
12	Mien Trung Bovine Breeding Joint Stock Company	Ninh Hoa District, Khanh Hoa Province	Breed cows; plant sugar cane and other industrial crops	92.04	92.04

(*) Comprising direct and indirect voting right by the Company

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Group expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and the consolidated results of its operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Group's applied accounting documentation system is the General Journal system.

2.3 Fiscal year

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 July and ends on 30 June.

2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Company's accounting currency.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 30 June 2019.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All intra-company interim balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from the Company Shareholders' equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw Materials, merchandise	- cost of purchase on a weighted average basis.
Finished goods and work-in-process	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence and etc.) of Raw Materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.3 *Receivables*

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the consolidated income statement.

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.5 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Assets held under finance leases are capitalised in the consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's fixed assets in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Intangible fixed assets (continued)

Land use rights

Land use right is recorded as intangible fixed asset on the consolidated balance sheet when the Company obtained the land use right certificate. The costs of a land use right comprise all directly attributable costs of bringing the land lot to the condition available for its intended use.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

3.7 Depreciation and amortisation

Depreciation of tangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

	Current year	Previous year
Land use rights	50 years	50 years
Buildings and structures	5 - 50 years	5 - 30 years
Machineries and equipment	5 - 25 years	3 - 20 years
Office equipment	3 - 10 years	3 - 7 years
Means of transportation	8 - 15 years	4 - 8 years
Other tangible fixed assets	12 - 25 years	4 - 15 years

From 1 July 2018, Management has changed the estimated useful lives of tangible fixed assets to better reflect the usage of those assets. The impact of changes in the estimated useful lives of tangible fixed assets are disclosed in Note 13.

Depreciation of finance lease assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Land use rights	50 years
Machineries and equipment	3 - 20 years
Computer software	2 - 6 years

3.8 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

	Current year	Previous year
Land use rights	50 years	50 years
Buildings and structures	20 - 25 years	6 - 25 years

From 1 July 2018, Management has changed the estimated useful lives of investment properties to better reflect the usage of those assets. The impact of changes in the estimated useful lives of investment properties are disclosed in Note 16.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.9 Investments

Investment in associates

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associates.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received or receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Investments (continued)

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Provision for investments

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the balance sheet date in accordance with the guidance under the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the consolidated income statement and deducted against the value of such investments.

3.10 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Deferred sugar cane crop costs and sugarcane farming cost are calculated and amortised to production costs based on the volume of sugar produced and sugarcane harvested during the period.

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract signed with Farmers for a period of 44-50 years. Such prepaid rental is recognised as a long-term prepaid expense for allocation to the income statement over the remaining lease period according to Circular 45.

3.11 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis [amend as appropriate]. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

No new goodwill is recorded as for a business combination involving entities under common control, which is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. An entity may be controlled by an individual or by a group of individuals acting together under a contractual arrangement. The difference between the acquirer's cost of investment and the acquiree's net assets is presented as a separate reserve within equity section and recognised in "Other fund's belonging to owner's equity" in the consolidated balance sheet.

Business combinations involving entities under common control are accounted for as follows:

» The assets and liabilities of the combined entities are consolidated at their carrying amounts on the date of business combination;
» No goodwill is recognised as a result of the business combination;
» The consolidated income statement reflects the results of the combined entities for the full year, irrespective of when the combination took place.

3.12 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.13 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.14 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

» Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
» Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment; and
» Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rate at the balance sheet dates which are determined as follows:

» Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
» Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Foreign currency transactions (continued)

Conversion of the financial statements of foreign operation

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operation are translated into VND using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in the "foreign exchange difference reserve" account in the equity section of the consolidated balance sheet (attributed to non-controlling interests as appropriate).

3.15 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, re-issue or cancellation of the Group's own equity instruments.

3.16 Appropriation of net profits

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to Shareholders after approval in the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by Shareholders at the annual general meeting.

» *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or of in-depth investment.

» *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the Employees' benefits, and presented as a liability on the consolidated balance sheet.

» *Scientific and technological development fund*

This fund is set aside in accordance with the Decree No. 95/2014/ND-CP dated 17 October 2014 for use in the Group's scientific and technological development in Vietnam.

3.17 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit or loss after tax for the year attributable to ordinary Shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss after tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Sale of electricity

Revenue is recognized based on the actual electricity sold and transferred to the grid at the pre-agreed tariff.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the lease term.

Rendering of services

Revenues are recognised upon completion of the services provided.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Group's entitlement as an Investor to receive the dividend is established.

3.19 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.20 Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

3.21 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Group's revenue and profit are derived mainly from production and trading sugar and sugar related by-products in Vietnam while other sources of revenue are not material as a whole, the management accordingly believed that the Group operates in a sole business segment of production and trading sugar and sugar related by-products. Geographical segment of the Group is in Vietnam only.

4. SIGNIFICANT DISPOSAL DURING THE YEAR

4.1 Disposal of Tay Ninh Sugar Joint Stock Company ("Tani Sugar JSC")

During the year, the Group completed the disposal of 23,000,000 shares or 78.21% interest in Tani Sugar JSC to a related party (Note 35) with total consideration of VND717 billion and the equity interest of the Group decreased from 99.89% to 21.67%. The gains from this disposal transaction was recognised in the consolidated income statement (Note 28.2). Accordingly, Tani Sugar JSC was no longer subsidiary of the Group and the difference between the cost of a business combination and net assets, which previously recognised in owners' equity, was recognised in the undistributed earnings. Through this transaction, Nuoc Trong Rubber Joint Stock Company was also no longer subsidiary of the Group; Tay Ninh Tapioca Joint Stock Company, Tapioca Viet Nam Limited Company and Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company were no longer the Group's associates (Note 18.1).

4.2 Disposal of Ben Tre Import Export Joint Stock Company ("Betrimex")

During the year, the Group completed the transfer of the entire 20,124,764 shares of Betrimex to individuals and a related party (Note 35) with total consideration of VND 784,366,740,000. The gains from this disposal transaction was recognised in the consolidated income statement (Note 28.2).

5. CASH AND CASH EQUIVALENTS

VND

	Ending balance	Beginning balance
Cash on hand	3,316,465,385	3,114,542,175
Cash in banks	912,958,773,342	267,853,812,753
Cash equivalents (*)	88,500,000,000	54,000,000,000
TOTAL	**1,004,775,238,727**	**324,968,354,928**

(*) Cash equivalents as at 30 June 2019 represent one-month term deposit in VND at commercial banks which earn interest from 5% to 5.5% per annum.

6. HELD-FOR-TRADING SECURITIES

	Ending balance		Beginning balance	
	Number of Share	Value VND	Number of Share	Value VND
Listed shares				
Gia Lai Electricity Joint Stock Company ("GEG")	6,257,681	137,120,422,575	-	-
Sai Gon - Nghe Tinh Beer Joint Stock Company ("SB1")	1,000	15,022,500	1,000	15,022,500
Hoa Binh Group Construction JSC ("HBC")	-	-	55,000	2,514,265,753
Thanh Thanh Cong Tourist Joint Stock Company ("VNG")	-	-	6,588,880	99,746,443,455
Other investments		28,235,044,315		45,483,395,134
TOTAL		**165,370,489,390**		**147,759,126,842**
Provision for held-for-trading securities		(808,663,939)		(8,622,072,410)
NET		**164,561,825,451**		**139,137,054,432**

7. HELD-TO-MATURITY INVESTMENTS

This balance represents bank deposits in VND with maturity of twelve (12) months and earns interest at the rates ranging from 5.0% to 6.8% per annum. As at 30 June 2019, a part of bank deposits with the amount of VND 483,225,000,000 was pledged as collaterals for the short-term loans obtained from commercial banks (Note 25.1).

8. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

8.1 Short-term trade receivables

VND

	Ending balance	Beginning balance (Reclassified - Note 36)
Due from other parties	849,764,765,504	690,692,212,582
In which:		
Ms Chau Nhu Phuong (*)	*144,366,740,000*	-
Suntory PepsiCo Vietnam Beverage Limited Company	*131,745,022,500*	*60,169,642,050*
Nutrition Food Joint Stock Company	-	*181,999,954,501*
Others	*573,653,003,004*	*448,522,616,031*
Due from related parties *(Note 35)*	847,262,769,737	1,294,930,291,604
TOTAL	**1,697,027,535,241**	**1,985,622,504,186**
Provision for doubtful receivables	(3,457,073,421)	(3,095,617,778)
NET	**1,693,570,461,820**	**1,982,526,886,408**

(*) These amounts represent the receivables relating to the transfer of 4,124,764 shares in Betrimex (Note 18.2).

As at 30 June 2019, a part of short-term trade receivables was pledged as collaterals for the short-term loans obtained from commercial banks (Note 25.1).

Details of movements of provision for doubtful short-term trade receivables:

VND

	Current year	Previous year
Beginning balance	3,095,617,778	-
Increase due to business combination	-	2,652,452,334
Provisions made during the year	955,766,394	464,197,452
Reversal of provisions during the year	(594,310,751)	(21,032,008)
Ending balance	3,457,073,421	3,095,617,778

8.2 Advances to suppliers

VND

	Ending balance	Beginning balance
Short-term	**1,946,736,551,586**	**2,327,714,818,742**
Advances to related parties *(Note 35)*	1,088,360,866,098	1,735,651,980,265
Advances to other parties	858,375,685,488	592,062,838,477
In which:		
- Farmers (*)	*310,127,756,881*	*482,285,135,924*
- Hoang Tuyet Service Company Limited	*249,976,000,000*	-
- Others	*298,271,928,607*	*109,777,702,553*
Long-term	**109,158,380,150**	**129,111,796,826**
Advances to farmers (*)	109,158,380,150	129,111,796,826
TOTAL	**2,055,894,931,736**	**2,456,826,615,568**
Provision for doubtful short-term advances to suppliers	(43,354,882,201)	(58,036,481,816)
NET	**2,012,540,049,535**	**2,398,790,133,752**

(*) Advances to sugar cane farmers are partially secured by the farmers' land use rights and earned applicable interest.

Details of movements of provision for doubtful short-term advances to suppliers:

VND

	Current year	Previous year
Beginning balance	58,036,481,816	29,822,442,780
Increase due to business combination	-	19,760,946,415
Provisions made during the year	16,194,355,014	18,109,655,845
Reversal of provisions during the year	(30,875,954,629)	(9,656,563,224)
Ending balance	43,354,882,201	58,036,481,816

9. SHORT-TERM LOAN RECEIVABLES

VND

	Ending balance	Beginning balance
Due from related parties *(Note 35)*	15,000,000,000	93,600,000,000
Due from other parties *(*)*	-	121,717,000,000
TOTAL	**15,000,000,000**	**215,317,000,000**

(*) These represent unsecured short-term loan receivables with the term of 12 months and earn interest at from 6.0% to 8.5% p.a.

10. OTHER RECEIVABLES

VND

	Ending balance	Beginning balance (Reclassified - Note 36)
Short-term	***1,425,093,673,613***	***261,557,425,508***
Deposits and deposit for land rentals *(*)*	1,204,178,761,999	40,207,961,926
Interest receivables	132,531,071,829	174,714,797,661
Staff advances	42,222,321,893	17,086,945,451
Others	46,161,517,892	29,547,720,470
Long-term	***36,936,554,195***	***413,586,661,868***
Deposits for land rentals	-	411,429,606,926
Others	36,936,554,195	2,157,054,942
TOTAL	**1,462,030,227,808**	**675,144,087,376**
Provision for doubtful other short-term receivables	(626,303,698)	(14,285,119,008)
NET	**1,461,403,924,110**	**660,858,968,368**
In which:		
Other receivables from related parties (Note 35)	*1,221,948,087,129*	*485,337,659,733*
Other receivables from other parties	*239,455,836,981*	*175,521,308,635*

(*) Mainly comprise of:

(i) Deposits amounting to VND 418 billion in accordance with Deposit Contracts dated 21 June 2019 and 26 June 2019 between the Group and Toan Hai Van Joint Stock Company with the total contract value of VND 1,440 billion to lease land lots with total area of 218,238.06 m^2 located in Vinh Dam Complex Project, Phu Quoc District, Kien Giang Province.

(ii) Deposits amounting to VND 700 billion in accordance with Memorandums dated 24 June 2019 between the Group and Thanh Thanh Cong Industrial Zone Joint Stock Company with total value of VND 1,054 billion to lease land lots with total area of 603,173 m^2 located at Thanh Thanh Cong Industrial Zone, An Hoi Hamlet, An Hoa Commune, Trang Bang District, Tay Ninh Province.

Details of movements of provision for doubtful other short-term receivables:

VND

	Current year	Previous year
Beginning balance	14,285,119,008	9,933,281,049
Increase due to business combination	-	132,462,138
Provisions made during the year	402,910,848	4,756,801,329
Reversal of provisions during the year	(14,061,726,158)	(537,425,508)
Ending balance	626,303,698	14,285,119,008

11. INVENTORIES

VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Finished goods	941,734,766,976	(2,389,182,020)	1,254,207,156,953	(30,190,412,121)
Merchandise goods	936,411,956,323	(17,728,811,195)	1,232,865,151,504	-
Raw Materials	424,942,250,381	(956,559,197)	1,094,134,341,626	(956,559,197)
Work in progress	382,244,481,692	-	379,478,590,609	-
Goods in transit	65,872,403,404	-	-	-
Tools and supplies	40,500,114,566	(1,091,174,560)	44,365,292,721	(6,507,344,084)
Goods on consignment	11,858,338,161	-	4,326,751,979	-
TOTAL	**2,803,564,311,503**	**(22,165,726,972)**	**4,009,377,285,392**	**(37,654,315,402)**

As at 30 June 2019, a part of inventories was pledged as collaterals for the short-term loans obtained from commercial banks (Note 25.1).

Details of movements of provision for obsolete inventories:

VND

	Current year	Previous year
Beginning balance	37,654,315,402	1,640,639,250
Increase due to business combination	-	11,315,181,129
Provisions made during the year	33,047,490,288	24,698,495,023
Reversal of provisions during the year	(48,125,714,370)	-
Foreign exchange	(410,364,348)	-
Ending balance	22,165,726,972	37,654,315,402

12. PREPAID EXPENSES

VND

	Ending balance	Beginning balance
Short-term	***140,253,036,651***	***126,639,033,019***
Deferred sugar cane crop costs	68,633,490,722	81,046,894,341
Sugarcane farming costs	27,552,798,819	8,703,551,892
Land rental	2,689,920,000	19,463,476,655
Others	41,376,827,110	17,425,110,131
Long-term	***1,332,920,724,205***	***1,500,510,998,039***
Sugar cane farming cost and tree on land (*)	1,098,308,731,967	1,122,957,137,501
Prepaid land rental (**)	190,204,382,696	313,197,465,446
Tools and supplies	11,569,156,210	45,653,367,511
Others	32,838,453,332	18,703,027,581
TOTAL	**1,473,173,760,856**	**1,627,150,031,058**

(*) Sugar cane farming costs represented land costs and expenses for developing of sugar cane farm of the Group located at Attapeu Province, Lao People's Democratic Republic, and the fair value surplus adjustments in accordance with Appraisal Letter No. 177/017/CT/TDGSG dated 15 August 2017 and be allocated during land rental duration of 44 years.

(**) Prepaid land rental amounting to VND 60 billion were pledged as collaterals for the short-term loans obtained from commercial banks (Note 25.1).

13. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Other assets	Total
Cost:						
Beginning balance	1,748,946,172,068	6,306,972,523,122	294,891,735,024	48,579,837,185	84,306,001,033	8,483,696,268,432
New purchase	4,555,302,838	66,973,008,951	12,040,041,410	4,840,002,563	13,267,721,290	101,676,077,052
Transfer from construction in progress	48,366,741,360	65,259,375,496	1,555,441,058	-	8,445,365,390	123,626,923,304
Repurchase of finance lease assets	-	9,097,308,871	-	-	-	9,097,308,871
Disposal	(794,775,448)	(12,661,294,549)	(19,163,196,171)	(813,966,473)	(11,818,135,915)	(45,251,368,556)
Disposal of investments in subsidiaries	(86,411,295,255)	(66,028,648,307)	(8,668,803,633)	(252,145,817)	-	(161,360,893,012)
Transfer to investment properties	(3,367,058,095)	(602,300,000)	-	-	-	(3,969,358,095)
Impact from foreign exchange difference	(18,153,181,153)	(26,844,602,770)	(4,075,769,189)	(84,179,852)	-	(49,157,732,964)
Ending balance	1,693,141,906,315	6,342,165,370,814	276,579,448,499	52,269,547,606	94,200,951,798	8,458,357,225,032
In which:						
Fully depreciated	*113,035,843,049*	*1,616,870,814,263*	*27,621,826,026*	*13,131,511,313*	*59,107,403,537*	*1,829,767,398,188*
Accumulated depreciation:						
Beginning balance	710,250,643,625	3,043,720,177,423	129,429,756,007	26,512,750,366	67,152,097,640	3,977,065,425,061
Depreciation for the year	77,502,400,539	337,340,486,143	23,075,705,656	4,942,608,609	2,329,632,030	445,190,832,977
Repurchase of finance lease assets	-	2,165,088,041	-	-	-	2,165,088,041
Disposal	(418,552,638)	(5,865,209,717)	(13,461,320,575)	(398,456,996)	(116,839,723)	(20,260,379,649)
Disposal of investments in subsidiaries	(26,394,615,572)	(31,120,113,629)	(5,505,795,784)	(125,538,654)	-	(63,146,063,639)
Transfer to investment properties	(2,254,036,247)	(110,421,663)	-	-	-	(2,364,457,910)
Impact from foreign exchange difference	(4,491,965,266)	(9,352,200,504)	(1,659,638,201)	(16,526,362)	-	(15,520,330,333)
Ending balance	754,193,874,441	3,336,777,806,094	131,878,707,103	30,914,836,963	69,364,889,947	4,323,130,114,548
Net carrying amount:						
Beginning balance	1,038,695,528,443	3,263,252,345,699	165,461,979,017	22,067,086,819	17,153,903,393	4,506,630,843,371
Ending balance	938,948,031,874	3,005,387,564,720	144,700,741,396	21,354,710,643	24,836,061,851	4,135,227,110,484
In which:						
Pledged as loan security (Note 25)	*849,819,149,425*	*2,048,241,886,591*	*139,025,438,972*	*6,796,950,414*	*7,497,112,878*	*3,051,380,538,280*

As disclosed in Note 3, from 1 July 2018, Management has changed the estimated useful lives of tangible fixed assets to better reflect the usage of those assets. Accordingly, the depreciation expenses of tangible fixed assets for the year ended 30 June 2019 based on their new useful life was VND 445,190,832,977 (the depreciation expenses of tangible fixed assets for the year ended 30 June 2019 based on their old useful life was VND 578,436,665,678).

14. FINANCE LEASES

VND

	Machineries and equipment
Cost:	
Beginning balance	151,725,361,276
Repurchase	(9,046,969,871)
Ending balance	142,678,391,405
Accumulated depreciation:	
Beginning balance	32,592,256,896
Depreciation for the year	9,313,655,990
Repurchase	(2,165,088,041)
Ending balance	39,740,824,845
Net carrying amount:	
Beginning balance	119,133,104,380
Ending balance	102,937,566,560

15. INTANGIBLE FIXED ASSETS

VND

	Land use rights	Computer software	Others	Total
Cost:				
Beginning balance	74,052,118,259	25,074,516,330	7,806,284,442	106,932,919,031
New purchase	68,487,611,907	1,510,643,895	-	69,998,255,802
Disposal of investments in subsidiaries	(11,445,604,143)	-	(7,769,904,508)	(19,215,508,651)
Foreign exchange differences	-	(90,239,527)	-	(90,239,527)
Disposal	-	(44,740,000)	-	(44,740,000)
Ending balance	131,094,126,023	26,450,180,698	36,379,934	157,580,686,655
In which:				
Fully amortised	*7,365,828,923*	*6,964,002,048*	*36,379,934*	*14,366,210,905*
Accumulated amortisation:				
Beginning balance	18,569,982,822	12,192,552,381	3,493,805,639	34,256,340,842
Amortisation for the year	10,079,568,910	2,977,603,563	-	13,057,172,473
Disposal of investments in subsidiaries	(369,596,500)	-	(3,457,425,705)	(3,827,022,205)
Foreign exchange differences	-	(4,467,937)	-	(4,467,937)
Disposal	-	(44,740,000)	-	(44,740,000)
Ending balance	28,279,955,232	15,120,948,007	36,379,934	43,437,283,173
Net carrying amount:				
Beginning balance	55,482,135,437	12,881,963,949	4,312,478,803	72,676,578,189
Ending balance	102,814,170,791	11,329,232,691	-	114,143,403,482
In which:				
Pledged as loan security (Note 25)	*5,199,519,344*	-	-	*5,199,519,344*

16. INVESTMENT PROPERTIES

VND

	Buildings and structures	Land use right	Total
Cost:			
Beginning and ending balance	147,461,524,173	58,346,256,652	205,807,780,825
Transfer from tangible fixed asset	3,367,058,095	-	3,367,058,095
Disposal of investments in subsidiaries	(893,799,094)	-	(893,799,094)
Disposal	-	(29,049,833,652)	(29,049,833,652)
Ending balance	149,934,783,174	29,296,423,000	179,231,206,174
Accumulated depreciation and amortisation:			
Beginning balance	9,806,486,630	14,839,763,032	24,646,249,662
Depreciation and amortisation for the year	3,984,376,630	585,928,460	4,570,305,090
Transfer from tangible fixed asset	2,254,036,247	-	2,254,036,247
Disposal of investments in subsidiaries	(4,038,368)	-	(4,038,368)
Disposal	-	(9,470,089,883)	(9,470,089,883)
Ending balance	16,040,861,139	5,955,601,609	21,996,462,748
Net carrying amount:			
Beginning balance	137,655,037,543	43,506,493,620	181,161,531,163
Ending balance	133,893,922,035	23,340,821,391	157,234,743,426
In which:			
Pledged as loan security (Note 25.1)	*133,893,922,035*	*23,340,821,391*	*157,234,743,426*

As disclosed in Note 3, from 1 July 2018, the Management has changed the estimated useful lives of investment properties to better reflect the usage of those assets. Accordingly, the depreciation and amortisation expenses of investment properties for the year ended 30 June 2019 based on their new useful life was VND 4,570,305,090 (the depreciation and amortisation expenses of investment properties for the year ended 30 June 2019 based on their old useful life was VND 7,059,223,701).

The fair values of the investment properties as at 30 June 2019 had not yet been formally assessed and determined, but the Management believed that it was much higher than the property's carrying values considering that the investment property (TTC Plaza Tay Ninh) has been almost fully rented out as at the balance sheet date.

Revenue and expense relating to investment properties

VND

	Current year	Previous year
Rental income from investment properties	24,041,879,003	41,033,433,030
Direct operating expenses of investment properties that generated rental income during the year	(18,414,797,301)	(31,777,126,794)

17. CONSTRUCTION IN PROGRESS

VND

	Ending balance	Beginning balance
Construction and machineries for Solar power projects	335,246,983,270	-
Land transfer cost at Tay Ninh	210,392,416,100	-
Machineries and equipment under installation	41,323,481,783	13,448,632,163
Drying bagasse project	31,182,337,499	-
Machinery and equipment for sugar production	14,331,497,957	39,682,376,555
Factories and offices renovation	2,119,149,379	43,178,950,607
Others	44,353,073,508	37,752,064,159
TOTAL	**678,948,939,496**	**134,062,023,484**

18. LONG-TERM INVESTMENTS

VND

	Ending balance	Beginning balance
Investments in associates *(Note 18.1)*	105,631,208,868	192,557,122,221
Investments in other entities *(Note 18.2)*	20,041,830,629	445,314,919,184
TOTAL	**125,673,039,497**	**637,872,041,405**
Provision for long-term investments	(741,216,334)	(741,216,334)
NET	**124,931,823,163**	**637,130,825,071**

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in associates

Details of these investments in associates were as follows:

Name of associates	Business activities	Ending balance		Beginning balance	
		Carrying amount (VND)	% of interest	Carrying amount (VND)	% of interest
Tay Ninh Sugar Joint Stock Company *(Note 4.1)*	Planting sugarcane, producing and trading in sugar, cassava and rubber	75,272,048,072	21.67	-	-
Tay Ninh Chemical Industry Joint Stock Company	Producing starch and products related to starch; producing artificial condensed products, non-alcohol and mineral water, nitrogen compound; installing machinery and industrial equipment	30,359,160,796	19.13	30,359,160,796	19.13
Tay Ninh Tapioca Joint Stock Company *(Note 4.1)*	Manufacturing and trading tapioca starch By-products	-	-	125,947,770,609	29.96
Tapioca Viet Nam Limited Company *(Note 4.1)*	Manufacturing and trading tapioca starch and tapioca starch-related products; import and export of products related to tapioca starch such as tapioca starch, sorbitol, malt, semolina, modified starch, vermicelli, noodles and gas production, fuel by sugar tube	-	-	29,102,589,437	29.96
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company *(Note 4.1)*	Trade real estate and invest in infrastructure and management of industrial zones	-	-	7,147,601,379	47.45
TOTAL		**105,631,208,868**		**192,557,122,221**	

	VND
Cost of investment:	
Beginning balance	179,933,176,123
Increase due to transform to associates from subsidiaries *(Note 4.1)*	68,966,856,133
Decrease due to disposal	(148,353,976,123)
Ending balance	100,546,056,133
Accumulated share in post-acquisition profit (loss) of the associates:	
Beginning balance	12,623,946,098
Share in post-acquisition profit of the associates for the year	7,221,968,308
Decrease due to disposal	(14,760,761,671)
Ending balance	5,085,152,735
Net carrying amount:	
Beginning balance	192,557,122,221
Ending balance	105,631,208,868

18.2 Investments in other entities

Details of the these investments in other entities were as follows:

	Business activities	Ending balance		Beginning balance	
		Cost of investment (VND)	% of interest	Cost of investment (VND)	% of interest
Son Duong Sugar Joint Stock Company	Technology of processing Molasses and sugar products	17,360,136,000	13.08	17,360,136,000	13.08
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company *(Note 4.1)*	Trading real estates, land use rights belonging to the Company or from leasing activities	1,940,478,185	6.74	-	-
Ben Tre Import and Export Joint Stock Company *(Note 4.2)*		-	-	427,213,566,740	13.50
Other long-term investments		741,216,444		741,216,444	
TOTAL		**20,041,830,629**		**445,314,919,184**	
Provision for diminution in value of long-term investment		(741,216,334)		(741,216,334)	
NET		**19,300,614,295**		**444,573,702,850**	

19. GOODWILL

	VND
Cost:	
Beginning balance	192,546,623,434
Adjustment due to the dissolution of a subsidiary - NHSS Private Co., Ltd.	(2,714,219,341)
Ending balance	189,832,404,093
Accumulated amortisation:	
Beginning balance	22,128,802,186
Amortisation for the year	19,896,436,574
Adjustment due to the dissolution of a subsidiary - NHSS Private Co., Ltd.	-
Ending balance	42,025,238,760
Net carrying amount:	
Beginning balance	170,417,821,248
Ending balance	147,807,165,333

20. SHORT-TERM TRADE PAYABLES

VND

	Ending balance	Beginning balance
Due to related parties *(Note 35)*	119,253,087,037	199,985,290,790
Due to other parties	384,517,944,966	157,634,936,442
In which:		
- Sharp Solar Solution Asia Company Limited	*183,669,534,777*	-
- Farmers	*42,816,328,627*	*42,485,849,679*
- Vietnam Dairy Products Joint Stock Company	*18,480,886,512*	*22,663,554,169*
- Others	*139,551,195,050*	*92,485,532,594*
TOTAL	**503,771,032,003**	**357,620,227,232**

21. SHORT-TERM ADVANCES FROM CUSTOMERS

VND

	Ending balance	Beginning balance
Due to related parties *(Note 35)*	108,087,627,478	121,042,011,694
Due to other parties	39,109,892,784	68,033,229,911
In which:		
- Ms Le Thi Thanh Nhan	-	*26,983,548,900*
- Mr Nguyen Thanh Danh	-	*26,983,548,900*
- Others	*39,109,892,784*	*14,066,132,111*
TỔNG CỘNG	**147,197,520,262**	**189,075,241,605**

22. STATUTORY OBLIGATIONS

VND

	Beginning balance	Increase during the year	Decrease during the year	Ending balance
Tax payables				
Corporate income tax	83,240,085,899	158,028,686,431	(117,747,598,634)	123,521,173,696
Value-added tax	34,747,743,586	291,543,497,459	(290,156,427,173)	36,134,813,872
Personal income tax	5,049,495,209	10,502,121,282	(9,005,406,537)	6,546,209,954
Others	36,264,883,369	673,220,017	(9,709,254,873)	27,228,848,513
TOTAL	**159,302,208,063**	**460,747,525,189**	**(426,618,687,217)**	**193,431,046,035**
Receivables				
Value-added tax deductible	45,214,465,625	243,302,191,897	(237,102,516,526)	51,414,140,996
Corporate income tax	6,114,847,228	-	(171,991,642)	5,942,855,586
Personal income tax	-	320,321,667	-	320,321,667
Other	9,409,808,025	-	(3,692,477,500)	5,798,330,525
TOTAL	**60,820,120,878**	**243,622,513,564**	**(240,966,985,668)**	**63,475,648,774**

23. SHORT-TERM ACCRUED EXPENSES

VND

	Ending balance	Beginning balance
Interest expense	156,294,765,451	165,171,897,840
Purchase of sugarcane	56,712,015,167	38,638,413,614
Transportation and loading fees	29,367,976,840	35,369,888,100
Import and export tax	24,833,182,360	-
Foreign contractor tax	18,952,066,476	18,861,709,054
Bonus and support fees for agencies	16,402,966,537	9,677,773,356
Others	64,112,644,314	31,481,079,273
TOTAL	**366,675,617,145**	**299,200,761,237**

24. OTHER PAYABLES

VND

	Ending balance	Beginning balance
Short-term	284,522,703,568	80,757,931,129
Dividends	217,905,972,826	21,802,006,989
Reimbursement of expenses	15,777,116,532	-
Harvest and transportation payables	9,073,601,229	10,422,181,225
Rental equipment	5,460,000,000	-
Deposits	5,047,181,408	8,660,459,786
Payable to Brightway Group Co., Ltd	-	33,172,706,250
Others	31,258,831,573	6,700,576,879
Long-term		
Deposits	6,718,381,960	6,679,256,280
TOTAL	**291,241,085,528**	**87,437,187,409**
In which:		
Other parties	*214,788,579,780*	*86,356,631,196*
Related parties (Note 35)	*76,452,505,748*	*1,080,556,213*

25. LOANS AND FINANCE LEASE OBLIGATIONS

VND

	Opening balance	Movement during the year: Drawdown	Repayment	Reclassification	Foreign exchange difference	Disposal of subsidiary	Ending balance
Short-term	**7,702,811,475,586**	**13,607,297,178,461**	**(14,727,917,377,422)**	**727,848,084,413**	**(2,735,254,942)**	**(23,017,727,740)**	**7,284,286,378,356**
Loans from banks *(Note 25.1)*	6,425,229,852,866	13,088,973,845,128	(13,416,740,998,619)	-	(1,528,156,917)	(24,894,747,740)	6,071,039,794,718
Loans from related party *(Note 35)*	300,000,000	6,000,000,000	(300,000,000)	-	-	-	6,000,000,000
Short-term bonds *(Note 25.2)*	538,960,000,000	512,323,333,333	(565,400,000,000)	-	-	-	485,883,333,333
Current portion of long-term loans from banks *(Note 25.3)*	255,936,478,752	-	(258,294,228,146)	246,186,908,501	(1,207,098,025)	(1,572,000,000)	241,050,061,082
Current portion of long-term loan from another entity *(Note 25.4)*	1,720,000,000	-	(2,690,000,000)	1,940,000,000	-	-	970,000,000
Current portion of long-term loan from related parties *(Note 35)*	-	-	-	-	-	3,449,020,000	3,449,020,000
Current portion of long-term bonds *(Note 25.5)*	452,850,466,660	-	(456,400,000,000)	456,400,000,000	-	-	452,850,466,660
Current portion of finance leases *(Note 25.6)*	27,814,677,308	-	(28,092,150,657)	23,321,175,912	-	-	23,043,702,563
Long-term	**2,581,878,050,298**	**51,302,349,629**	**(52,939,300,234)**	**(727,848,084,413)**	**5,876,213,878**	**(9,739,027,447)**	**1,848,530,201,711**
Loans from banks *(Note 25.3)*	896,849,737,062	34,307,216,301	(52,939,300,234)	(250,706,441,842)	5,876,213,878	(9,739,027,447)	623,648,397,718
Loan from another entity *(Note 25.4)*	970,000,000	-	-	(970,000,000)	-	-	-
Loan from related parties *(Note 35)*	-	14,900,000,000	-	-	-	-	14,900,000,000
Long-term bonds *(Note 25.5)*	1,640,009,533,341	2,095,133,328	-	(452,850,466,659)	-	-	1,189,254,200,010
Long-term finance leases *(Note 25.6)*	44,048,779,895	-	-	(23,321,175,912)	-	-	20,727,603,983
TOTAL	**10,284,689,525,884**	**13,658,599,528,090**	**(14,780,856,677,656)**	**-**	**3,140,958,936**	**(32,756,755,187)**	**9,132,816,580,067**

25.1 Short-term loans from banks

Bank	Ending balance: VND	Ending balance: Original currency (USD)	Principal repayment term	Description of collateral
Joint Stock Commercial Bank for Investment and Development of Vietnam - Gia Dinh Branch	541,068,545,638	-	From 5 July 2019 to 24 December 2019	Land use rights of 329.44 ha at Ben Cau District; capital contribution at Thanh Thanh Cong Gia Lai amounting to VND339,998,760,000 and bank term deposit amounting to VND45 billion
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch	472,755,185,009	-	From 15 July 2019 to 20 November 2019	Receivables, inventories with value of VND280 billion and the deposit contract of Ms Ta Thi Ngoan of VND43.5 billion
Vietnam Prosperity Joint Stock Commercial Bank - Ho Chi Minh Branch	393,944,659,681	-	From 3 August 2019 to 27 October 2019	Inventories with the value of VND236 billion
Joint Stock Commercial Bank for Investment and Development of Vietnam - Khanh Hoa Branch	349,663,330,472	-	From 15 September 2019 to 27 December 2019	Term deposit with carrying value of VND120 billion and inventories with amount VND150 billion
Orient Commercial Joint Stock Ban - Dak Lak Branch	335,000,000,000	-	From 14 July 2019 to 18 November 2019	All of inventories with the maximized carrying value of VND429 billion; asset rights with the total contributed capital of Bien Hoa-Ninh Hoa Sugar One Member Company Limited to NHSS Private Limited Company with the value of VND174,886,000,000; and right emerged from investment in advance to farmers with carrying amount of VND99,142,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - North Sai Gon Branch	307,943,987,652	-	From 21 July 2019 to 30 December 2019	Land use rights of land lot No. 49 located at Ward 2, Tay Ninh City, Tay Ninh Province and assets attached to the land, means of transportation, machinery and equipment, and the right to exploit property on land
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Dong Nai Branch	298,901,598,505	-	From 25 August 2019 to 28 December 2019	Machinery and equipment funded from the loan with the carrying value of VND167,289,864,270 and the land use right Tay Ninh farm with the value of VND539,725,701
ANZ Bank (Vietnam) Limited - Ho Chi Minh Branch	289,820,241,221	-	From 14 July 2019 to 21 August 2019	Receivables and inventories with the maximised value of USD12,500,000 and USD12,500,000 respectively; inventories with the value of VND87 billion
Vietnam Maritime Commercial Stock Bank - Ho Chi Minh city Branch	255,356,175,140	-	From 27 September 2019 to 19 October 2019	Unsecured
Malayan Banking Berhard - Ho Chi Minh Branch	254,982,464,061	4,555,668	From 3 July 2019 to 26 November 2019	Receivables and inventories with the value of USD12,500,000; and Receivables with the value of USD3,000,000

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.1 Short-term loans from banks (continued)

Bank	Ending balance		Principal repayment term	Description of collateral
	VND	Original currency (USD)		
BPCE International et Outre-mer SA - Ho Chi Minh Branch	247,319,234,782	-	From 11 October 2019 to 26 December 2019	Receivables and inventories with maximized value of USD10,100,000; and inventories with carrying value of VND 60 billion
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ho Chi Minh City Branch	231,998,119,213	-	From 16 October 2019 to 30 November 2019	Inventories with the value of VND150 billion; and term deposit of VND60 billion
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Khanh Hoa Branch	200,000,000,000	-	From 28 August 2019 to 28 December 2019	Term deposit of VND86,225,000,000; means of transportation with the value of VND1,550,000,000; and inventory with carrying value of VND100 billion
Vietnam Joint Stock Commercial Bank for Industry and Trade - Gia Lai Branch	179,478,375,804	-	27 November 2019	Receivables and inventories with the value of VND30 billion
Vietnam Prosperity Joint Stock Commercial Bank	177,858,057,250	-	From 18 September 2019 to 24 September 2019	Inventories with the value of VND200 billion; and 8,849,000 shares of the Company held by Thanh Thanh Cong Investment Joint Stock Company
Vietnam International Commercial Joint Stock Bank - Tay Ninh Branch	159,954,818,120	-	From 19 September 2019 to 3 October 2019	Receivables and inventories with the value of VND200 billion
Military Commercial Joint Stock Bank - Ho Chi Minh City Branch	140,075,672,798	-	From 18 July 2019 to 22 September 2019	Inventories with value of VND107,200,000,000; term deposit of VND88.5 billion and11,760,000 shares of Bien Hoa Trading Export Import Joint Stock Company held by BHS
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ninh Branch	138,484,364,215	-	From 1 August 2019 to 14 December 2019	Land use rights of 156.2 ha at Tay Ninh Province
United Oversea Bank Limited - Ho Chi Minh Branch	137,822,854,187	-	From 23 July 2019 to 17 September 2019	Receivables and inventories with the value of USD6,000,000
Military Commercial Joint Stock Bank - South Sai Gon Branch	122,518,563,060	-	From 15 July 2019 to 11 September 2019	Inventories with the value of VND143,750,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank - Tay Ninh Branch	118,100,000,000	-	From 18 October 2019 to 19 October 2019	Comprised of unsecured VND100 billion, remaining VND50 billiion secured by inventories with the value of VND70 billion
Vietnam International Commercial Joint Stock Bank - Dong Nai Branch	99,821,459,390	-	From 26 September 2019 to 14 November 2019	Inventories with the value of VND100 billion
Vietnam Maritime Commercial Stock Bank - Khanh Hoa Branch	94,569,066,689	-	From 3 September 2019 to 19 October 2019	Receivables with the value of VND170 billion
Bank SinoPac - Ho Chi Minh City Branch	72,963,860,840	-	From 14 July 2019 to 30 November 2019	Unsecured
Shinhan Bank Vietnam - Ho Chi Minh Branch	59,756,625,022	-	From 3 November 2019 to 15 November 2019	Unsecured
Military Commercial Joint Stock Bank - Khanh Hoa Branch	53,369,212,436	-	From 12 September 2019 to 24 August 2019	Term deposit of VND40 billion; inventories with the maximised value of VND188.86 billion
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ninh Thuan Branch	41,763,609,224	-	From 30 September 2019 to 2 January 2020	Machinery and equipment with the value of VND 41.4 billion
Lao Viet Joint Venture Bank - Attapeu Branch	41,739,948,593	1,825,129	From 24 June 2017 to 17 August 2017	Hoang Anh Gia lai Attapeu hotel owned by Hoang Anh Attapeu Agricultural Company Limited; inventories, machines and 3,441.3 ha of planting sugarcane
HSBC Bank (Vietnam) Ltd. - Ho Chi Minh City Branch	40,915,483,894	-	From 28 July 2019 to 16 September 2019	Receivables with the value of USD6,000,000
Vietnam International Commercial Joint Stock Bank - Nha Trang Branch	38,295,511,500	-	From 25 October 2019 to 28 October 2019	Guarantee letter No. 203/2019/BL-TTC dated 18/4/2019 and Payment commitment No. 202/2019/CK-TTC dated 18/4/2019 issued by Thanh Thanh Cong Investment JSC with the value of VND100 billion
DBS Bank Ltd. - Ho Chi Minh City Branch	33,891,320,000	-	From 4 July 2019 to 6 September 2019	Receivables and inventories with the value of USD11,000,000
Malayan Banking Berhard - Ha Noi Branch	29,400,000,000	-	20 December 2019	Receivables and inventories with the value of USD10,000,000
HSBC (Vietnam) Ltd.	25,000,000,000	-	From 18 July 2019 to 25 August 2019	Receivables and inventories with maximised value of USD4,000,000 respectively; and guarantee letter from Thanh Thanh Cong Investment JSC with the value of USD6,000,000
Orient Commercial Joint Stock Bank - Pleiku branch	23,300,000,000	-	26 December 2019	Inventories with the value of VND71.5 billion
Vietnam Prosperity Joint-Stock Commercial Bank - Gia Lai Branch	20,000,000,000	-	15 March 2020	Receivables, land use rights, assets funded from the loans, rights emerged from trading electricity contract with Central Power Corporation pledged by Gia Lai Thermoelectricity Company Limited
Orient Commercial Joint Stock Ban - Dong Nai Branch	20,000,000,000	-	From 20 June 2019 to 20 June 2020	Guarantee letter from TTC Bien Hoa - Dong Nai Sugar One Member Company Limited with the value of VND20 billion
Ho Chi Minh City Development Joint Stock Commercial Bank - Nguyen Dinh Chieu Branch	10,000,000,000	-	20 December 2019	Receivables arisen from contract between Bien Hoa Trading Export Import Joint Stock Company and customers
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ninh Thuan Branch	8,608,756,410	-	From 26 July 2019 to 5 August 2019	Machinery and means of transportation with the value of VND10 billion
Ho Chi Minh City Development Joint Stock Commercial Bank - Ben Tre Branch	4,598,693,912	-	20 June 2020	Unsecured
TOTAL	**6,071,039,794,718**	**6,380,797**		

The Group obtained short-term loans from banks at the market interest rate for the purpose of financing its working capital.

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.2 Short-term bonds

	Ending balance VND	Principal repayment term	Interest rate %p.a.	Purpose	Description of collateral
Issued at par value					
Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch	500,000,000,000	7 June 2020	11	Financing for working capital	100% ownership right to the present and future capital contribution by the Company in TTC Bien Hoa - Dong Nai Sugar One Member Limited Company and entire associate assets rights and benefits
Issuance fee	(14,116,666,667)				
TOTAL	**485,883,333,333**				

25.3 Long-term loans from banks

Bank	Ending balance VND	Ending balance Original currency (USD)	Principal repayment term	Purpose	Description of collateral
Bank for Investment and Development of Vietnam Joint Stock Company - Binh Dinh Branch	427,026,324,723	18,672,235	From 29 March 201 to 21 April 2023	Purchase and construction of fixed assets	All the construction works and equipment of sugar plant and thermoelectric plant funded from the loan
Vietnam Joint Stock Commercial Bank for Industry and Trade - Gia Lai Branch	79,491,647,942	-	From 4 July 2019 to 9 October 2022		Receivables, land use rights, assets funded from the loan, rights emerged from trading electricity contract with Central Power Corporation
Military Commercial Joint Stock Bank - East Sai Gon Branch	70,129,278,272	-	17 November 2022		Machineries funded from the loan
Vietnam Joint Stock Commercial Bank for Industry and Trade - Gia Lai Branch	63,724,792,000	-	25 August 2022		Entire Gia Lai thermoelectricity factory with the value of VND262,082,986,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - North Saigon Branch	57,913,478,042	-	13 September 2024		Assets funded from the loan with the value of VND186 billion
Vietnam Joint Stock Commercial Bank for Industry and Trade - Gia Lai Branch	38,589,000,000	-	From 4 July 2019 to 9 October 2021		Machineries funded from the loan
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ninh Branch	32,055,000,000	-	From 15 May 2020 to 21 August 2021		Land use rights of land lot No. 513 located at Thanh Tay Commune, Tan Bien District, Tay Ninh Province, machineries funded from the loan
Orient Commercial Joint Stock Bank - Dak Lak Branch	28,424,000,000	-	23 December 2021	Purchase and construction of fixed assets	Machinery funded from the loan with the value of VND25.8 billion
Vietnam Joint Stock Commercial Bank for Industry and Trade - Gia Lai Branch	17,199,471,672	-	2 April 2022		Machinery and equipment funded from the loan
Orient Commercial Joint Stock Bank	12,471,284,995	-	From 10 August 2018 to 10 May 2023		Machinery funded by the loan
Vietnam Bank for Agriculture and Rural Development - Gia Lai Branch	11,090,923,088	-	From 15 February 2020 to 15 February 2022		Machinery funded by the loan
Orient Commercial Joint Stock Bank - Dak Lak Branch	8,527,782,452	-	From 09 October 2019 to 22 January 2022		Boiler project 25 tons/hour at Bien Hoa City, Dong Nai Province
Vietnam Joint Stock Commercial Bank for Industry and Trade - Giai Lai Branch	8,002,365,278	-	From 1 August 2019 to 4 January 2022		Land used rights of land lot No. 3106, located at Tan Kim Commune, Can Giuoc District, Long An Province and assets attached on land formed in the future
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Dong Nai Branch	2,850,105,436	-	From 26 September 2019 to 9 September 2020		Machinery funded by the loan
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ninh Thuan Branch	2,573,803,477	-	From 1 July 2019 to 16 April 2021		Receivables and machineries funded by the loan
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch	2,265,060,000	-	From 27 September 2019 to 12 December 2019		Machinery funded by the loan
Vietnam Development Bank - Tay Ninh Branch	1,204,085,800	-	From 14 October 2019 to 14 April 2020		Unsecured
Vietnam Bank for Agriculture and Rural Development - Gia Lai Branch	1,160,055,623	-	23 October 2020		Machineries funded by the loan
TOTAL	**864,698,458,800**	**18,672,235**			
In which:					
Current-portion	*241,050,061,082*	*4,000,000*			
Non-current portion	*623,648,397,718*	*14,672,235*			

The Group obtained long-term loans from banks at the market interest rate for the purpose of financing its working capital.

25. LOANS AND FINANCE LEASE OBLIGATIONS (continued)

25.4 *Long-term loan from another entity*

Lender	Ending balance VND	Principal repayment term	Purpose	Interest (%/year)	Description of collateral
Vietnam Environment Protection Fund	970,000,000	25 December 2019	Purchase and construction of fixed assets	5.4	Guarantee letter from Vietnam Joint Stock Commercial Bank for Industry and Trade - Gia Lai Branch
In which:					
Current portion	*970,000,000*				
Non-current portion	-				

25.5 Long-term bonds

	Ending balance VND	Principal repayment term	Purpose	Interest (%/year)
Issued at par value				
Joint Stock Commercial Bank for Investment and Development of Vietnam - Binh Dinh Branch (i)	574,560,000,000	From 23 June 2020 to 23 June 2023	Investing in project to develop sugar industrial zone and material plating area located at Attapeu Province, The Lao People's Democratic Republic through the acquisition of shares in TTC Attapeu Cane Sugar Limited Company	9.95
Joint Stock Commercial Bank for Investment and Development of Vietnam - Gia Dinh Branch (i)	383,040,000,000	From 23 June 2020 to 23 June 2023		10.13
Tien Phong Commercial Joint Stock Bank (ii)	300,000,000,000	From 30 May 2020 to 30 May 2021	Loan restructuring and financing for working capital	10.13
Vietnam International Commercial Joint Stock Bank - Dong Nai Branch (ii)	200,000,000,000	From 30 May 2020 to 30 May 2021	Loan restructuring and financing for working capital	10.13
Orient Commercial Joint Stock Bank - Ho Chi Minh Branch (iii)	200,000,000,000	From 27 May 2020 to 27 May 2021	Loan restructuring and financing for working capital	8.5
Issuance fee	(15,495,333,330)			
	1,642,104,666,670			
In which:				
Current portion	*452,850,466,660*			
Non-current portion	*1,189,254,200,010*			

(i) Collateral

» Land lease rights under Contract No. 8011/TNM dated 19 November 2012 between TTC Attapeu Sugar Cane Sole Co., Ltd. and The Lao People's Democratic Republic for 51 hectare land area located at Phu Vong District, Attapeu Province, Laos and associated assets, real estates and all rights and obligations emerging from those assets owned by TTC Attapeu Sugar Cane Sole Co., Ltd.; and ownership and entitlement to indemnity for incidents arising under insurance policies for those assets;

» Land lease rights under Contract dated 26 December 2013 between TTC Attapeu Sugar Cane Sole Co., Ltd. and Laos for 2,739.9 hectre land area located at Attapeu Province, Laos and associated assets, real estates and all rights and obligations emerging from those assets owned by TTC Attapeu Sugar Cane Sole Co., Ltd.; construction, machineries in use at farm sites, sugar manufacturing plan, thermal power plant and microbiological fertilizer manufacturing plant; and ownership and entitlement to indemnity for incidents arising under insurance policies for those assets; and

» Capital contributed by the Company and TTC Bien Hoa - Dong Nai Sugar One Member Limited Company to TTC Attapeu Cane Sugar Limited Company with value of VND2,230,109,999,975.

(ii) Collateral

» Land use rights of land lot No. 97 located at Tan Hung Commune, Tan Chau District, Tay Ninh Province and associated assets; machineries and equipment and 51% capital contribution by the Company in Thanh Thanh Cong Gia Lai Co., Ltd.

(iii) Collateral

» All buildings, equipment and machineries within Bien Hoa - Tri An Sugar Factory located at land lot No.9, Hamlet 1, Tri An Commune, Vinh Cuu District, Dong Nai Province which belongs to TTC Bien Hoa - Dong Nai Sugar One Member Company Limited;

» Real estate located at land lot No. 329, Thanh Binh Ward, Bien Hoa City, Dong Nai Province which belongs to TTC Bien Hoa - Dong Nai Sugar One Member Company Limited; and

» Capital contributed by TTC Bien Hoa - Dong Nai Sugar One Member Limited Company to Bien Hoa - Ninh Hoa Sugar One Member Company Limited with value of VND 1,030,726,951,350.

25.6 *Finance leases*

The Group currently has leased machineries and equipment under finance lease agreements with Asia Commercial Bank Leasing Company Limited and Vietnam International Leasing Company. Future obligations due under finance lease agreements as at the balance sheet dates were as follows:

VND

	Ending balance			Beginning balance		
	Total minimum lease payments	Finance charges	Lease liabilities	Total minimum lease payments	Finance charges	Lease liabilities
Current liabilities						
Less than 1 year	25,718,702,591	2,675,000,028	23,043,702,563	33,160,559,659	5,345,882,351	27,814,677,308
Non-current liabilities						
From 1 - 5 years	21,965,435,303	1,237,831,320	20,727,603,983	36,539,369,027	3,793,014,490	32,746,354,537
More than 5 years	-	-	-	11,838,594,626	536,169,268	11,302,425,358
TOTAL	**47,684,137,894**	**3,912,831,348**	**43,771,306,546**	**81,538,523,312**	**9,675,066,109**	**71,863,457,203**

26. UNEARNED REVENUE

Unearned revenue represents one-time payment received from customers for leasing the premises in TTC Plaza Tay Ninh located at No. 217 - 219, 30/04 Street, Tay Ninh City, Tay Ninh Province, Vietnam and related services.

27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

VND

	Issued share capital	Share premium	Other funds belonging to owner's equity	Treasury shares	Foreign exchange difference reserve	Investment and development fund	Undistributed earnings	Non - controlling interest	Total
Previous year									
Beginning balance	2,531,882,680,000	75,894,194,065	-	-	6,812,245,007	39,217,460,174	395,854,229,859	11,749,646,292	3,061,410,455,397
Increase in capital	3,038,304,050,000	6,167,151,721,500	-	-	-	-	-	-	9,205,455,771,500
Treasury shares	-	-	-	(1,099,985,561,092)	-	-	-	-	(1,099,985,561,092)
Business combination under common control (*)	-	-	(5,534,410,411,336)	-	-	-	-	-	(5,534,410,411,336)
Business combination	-	-	-	-	(60,507,070,429)	-	-	103,382,120,297	42,875,049,868
Acquisition of non-controlling interests	-	-	-	-	-	-	3,352,107,031	(62,578,170,746)	(59,226,063,715)
Net profit for the year	-	-	-	-	-	-	544,871,022,423	218,702,911	545,089,725,334
Conversion of financial statements to VND	-	-	-	-	(6,914,344,958)	-	-	-	(6,914,344,958)
Profit appropriation	-	-	-	-	-	30,646,221,290	(30,646,221,290)	-	-
Transfer to bonus and welfare fund	-	-	-	-	-	-	(56,812,886,676)	-	(56,812,886,676)
Others	-	-	-	-	-	-	(121,800,006)	-	(121,800,006)
Ending balance	5,570,186,730,000	6,243,045,915,565	(5,534,410,411,336)	(1,099,985,561,092)	(60,609,170,380)	69,863,681,464	856,496,451,341	52,772,298,754	6,097,359,934,316

(*) The amount represents the consolidation reserve following the issuance of 303,830,405 new shares of the Company on 6 September 2017 to swap the entire shares of Bien Hoa Sugar Joint Stock Corporation at a ratio of 1:1.02 in accordance to Resolution No. 01/2017/NQ-DHDCD dated 25 May 2017.

VND

	Issued share capital	Share premium	Other funds belonging to owner's equity	Treasury shares	Foreign exchange difference reserve	Investment and development fund	Undistributed earnings	Non - controlling interest	Total
Current year									
Beginning balance	5,570,186,730,000	6,243,045,915,565	(5,534,410,411,336)	(1,099,985,561,092)	(60,609,170,380)	69,863,681,464	856,496,451,241	52,772,298,854	6,097,359,934,316
Dividend in share *(Note 27.2)*	297,218,790,000	-	-	-	-	-	(297,218,790,000)	-	-
Dividend in cash *(Note 27.2)*	-	-	-	-	-	-	(408,224,244,952)	-	(408,224,244,952)
Disposal of Subsidiaries *(Note 4.1)*	-	-	32,294,380,412	-	3,417,408,916	-	(37,789,403,995)	(28,519,506,114)	(30,597,120,781)
Net profit for the year	-	-	-	-	-	-	268,425,858,779	(9,133,191,717)	259,292,667,062
Purchase of non-controlling interest	-	-	-	-	-	-	(33,709,509,644)	33,709,509,644	-
Conversion of financial statements to VND	-	-	-	-	13,190,433,935	-	-	-	13,190,433,935
Profit appropriation	-	-	-	-	-	54,837,395,679	(54,837,395,679)	-	-
Transfer to bonus and welfare fund	-	-	-	-	-	-	(112,022,477,983)	(407,029,649)	(112,429,507,632)
Ending balance	5,867,405,520,000	6,243,045,915,565	(5,502,116,030,924)	(1,099,985,561,092)	(44,001,327,529)	124,701,077,143	181,120,487,767	48,422,081,018	5,818,592,161,948

27. OWNERS' EQUITY (continued)

27. 2 Capital transactions with owners and distribution of dividends

VND

	Ending balance	Beginning balance
Issued contributed share capital		
Beginning balance	5,570,186,730,000	2,531,882,680,000
Increase during the year	297,218,790,000	3,038,304,050,000
Ending balance	**5,867,405,520,000**	**5,570,186,730,000**
Dividends declared (*)	*(705,443,034,950)*	-
In which:		
- Dividend declared in share	*(297,218,790,000)*	
- Dividend declared in cash	*(408,224,244,950)*	-
Dividends paid	*(192,683,748,041)*	*(12,074,600)*

(*) In accordance with Shareholders' Resolution No. 01/2018/NQ-DHDCD dated 17 October 2018 and the Board of Director's Resolutions No. 30/2018/NQ-HDQT dated 7 December 2018, the Company declared dividends by cash amounting to VND 408,224,244,950 and in form of shares with value at VND 297,250,663,800. Accordingly, on 24 January 2019, the Company completed the issuance of 29,721,879 shares in form of dividend payment to existing Shareholders from its undistributed earnings in the consolidated financial statements for the year ended 30 June 2018. On 14 February 2019, the Company received the 7th amended BRC issued by the Department of Planning and Investment of Tay Ninh Province approving the increase of share capital to VND 5,867,405,520,000.

27. 3 Shareholders

	Ending balance		Beginning balance	
	Shares	% of interest	Shares	% of interest
Thanh Thanh Cong Investment Joint Stock Company	168,021,963	28.64	107,511,290	19.30
Ben Tre Import Export Joint Stock Company	-	-	76,124,566	13.67
Others	418,718,589	71.36	373,382,817	67.03
TOTAL	**586,740,552**	**100.00**	**557,018,673**	**100.00**

27.4 Shares

	Number of shares	
	Ending balance (shares)	Beginning balance (shares)
Authorised shares	586,740,552	557,018,673
Shares issued and fully paid		
Ordinary shares	*586,740,552*	*557,018,673*
Treasury shares		
Ordinary shares	*(61,600,900)*	*(61,600,900)*
Shares in circulation		
Ordinary shares	*525,139,652*	*495,417,773*

The par value of each outstanding share: VND 10,000.

27.5 Earnings per share

	Current year	Previous year (Restated)
Net profit for the year attributable to the Company's Shareholders (VND)	268,425,858,779	544,871,022,423
Appropriation to bonus and welfare fund (*)	(38,974,501,727)	(54,837,395,679)
Net profit attributable to ordinary holders of the Company's Shareholders adjusted for appropriation to bonus and welfare fund	**229,451,357,052**	**490,033,626,744**
Weighted average number of ordinary shares *(shares)*	525,142,839	491,805,718
Impact of dividend declared in shares completed in January 2019	-	29,725,066
Weighted average number of ordinary shares in circulation during the year (**)	525,142,839	521,530,784
Basic and diluted earnings per share *(VND/share)*	**437**	**940**

(*) Net profit used to compute earnings per share for the year ended 30 June 2018 was restated following the actual distribution to Bonus and welfare funds from 2017 retained earnings as approved in the Resolution of Annual Shareholders Meeting No. 06/2018/NQ-DHDCD dated 15 November 2018.

Bonus and welfare fund for current year is estimated in accordance with the Resolution of Annual Shareholders Meeting No. 06/2018/NQ-DHDCD dated 15 November 2018.

(**) Weight average number of ordinary shares of previous year were restated to reflect the issuance of shares in form of dividend payment on 24 January 2019 (Note 27.2).

28. REVENUES

28.1 Revenues from sale of goods and rendering of services

VND

	Current year	Previous year
Gross revenue	**10,884,713,247,355**	**10,325,400,666,889**
In which:		
Sale of sugar	*9,499,260,144,181*	*9,085,503,491,590*
Sale of molasses	*301,548,502,704*	*348,022,122,396*
Sale of products from rubber	*300,223,315,709*	*294,315,456,434*
Sale of milk	*239,148,590,437*	*88,382,004,629*
Sale of electricity	*180,874,229,036*	*166,760,012,512*
Sale of fertilizer	*179,170,758,732*	*227,851,686,505*
Sale of beer	*109,816,050,005*	*41,518,272,911*
Rendering of rental services (Note 16)	*24,041,879,003*	*41,033,433,030*
Other	*50,629,777,548*	*32,014,186,882*
Less	**(28,100,847,211)**	**(40,705,067,180)**
Trade discounts	*(20,935,297,004)*	*(21,472,149,581)*
Sales returns	*(6,515,121,855)*	*(19,232,917,599)*
Sales discount	*(650,428,352)*	-

28. REVENUES (continued)

28.1 Revenues from sale of goods and rendering of services (continued)

VND

	Current year	Previous year
Net revenues	**10,856,612,400,144**	**10,284,695,599,709**
In which:		
Sale of sugar	*9,471,159,296,970*	*9,044,825,709,704*
Sale of molasses	*301,548,502,704*	*348,022,122,396*
Sale of products from rubber	*300,223,315,709*	*294,315,456,434*
Sale of milk	*239,148,590,437*	*166,760,012,512*
Sale of electricity	*180,874,229,036*	*88,382,004,629*
Sale of fertilizer	*179,170,758,732*	*227,851,686,505*
Sale of beer	*109,816,050,005*	*41,518,272,911*
Rendering of rental services (Note 16)	*24,041,879,003*	*41,033,433,030*
Other	*50,629,777,548*	*31,986,901,588*
In which:		
Sales to other parties	*9,061,543,976,357*	*7,016,994,966,593*
Sales to related parties	*1,795,068,423,787*	*3,267,700,633,116*

28.2 Finance income

VND

	Current year	Previous year
Gains from disposal of investments	858,855,887,598	409,954,101,307
Interest income from bank deposit, lending and advance to suppliers	225,735,348,191	280,009,634,773
Foreign exchange gains	18,510,907,742	12,585,607,774
Dividends income	2,921,948,401	9,170,878,382
Others	4,612,270,805	758,388,897
TOTAL	**1,110,636,362,737**	**712,478,611,133**
In which:		
Sales to related parties	*589,799,266,872*	*560,651,821,665*
Sales to other parties	*520,837,095,865*	*151,826,789,468*

29. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year
Cost of sugar	8,622,131,810,976	7,797,489,394,872
Cost of molasses	315,239,534,885	335,169,533,346
Cost of products from rubber	293,471,599,578	287,185,193,804
Cost of milk	229,234,998,877	86,556,444,062
Cost of electricity	171,963,910,883	150,457,452,182
Cost of fertilizer	170,132,786,390	211,588,640,546
Cost of beer	108,433,036,004	26,025,576,620
Cost of rental services	18,414,797,301	31,777,126,794
Others	55,902,240,356	32,361,669,295
TOTAL	**9,984,924,715,250**	**8,958,611,031,521**

30. FINANCE EXPENSES

VND

	Current year	Previous year
Interest expense and share issuance fee	705,491,023,191	714,074,144,851
Trade discount and advanced interest	86,201,558,627	42,862,204,238
Foreign exchange losses	19,476,463,838	13,551,277,323
Provision for diminution in investments	(256,686,600)	8,851,076,348
Loss from disposal of investments	631,821,687	2,585,105,125
Others	11,848,551,104	24,146,682,725
TOTAL	**823,392,731,847**	**806,070,490,610**

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

	Current year	Previous year
Selling expenses		
Expenses for external services	296,976,520,358	198,132,705,287
Labour cost	82,596,488,479	83,458,331,575
Depreciation and amortisation	6,570,182,394	6,957,515,143
Others	14,296,135,149	29,109,127,902
	400,439,326,380	**317,657,679,907**
General and administrative expenses		
Labour costs	190,416,769,098	203,577,651,635
Expenses for external services	116,124,198,046	84,588,920,252
(Reversal of provision) provision	(28,167,042,823)	24,010,306,175
Depreciation and amortisation	48,812,339,418	44,658,105,543
Other expenses	119,940,843,943	79,491,617,433
TOTAL	**447,127,107,682**	**436,326,601,038**

32. PRODUCTION AND OPERATING COSTS

VND

	Current year	Previous year
Raw Materials and merchandise goods	9,412,141,271,632	11,419,140,594,444
Expenses for external services	470,309,760,868	416,939,446,839
Labour costs	441,885,539,776	511,493,083,747
Depreciation and amortisation	346,934,495,313	408,466,666,779
Other expenses	281,486,856,167	260,173,081,245
TOTAL	**10,952,757,923,756**	**13,016,212,873,054**

33. OTHER INCOME AND EXPENSES

VND

	Current year	Previous year
Other income	**143,368,375,466**	**178,470,049,565**
Gains from disposal of fixed assets	118,044,085,801	136,006,351,296
Income from leasing activities	16,201,127,183	19,640,784,393
Penalties received	2,308,180,176	6,403,272,751
Others	6,814,982,306	16,419,641,125
Other expenses	**40,171,279,603**	**35,629,630,048**
Depreciation of leased assets	18,414,797,301	16,191,791,399
Penalties	8,942,395,015	7,356,155,704
Others	12,814,087,287	12,081,682,945
OTHER PROFIT	**103,197,095,863**	**142,840,419,517**

34. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 10% of taxable profits. The Company is entitled to an exemption from CIT in regards to taxable profits generated from manufacturing sugar from sugar-cane commencing from 1 January 2015 in accordance with Circular No. 96/2015/TT-BTC issued by the Ministry of Finance dated 22 June 2015.

The Company's subsidiaries have the obligations to pay CIT at the rates ranging from 10% to the normal applicable rate of their respective taxable profits their respective taxable profits. They are also entitled to CIT exemption and reduction in accordance with their respective business registration certificates and applicable tax regulations.

The tax returns filed by Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

34.1 CIT expense

VND

	Current year	Previous year
Current CIT expense	157,953,526,009	149,157,040,507
Adjustment for under accrual of tax from prior years	75,160,422	238,362,996
	158,028,686,431	149,395,403,503
Deferred tax expenses (income)	4,462,592,400	(12,193,387,854)
TOTAL	**162,491,278,831**	**137,202,015,649**

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

VND

	Current year	Previous year
Accounting profit before tax	**421,783,945,893**	**682,291,740,983**
At CIT applicable rates	60,691,110,796	117,715,087,206
Adjustments:		
Non-deductible expenses	89,065,544,899	32,045,630,516
Consolidation adjustments	11,618,318,773	45,580,032,425
Amortisation of goodwill	3,979,287,316	3,748,239,476
Adjustment for (over) under accrual of tax from prior years	(842,506,415)	238,362,996
Change of gains of change in ownership interest of investments	-	(457,773,495)
Dividends income	(54,145,256)	(2,193,178,244)
Share of profit in associates	(1,444,393,662)	(12,188,582,740)
Tax exemption	(521,937,620)	(19,574,649,153)
CIT expenses	**162,491,278,831**	**164,913,168,987**

34.2 Current CIT

The current tax payable is based on taxable income for the current year. The taxable income of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

34.3 Deferred tax

The following is the deferred tax asset recognised by the Group, and the movement thereon, during the current and previous year:

VND

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax asset				
Provision for obsolete inventories	-	2,967,049,423	(2,967,049,423)	2,967,049,423
Unrealised profits	1,540,142,687	6,028,931,545	(4,488,788,858)	5,455,726,419
Accrued expenses	7,400,947,278	6,857,726,048	543,221,230	1,254,104,949
TOTAL	**8,941,089,965**	**15,853,707,016**		
Deferred tax liabilities				
Surplus fair value of net assets in business combination	87,109,192,528	89,053,393,660	1,944,201,132	3,763,546,916
Provisions for long-term investments	741,216,334	1,247,039,853	505,823,519	(1,247,039,853)
TOTAL	**87,850,408,862**	**90,300,433,513**		
Deferred tax (expenses) income			***(4,462,592,400)***	***12,193,387,854***

35. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties including entities within Thanh Thanh Cong Group ("affiliates") and other related parties during the current and previous year were as follows:

VND

Related parties	Relationship	Transactions	Current year	Previous year
Thanh Thanh Cong Industrial Zones Joint Stock Company	Affiliate	Sale of shares	717,000,000,000	-
		Deposit for land rental	700,000,000,000	-
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Sale of goods	616,427,136,275	737,988,286,679
		Purchase of goods	319,127,548,796	434,192,717,781
		Interest income	36,340,753,189	80,687,421,034
		Purchase of services	24,343,706,697	21,988,040,858
		Interest expenses	333,906,959	31,767,523,040
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Purchase of goods	417,508,047,496	342,903,784,690
		Purchase of services	86,870,291,693	47,301,031,396
		Sale of goods	78,942,513,696	676,995,736,402
		Interest income	55,428,067,091	40,385,168,252
		Service rendered	16,208,443,771	590,758,911
		Purchase of shares	4,167,132,000	-
		Interest expenses	2,688,036,220	7,006,367,132
Global Mind Commodities Trading Pte. Ltd	Common owner	Purchase of materials	456,319,898,239	965,136,534,786
		Sale of goods	301,858,688,142	-
		Advances for purchase of goods	-	211,157,419,200
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of materials	91,491,143,013	81,019,607,504
		Sale of goods	206,491,000	24,266,789,000
Tam Binh An Manufacturing Trading Joint Stock Company	Affiliate	Sale of goods	439,318,653,333	140,170,000,000
		Purchase of goods	213,483,040,000	363,490,909,091
		Interest income	16,319,855,596	4,071,756,165

VND

Related parties	Relationship	Transactions	Current year	Previous year
Son Tin Commodities Exchange Joint Stock Company	Affiliate	Purchase of goods	314,593,186,239	91,744,315,250
		Sale of goods	143,289,950,473	546,976,996,273
		Purchase of shares	58,500,000,000	-
		Interest income	18,653,363,970	59,834,240,939
Toan Hai Van Joint Stock Company	Affiliate	Deposit for land rental	418,000,000,000	-
		Sale of shares	-	612,500,000,000
Mr. Thai Van Chuyen	Related party	Sale of shares	240,000,000,000	-
Ben Tre Import and Export Joint Stock Company	Affiliate	Purchase of goods	100,940,649,046	347,544,709,951
		Purchase of materials	58,668,080,004	68,843,602,504
		Interest income	10,015,092,202	6,820,199,411
		Sale of goods	2,344,246,849	101,240,877,882
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Sale of goods	77,213,715,808	195,185,809,524
		Sale of fixed assets	52,090,909,091	255,498,447,101
		Purchase of goods	26,415,000,000	-
		Purchase of fixed assets	66,610,593,432	-
Loc Tho Joint Stock Company	Affiliate	Sale of goods	-	55,475,518,054
		Purchase of materials	-	28,263,336,829

VND

Related parties	Relationship	Transactions	Current year	Previous year
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Affiliate	Purchase of materials	34,245,606,161	35,869,535,972
		Purchase of goods	151,300,000	36,455,032,395
		Sale of goods	27,257,520	100,798,910,077
Thanh Thanh Cong Tourist Joint Stock Company	Common owner	Purchase of services	10,651,954,125	8,937,246,843

Transactions with other related parties

Remuneration to members of the Board of Directors and Management

VND

	Current year	Previous year
Salaries and bonus	8,087,517,913	6,111,632,740

Amounts due from and due to related parties at the balance sheet date were as follows:

VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivables				
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Sale of goods	462,832,902,215	73,224,351,338
Tam Binh An Manufacturing Trading Joint Stock Company	Affiliate	Sale of goods	296,012,843,500	70,003,500,000
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Sale of asset	65,368,446,508	249,302,744,490
		Sale of goods	-	96,589,200,000
Global Mind Commodities Trading Pte., Ltd	Common owner	Sale of goods	12,298,038,641	57,876,301,528
Son Tin Commodities Exchange JSC	Affiliate	Sale of goods	6,172,500,000	235,036,706,000
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Sale of goods	3,493,114,450	36,152,729,758
Toan Hai Van Joint Stock Company	Affiliate	Transfer of TTC IZ shares	-	394,500,000,000
Other related parties		Sale of goods	1,084,924,423	82,244,758,490
TOTAL			**847,262,769,737**	**1,294,930,291,604**

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet date were as follows: (continued)

VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term advances to suppliers				
Thanh Thanh Cong Trading Joint Stock Company (*)	Common owner	Purchase of goods	433,576,050,183	888,147,854,765
Son Tin Commodities Exchange JSC (*)	Affiliate	Purchase of goods	307,453,353,986	164,758,103,986
Tam Binh An Manufacturing Trading Joint Stock Company (*)	Affiliate	Purchase of goods	258,250,050,000	96,600,000,000
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of goods	70,137,489,034	52,634,652,710
Global Mind Commodities Trading Pte., Ltd	Common owner	Purchase of materials	12,861,958,239	211,157,419,200
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Purchase of goods	4,605,136,626	295,910,880,000
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Affiliate	Purchase of materials	1,071,151,790	1,701,160,464
Ben Tre Import and Export Joint Stock Company	Affiliate	Purchase of goods	242,585,600	21,405,055,440
Thanh Thanh Cong Tourist Joint Stock Company	Common owner	Purchase of services	160,710,200	2,533,253,700
Other related parties		Purchase of goods	2,380,440	803,600,000
TOTAL			**1,088,360,866,098**	**1,735,651,980,265**
Other short-term receivables				
Thanh Thanh Cong Industrial Zones Joint Stock Company	Affiliate	Deposit for land rental	700,000,000,000	-
Toan Hai Van Joint Stock Company	Affiliate	Deposit for land rental	418,000,000,000	-
Son Tin Commodities Exchange JSC	Affiliate	Interest income	40,111,954,726	53,785,251,028
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Interest income	32,726,208,580	35,420,856,485
Tam Binh An Manufacturing Trading Joint Stock Company	Affiliate	Interest income	19,339,778,428	3,067,709,133
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Interest income	10,173,025,769	31,006,207,153
		Deposit	-	457,708,000
Other related parties		Payment on behalf	1,139,411,626	3,734,464,034
			1,221,490,379,129	**127,472,195,833**

(*) Short-term advances to related parties earn interest at the rates ranging from 8.0% to 9.5% per annum.

VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Other long-term receivables				
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Deposit	457,708,000	-
Loc Tho Joint Stock Company	Affiliate	Deposit	-	357,865,463,900
TOTAL			**457,708,000**	**357,865,463,900**
Short-term loan receivables (*)				
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company	Affiliate	Lending	15,000,000,000	-
Thuan Thien Investment Joint Stock Company	Affiliate	Lending	-	14,200,000,000
Son Tin Commodities Exchange Joint Stock Company	Affiliate	Lending	-	79,400,000,000
TOTAL			**15,000,000,000**	**93,600,000,000**

(*) These represented the short-term loan receivables with terms from 1 to 6 months and earn interest at the rates ranging from 8.5% to 10.5% per annum.

VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade payables				
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Purchase of services	70,025,072,550	22,117,023,356
Svayrieng Sugar and Cane Company Limited	Affiliate	Purchase of goods	18,289,801,639	-
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Purchase of goods	10,854,842,398	25,125,056,248
Tam Binh An Manufacturing Trading Joint Stock Company	Affiliate	Purchase of goods	10,024,942,000	7,780,000,000
Ben Tre Import and Export Joint Stock Company	Affiliate	Purchase of goods	6,237,635,733	137,000,871,278
Other related parties		Purchase of goods	3,820,792,717	7,962,339,908
TOTAL			**119,253,087,037**	**199,985,290,790**
Short-term advances from customers				
Son Tin Commodities Exchange JSC	Affiliate	Sale of goods	68,446,631,907	66,829,943,383

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet date were as follows: (continued)

VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Thanh Thanh Cong Trading Joint Stock Company	Common owner	Sale of goods	23,327,583,343	37,268,337,247
Tay Ninh Sugar Joint Stock Company	Associate	Sale of goods	15,800,000,000	-
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Sale of goods	-	16,943,731,064
Other related parties		Sale of goods	513,412,228	-
TOTAL			**108,087,627,478**	**121,042,011,694**
Other short-term payables				
Thanh Thanh Cong Investment Joint Stock Company	Major shareholder	Dividend payable	67,208,785,200	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Affiliate	Dividend payable	8,000,000,000	-
Rubber Nuoc Trong Joint Stock Company	Related party	Business Co-operation Contract	1,200,000,000	-
Other related parties		Interest expenses	43,720,548	1,080,556,213
TOTAL			**76,452,505,748**	**1,080,556,213**
Short-term loans				
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company (*)	Affiliate	Loan	6,000,000,000	-
Ben Tre Import and Export Joint Stock Company	Affiliate	Loan	-	300,000,000
TOTAL			**6,000,000,000**	**300,000,000**
Long-term loans				
Gia Lai Electricity Joint Stock Company (**)	Common owner	Loan	14,900,000,000	-
Tay Ninh Sugar Joint Stock Company (**)	Associate	Loan	2,386,340,000	-
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company (**)	Affiliate	Loan	1,062,680,000	-
TOTAL			**18,349,020,000**	-

(*) This represented unsecured short-term loans with the interest rate ranging from 6.5% per annum for financing its working capital requirements.

(**) These represented unsecured long-term loans with the term over 12 months and interest rate ranging from 5.4% per annum for financing its working capital requirements and purchasing fixed assets.

36. CORRESPONDING FIGURES

Certain corresponding balances in the consolidated balance sheet as at 30 June 2018 have been reclassified to conform with current year's presentation. Details are as follows:

VND

	Beginning balance (as previously presented)	Reclassification	Beginning balance (reclassified)
Consolidated balance sheet as at 30 June 2018			
Short-term trade receivables	1,585,814,700,457	399,807,803,729	1,985,622,504,186
Other short-term receivables	661,365,229,237	(399,807,803,729)	261,557,425,508

37. COMMITMENTS

Operating lease commitment

The Group leases office and warehouses under operating lease arrangements. The future minimum lease commitment as at the balance sheet dates under the operating lease agreements is as follows:

VND

	Ending balance	Beginning balance
Less than 1 year	25,597,958,373	26,675,423,391
From 1 - 5 years	128,521,028,740	114,719,008,574
More than 5 years	492,609,733,116	227,749,422,265
TOTAL	**646,728,720,229**	**369,143,854,230**

38. OFF BALANCE SHEET ITEMS

	Ending balance	Beginning balance
Goods held on consignment		
Sugar finished goods (tonne)	*52,885*	*73,259*
Foreign currencies		
LAK	*8,127,315,813*	*1,631,398,738*
USD	*556,416*	*2,072,270*
INR	*18,140*	*18,140*
AUD	*950*	*950*
GBP	*630*	*630*
EUR	*250*	*250*
SGP	-	*58,793*
THB	-	*19,460*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
as at 30 June 2019 and for the year then ended

B09-DN/HN

39. EVENTS AFTER THE BALANCE SHEET DATE

On 23 September 2019, the Company completed the issuance of 21,611,333 preference shares with convertible rights to a new shareholder with value of VND 648,340,000,000 in accordance with Resolution of Shareholders No. 01/2018/NQ-DHDCD dated 17 October 2018. On 24 September 2019, the Company received Official Letter No. 5775/UBCK-QLCB issued by the State Securities Commission approving this share issuance transaction. As at the date of the consolidated financial statements, the Company is in the process of completing documentation in relation to this change of share capital to submit to the Department of Planning and Investment of Tay Ninh Province.

There is no other matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.

CÔNG TY CỔ PHẦN THÀNH THÀNH CÔNG - BIÊN HÒA
M.S.D.N: 3900244389 - C.T.C.P
H. TÂN CHÂU - T. TÂY NINH

Nguyen Thuy Trang	Le Phat Tin	Nguyen Thanh Ngu
Preparer	Chief Accountant	General Director

Ho Chi Minh City, Vietnam
28 September 2019

B01-DN

SEPARATE BALANCE SHEET
as at 30 June 2019

VND

Code		ASSETS	Notes	Ending balance	Beginning balance (Reclassified - Note 34)
100	A.	CURRENT ASSETS		4,876,805,195,380	4,276,199,011,506
110	I.	Cash	4	276,506,697,442	56,585,754,828
111	1.	Cash		276,506,697,442	56,585,754,828
120	II.	Short-term investments		45,012,800,004	46,323,850,003
121	1.	Held-for-trading securities	5	15,022,500	2,529,288,253
122	2.	Provision for diminution in value of held-for-trading securities	5	(2,222,496)	(1,205,438,250)
123	3.	Held-to-maturity investments	6	45,000,000,000	45,000,000,000
130	III.	Current accounts receivable		3,391,335,155,624	2,616,751,590,028
131	1.	Short-term trade receivables	7	1,256,490,697,164	1,148,741,677,253
132	2.	Short-term advances to suppliers	8	1,211,622,236,247	1,295,171,011,943
135	3.	Short-term loan receivables		124,000,000,000	113,800,000,000
136	4.	Other short-term receivables	9	815,386,044,645	107,891,841,203
137	5.	Provision for doubtful short-term receivables	7, 8, 9	(16,163,822,432)	(48,852,940,371)
140	IV.	Inventories	10	1,098,141,094,051	1,516,096,011,030
141	1.	Inventories		1,115,454,620,806	1,547,056,717,834
149	2.	Provision for obsolete inventories		(17,313,526,755)	(30,960,706,804)
150	V.	Other current assets		65,809,448,259	40,441,805,617
151	1.	Short-term prepaid expenses	11	56,826,677,045	31,459,034,403
153	2.	Tax and other receivables from the State	19	8,982,771,214	8,982,771,214
200	B.	NON-CURRENT ASSETS		12,070,997,104,848	12,567,457,395,400
210	I.	Long-term receivables		58,976,154,002	162,160,445,217
212	1.	Long-term advances to suppliers	8	20,722,680,610	60,566,551,291
216	2.	Other long-term receivables	9	38,253,473,392	101,593,893,926
220	II.	Fixed assets		623,783,511,518	587,622,664,765
221	1.	Tangible fixed assets	12	552,001,595,182	575,008,791,730
222		Cost		2,187,532,975,556	2,145,609,476,874
223		Accumulated depreciation		(1,635,531,380,374)	(1,570,600,685,144)
227	2.	Intangible fixed assets	13	71,781,916,336	12,613,873,035
228		Cost		92,566,119,973	26,000,266,541
229		Accumulated amortisation		(20,784,203,637)	(13,386,393,506)
230	III.	Investment properties	14	157,234,743,426	161,581,787,394
231	1.	Investment properties		179,231,206,174	176,757,947,173
232	2.	Accumulated depreciation		(21,996,462,748)	(15,176,159,779)
240	IV.	Long-term asset in progress		51,641,103,470	10,972,903,560
242	1.	Construction in progress	15	51,641,103,470	10,972,903,560
250	V.	Long-term investments	16	11,005,658,160,140	11,483,375,664,386
251	1.	Investments in subsidiaries	16.1	10,956,546,221,985	11,065,553,278,185
252	2.	Investments in an associate	16.2	31,579,200,000	31,579,200,000
253	3.	Investments in other entities	16.3	36,804,268,445	403,236,496,444
254	4.	Provision for diminution in value of long-term investments	16	(19,271,530,290)	(16,993,310,243)
260	VI.	Other long-term assets		173,703,432,292	161,743,930,078
261	1.	Long-term prepaid expenses	11	167,969,672,807	155,459,549,932
262	2.	Deferred tax assets	31.3	5,733,759,485	6,284,380,146
270		TOTAL ASSETS		16,947,802,300,228	16,843,656,406,906

AUDITED FINANCIAL STATEMENTS FISCAL YEAR 18-19

SUMMARY OF SEPARATE FINANCIAL STATEMENTS 18-19

SEPARATE BALANCE SHEET (CONTINUED)
as at 30 June 2019

B01-DN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	**C. LIABILITIES**		**5,339,830,043,141**	**5,209,400,513,919**
310	***I. Current liabilities***		***4,614,437,435,790***	***4,160,614,231,226***
311	1. Short-term trade payables	17	192,684,834,921	181,514,785,015
312	2. Short-term advances from customers	18	19,560,931,969	21,820,269,941
313	3. Statutory obligations	19	84,162,747,282	87,451,432,472
314	4. Payables to Employees		6,800,725,986	3,929,192,216
315	5. Short-term accrued expenses	20	82,782,704,254	53,636,090,640
318	6. Short-term unearned revenue	21	13,542,041,559	4,099,827,339
319	7. Other short-term payables	22	249,402,038,685	8,301,992,652
320	8. Short-term loans	23	3,861,031,969,987	3,754,991,615,292
322	9. Bonus and welfare fund	3.15	104,469,441,147	44,869,025,659
330	***II. Non-current liabilities***		***725,392,607,351***	***1,048,786,282,693***
336	1. Long-term unearned revenue	21	11,671,251,175	12,537,563,120
337	2. Other long-term liability	22	6,433,881,960	6,359,756,280
338	3. Long-term loans	23	707,287,474,216	1,029,888,963,293
400	**D. OWNERS' EQUITY**	**24**	**11,607,972,257,087**	**11,634,255,892,987**
410	***I. Capital***		***11,607,972,257,087***	***11,634,255,892,987***
411	1. Share capital		5,867,405,520,000	5,570,186,730,000
411a	*- Shares with voting rights*		*5,867,405,520,000*	*5,570,186,730,000*
412	2. Share premium		6,243,045,915,565	6,243,045,915,565
415	3. Treasury shares		(1,099,985,561,092)	(1,099,985,561,092)
418	4. Investment and development fund		124,701,077,143	69,863,681,464
421	5. Undistributed earnings		472,805,305,471	851,145,127,050
421a	*- Undistributed earnings up to the end of prior year*		*20,945,234,557*	*308,596,087,663*
421b	*- Undistributed earnings of current year*		*451,860,070,914*	*542,549,039,387*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**16,947,802,300,228**	**16,843,656,406,906**

Le Van Danh
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

Ho Chi Minh City, Vietnam
28 September 2019

B02-DN

SEPARATE INCOME STATEMENT
for the year ended 30 June 2019

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	25.1	5,356,595,344,087	4,551,547,946,031
02	2. Deductions	25.1	(11,627,048,562)	(4,847,029,852)
10	3. Net revenue from sale of goods and rendering of services	25.1	5,344,968,295,525	4,546,700,916,179
11	4. Cost of goods sold and services rendered	26, 30	(4,825,324,790,701)	(3,965,568,909,261)
20	5. Gross profit from sale of goods and rendering of services		519,643,504,824	581,132,006,918
21	6. Finance income	25.2	696,697,390,064	470,656,484,819
22	7. Finance expenses	27	(397,145,563,492)	(322,252,972,342)
23	*In which: Interest expense*		*(370,173,805,404)*	*(286,316,265,526)*
25	8. Selling expenses	28, 30	(122,012,830,421)	(79,473,786,689)
26	9. General and administrative expenses	28, 30	(157,278,103,895)	(133,935,149,388)
30	10. Operating profit		539,904,397,080	516,126,583,318
31	11. Other income	29	30,075,479,191	150,308,162,340
32	12. Other expenses	29	(29,500,193,177)	(17,331,783,632)
40	13. Other profit	29	575,286,014	132,976,378,708
50	14. Accounting profit before tax		540,479,683,094	649,102,962,026
51	15. Current corporate income tax expense	31.1	(88,068,991,520)	(112,502,830,762)
52	16. Deferred tax (expense) income	31.3	(550,620,660)	5,948,908,123
60	17. Net profit after tax		451,860,070,914	542,549,039,387

Le Van Danh
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

Ho Chi Minh City, Vietnam
28 September 2019

AUDITED FINANCIAL STATEMENTS FISCAL YEAR 18-19

SUMMARY OF SEPARATE FINANCIAL STATEMENTS 18-19

SEPARATE CASH FLOW STATEMENT
for the year ended 30 June 2019

B03-DN

VND

Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	**Profit before tax**		**540,479,683,094**	**649,102,962,026**
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment prop-erties and amortisation of in-tangible fixed assets	12, 13, 14	79,961,221,373	128,449,876,866
03	(Reversal of provisions) provisions		(45,261,293,695)	54,272,323,438
04	Foreign exchange (gains) losses arisen from revalua-tion of monetary accounts dominated in foreign currency		(1,321,701,772)	418,362,103
05	Profit from investing activities		(676,831,501,500)	(581,334,800,711)
06	Interest expense	27	370,173,805,404	286,316,265,526
08	**Operating profit before changes in working capital**		**267,200,212,904**	**537,224,989,248**
09	Increase in receivables		(508,481,945,515)	(554,915,402,543)
10	Decrease in inventories		431,602,097,028	113,918,720,624
11	(Decrease) increase in payables		(8,257,774,109)	79,868,561,009
12	Increase in prepaid expenses		(32,569,895,126)	(83,400,440,215)
13	Decrease in held-for-trading securities		2,514,265,753	66,850,678,653
14	Interest paid		(376,532,719,696)	(266,740,905,374)
15	Corporate income tax paid	19	(55,565,878,039)	(67,574,822,452)
17	Other cash outflows for operating activities		(10,319,046,376)	(8,864,909,967)
20	**Net cash flows used in operating activities**		**(290,410,683,176)**	**(183,633,531,017)**
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(803,506,338,890)	(188,447,741,905)
22	Proceeds from disposals of fixed assets		363,982,156,119	7,352,117,840
23	Loans to other entities and term deposits		(1,314,800,000,000)	(499,800,000,000)
24	Collections from borrowers and term deposits		1,304,600,000,000	356,000,000,000
25	Payments for investments in other entities		(8,662,795,800)	(23,543,379,154)
26	Proceeds from sale of investments in other entities		1,266,500,000,000	218,000,000,000
27	Interest and dividends received		113,969,169,181	33,058,823,955
30	**Net cash flows from (used in) investing activities**		**922,082,190,610**	**(97,380,179,264)**

VND

Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
32	Capital redemption		-	(1,099,985,561,092)
33	Drawdown of borrowings		7,335,040,965,504	6,058,935,327,364
34	Repayment of borrowings		(7,554,099,715,765)	(4,683,526,526,719)
36	Dividends paid	24.2	(192,683,748,039)	(12,074,600)
40	**Net cash flows (used in) from financing activities**		**(411,742,498,300)**	**275,411,164,953**
50	**Net increase (decrease) in cash**		**219,929,009,134**	**(5,602,545,328)**
60	**Cash at beginning of year**		**56,585,754,828**	**62,187,577,074**
61	Impact of exchange rate fluctuation		(8,066,520)	723,082
70	**Cash at end of year**	**4**	**276,506,697,442**	**56,585,754,828**

Le Van Danh
Preparer

Le Phat Tin
Chief Accountant

Nguyen Thanh Ngu
General Director

Ho Chi Minh City, Vietnam
28 September 2019

COMMITMENTS TO THE TRUTH AND FAIRNESS OF ANNUAL REPORT, THE SUSTAINABLE DEVELOPMENT SUMMARY REPORT

Orientating towards

A GREEN, CLEAN AGRICULTURE SECTOR AND THE GOAL OF SUSTAINABLE DEVELOPMENT

TTC Bien Hoa carried out specific strategies shown in continuous improvement in technological lines to produce high-quality, natural and safe products which are good for health of Consumers such as Organic Sugar, Gold Mineral Sugar, Natural Gold Sugar, Natural Gold Rock Sugar, Syrup and etc., catering to the diverse needs of each Customer segment, accompanying with Farmers, maintaining the value created for Shareholders and Investors. In the Fiscal year 18-19, in line with the State direction in encouraging investment, the Company has increasingly invested in Solar Power systems on the Rooftop of Warehouses, Factories and Offices in order to make the most of Renewable Energy sources, minimize the factors causing Environmental pollution and generate values to the Society.

A suitable, steady operation foundation is a strong base for TTC Bien Hoa to continue strengthening the management ability, towards International standards and practices at higher levels. The Company has associated with Deloitte and IFC for a medium and long-term development strategy in certain circumstances, improving the efficiency of Information Disclosure, making business operations transparent, and ensuring the interests of both Shareholders and Related Parties. In addition, the Company has paid special attention to Environmental and Social commitments. These are important factors for the Company to achieve our International orientations, to close the gap between the Vietnam Sugar Industry with the Region, to continue raising funds from International Strategic partners.

In TTC Bien Hoa, gender equality, the role of Women in business management, Environmental protection and Public Health issues are being taken into account. With the presence in VNSI of HOSE, SBT stock is expected to continue to maintain and aim to achieve the criteria of a GREEN STOCK. With the function and role of IA Department, we commit that:

ANNUAL REPORT

The contents presented in the AR fully satisfy the information disclosure regulations as required in Circular No. 155/2015/TT-BTC providing guidelines for information disclosure on the stock market

The content of the AR is geared towards the best practices and standards recognized by International organizations namely G20/OECD Principle CG (2015), ASEAN CG Scorecard (2017-2018), CG Code of Best practices for Public Companies by HOSE and IFC (2019)

All financial information and data presented in the AR are consistent with the Audited FS by Ernst & Young Vietnam Co., Ltd.

The AR reflects the overall production and business activities, project investments and financial status in the FY, towards the 4 main subjects of the Report: *Shareholders - Investors, Customers, Farmers and Community - Society.*

SUSTAINABLE DEVELOPMENT SUMMARY REPORT

The monitor system established by the BOM is working well in controlling and ensuring the appropriateness of the indicators presented in the Sustainable Development Report

The indicators in the Sustainable Development Report based on the GRI Sustainable Development Report Standard (2016). The Sustainable Development Report is also received guidance and training from the Global Reporting Initiative - GRI Vietnam

The content of the Sustainable Development Report is appropriate and it reflects the development strategy based on the core interests of the Company, Shareholders and Related Parties, towards the goals of Effective Management, Satisfying Customers, Accompanying Farmers and Community Responsibility

The Sustainable Development Report is reasonably presented on the key aspects, the mutual relationship aiming Related Parties. The Report reflects the 3 main indicators of Economy, Environment and Society; heading to the goal of information transparency and protection of Related party's interests.

Sustainable Development is not only a foundation for business to build operation structure, optimize production and business processes, but also a goal with long-term vision to create sustainable values for the Company itself, the Environment, the Community and Society.

Huynh Thanh Nhan
Head of Internal Audit Department

FOCUSING ON EACH CUSTOMER

21
EXPORT TO
COUNTRIES AND TERRITORIES

42% MARKET SHARE
IN VIETNAM

57% MARKET SHARE
BUSINESS TO BUSINEES - MULTINATIONAL CORPORATION CHANNEL

70% MARKET SHARE
BUSINESS TO CUSTOMER - MODERN TRADE CHANNEL

REALIZING THE GOALS

TTC Bien Hoa not only meets all the needs of Domestic Customers with 50+ Sugar product lines accounting for 42% the Nation market share and 5 By-products, but also exports its high-end Products, typically Organic Sugar, Gold Sugar and etc. to 21 Countries and Territories.

SIGNIFICANT EVENTS FOR CUSTOMERS

JULY 2018 — 7

"Win big on scratch card - Vietnam, forever sweet":
VND3 billion prize

"TTC Bien Hoa - Excellent Food Brand 2018" - CMO Asia - Singapore:
Best Spices Brand of the Year

AUGUST 2018 — 8

Inauguration of 'TTC Organic Farm Bien Hoa' store:
Providing diversified Organic Sugar products to Consumers

OCTOBER 2018 — 10

HCMC Trade - Service - Tourism Exhibition Fair:
Savannakhet Province, Laos - the 2nd time in 2018

DECEMBER 2018 — 12

First Tet Communication Campaign of Bien Hoa Clean Sugar Brand - "Sweeten Tet Holiday":
Delivering positive messages, bringing Tet presents to all part of Vietnam

FEBRUARY 2019 — 2

"I can be a Salesperson - 2nd time":
Enhancing the promotion of TTC Bien Hoa Clean Sugar's Brand name to Consumers

MARCH 2019 — 3

Cooperating with BHS Trading to hold the program "Distributors Conference":
Including Conference, Tour to refineries and farms in Tay Ninh Province, aiming to build trust and promote collaboration

APRIL 2019 — 4

"Vietnamese goods honoring Exhibition 2019" - HCMC Business Association:
Introducing Clean Sugar products to Consumers by TTC Bien Hoa

SIGNIFICANT NUMBERS

CONSUMPTION

~ 749,000

TONS OF SUGAR

31%+ GROWTH OVER THE SAME PERIOD

50+ SUGAR PRODUCT LINES

- 16 RE SUGAR PRODUCTS
- RS SUGAR PRODUCTS 14
- 6 GOLD SUGAR PRODUCTS
- ROCK SUGAR PRODUCTS 5
- 5 FUNCTIONAL SUGAR AND ISOMALT SUGAR PRODUCTS
- ORGANIC SUGAR PRODUCTS 4
- 2 LIQUID SUGARS

5 BY-PRODUCTS
(Sugarcane-Flavored Bottled Water - Miaqua, Bagasse, Commercial Electricity, Molasses, Microbial Fertilizer)

SIGNIFICANT NUMBERS

63 PROVINCES AND CITIES

42% DOMESTIC MARKET SHARE

4 DISTRIBUTION CHANNEL
Business to Business, Business to Customer, Trading, Export

BUSINESS TO BUSINESS - MULTINATIONAL CORPORATION
57% market share

30+ CUSTOMERS

BUSINESS TO BUSINESS - SMALL AND MEDIUM-SIZED ENTERPRISE
15% market share

700+ CUSTOMERS

BUSINESS TO CUSTOMER - GENERAL TRADE
10% market share

60,000 STORES

100 DISTRIBUTORS

BUSINESS TO CUSTOMER - MODERN TRADE
70% market share

3,600 SUPERMARKETS, CONVENIENCE STORES

KEY ACCOUNTS
4% market share

3,500 STORES

21 EXPORT MARKETS

NORTH AMERICA (1); EUROPE (6); ASIA (8); AFRICA (1); THE PACIFIC ISLANDS (5)

4 3S CENTER

SALE - SERVICE - SPARE PART

10 INTERNATIONAL CERTIFICATES

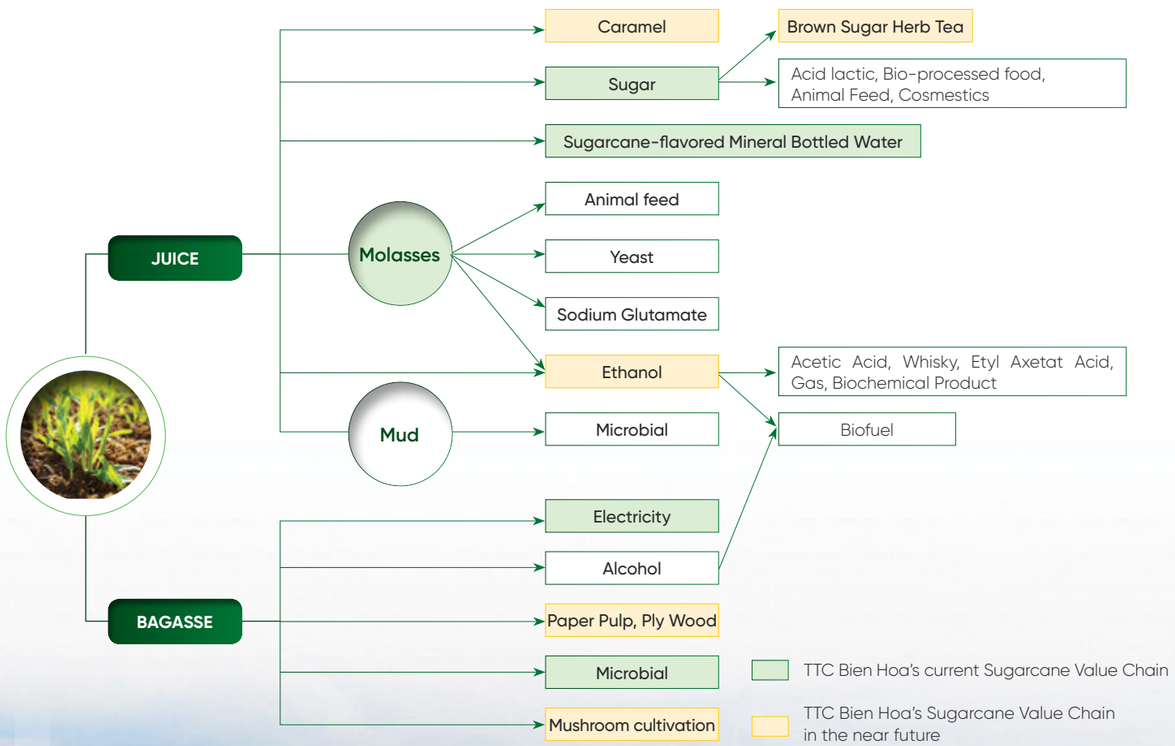
NATIONAL AND INTERNATIONAL FOOD INDUSTRY AWARDS **5**

SUGARCANE VALUE CHAIN AND EFFORTS OF TTC BIEN HOA

"In order to increase the potential value of Sugarcane, reduce production costs and enhance competitiveness advantages over Global Leading Sugar Companies, restructuring the Sugar Processing Industry towards Product diversification and Value Chain optimization is one of the current trend and urgent requirements in the World."

In fact, in top Sugar producing countries, Sugar products only accounts for 60%, the remaining 40% is By-products of Electricity, Alcohol, Microbial Fertilizer and etc. Meanwhile, Factories in Vietnam mainly provide Sugar products which cause to high production costs and inability to compete with the countries dominating Global Sugar Industry, for instance, Brazil, India and China or Thailand - the closest ones in the Region.

THE PERFECT SUGARCANE VALUE CHAIN



Source: TTC Bien Hoa compiled

Sugarcane has a wide range of applications, besides being used to produce the main product - Sugar, the Sugar production process is also used to produce By-products such as Sugarcane Top is used as cattle feed; Bagasse is used as fuel sources for Power Plants, as materials for making eco-friendly straws, egg trays or as plant substrates; Blackstrap Molasses is used as a fermented ingredient in animal feed and etc. Vietnamese Sugar Industry in general and TTC Bien Hoa in particular haven't exploited all the potentials of Sugarcane Value Chain, therefore, the development of By-products are incommensurate with that of top Sugar producing countries in the Region and in the World. The main causes are the land under Sugarcane cultivation is mostly owned by individuals, large Sugarcane fields are not common scenes, technical skills and the capability of applying technology still need improving, linkages among Industry's factors and strategic orientations in planning and production lack attention. All of these lead to the poor connectivity between links of the whole Sugarcane Value Chain. In addition, Sugar companies in Vietnam have yet to catch up with the technology trends like those in the Region such as Thailand, China as well as haven't applied the advanced technologies like those in England, Germany. Therefore, in the testing process, the production of By-products is not effective as planned, making the large-scale production being difficult.

As the Leading Industry Company, TTC Bien Hoa has made great efforts in developing and increasing the proportions of By-products in the total of output. This helps Company to enhance competitiveness and seize the advancement opportunities in the context of the trend "Clean and Eco-friendly Products" attracting more and more attention of the World. In order to carry out the solution to linkage issues in the production chain and offer assistance to the Farmers, TTC Bien Hoa directly helps the Farmers invest in Sugarcane varieties, financial support; instructs the Farmers to apply technology and mechanization from watering to fertilizing and signs off-take agreement. TTC Bien Hoa can develop high-quality products at a low cost. The Company also invests in building Factories for large-scale, closed-cycle production of By-products from Sugarcane to reduce costs and replace the current small-scale production.

Sugarcane Value Chain of TTC Bien Hoa and some International Sugar Companies

Sugar products and By-products	TTC Bien Hoa (Vietnam)	Mitr Phol Group (Thailand)	Südzucker (Germany)	AB Sugar (England)	(China)
Sugar	x	x	x	x	x
Sugarcane Juice	x				
Bagasse	x	x	x	x	x
Mushroom Cultivation	Being planned				
Paper/Pulp	Being planned	x			x
Electricity	x			x	x
Molasses	x	x	x	x	x
Brown Sugar Herb Tea	July 2019 being on sales				
Caramel	October 2019 being on sales		x		x
Microbial Fertilizer	x	x		x	x
Ethanol/Biofuel	Being planned	x	x	x	x
Sodium Glutamate		x			
Fermentation					x
Cosmetics/Fragrance		Planned		x	
Detergents/Lubricants			Surface Cleaners		
Liquefied CO_2			x	x	x
Cement					x
Animal Feed				x	

Source: TTC Bien Hoa compiled

SUGARCANE VALUE CHAIN

THE VALUE CHAIN TO BE ESTABLISHED IN THE NEAR FUTURE

"Compared to the standard Value Chain of the Sugar Industry, TTC Bien Hoa still has limitations in the number of By-products. The Company is gradually improving on Human Resources and Technology for clean and eco-friendly By-products production which is currently a trend for the green lifestyle. This indicates TTC Bien Hoa's efforts in increasing the value of Sugarcane products."

Product	Information
Mushroom Cultivation	» TTC Bien Hoa has also finished researching in the production of Mushroom substrates from Bagasse for the cultivation of Mushrooms of all kinds » This Project has been successfully implemented at a pilot production scale
Paper Pulp Production from Bagasse	» TTC Bien Hoa is carrying out a feasibility study on the investment in a Paper Pulp Factory to produce Pulp from Bagasse. The Pulp will be used as Raw Material for utensils production, for example, boxes, trays, glasses and etc. » This Project contributes to limiting the emission of plastic Waste
Ethanol Production	» Biofuel production is an inevitable trend in the World, TTC Bien Hoa has a plan to produce Ethanol from Molasses to expand the production Value Chain, while seizing opportunities for future growth » When the Sugar Factory in Cambodia will put into operation in the next 2 years, TTC Bien Hoa will officially deploy the production of Ethanol and the By-products such as CO_2, Vinass and etc.
Liquid Microbial Fertilizer	Liquid Microbial Fertilizer production will be implemented at the same time with Ethanol production.

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19

MAIN PRODUCTS FROM SUGARCANE OF TTC BIEN HOA

Sugar Product

- A. RS SUGAR
- B. RE SUGAR
- C. ORGANIC SUGAR
- D. ROCK SUGAR
- E. GOLD SUGAR
- F. FUNCTIONAL SUGAR AND ISOMALT SUGAR
- G. LIQUID SUGAR

By-products

PRIMARY BY-PRODUCTS

1. Sugarcane-Flavored Bottled Water - Miaqua
2. Bagasse

SECONDARY BY-PRODUCTS

1. Commercial Electricity
2. Molasses
3. Microbial Fertilizer

TTC BIEN HOA'S SUGAR PRODUCT CLASSIFICATION

A. RS SUGAR

WHITE SUGAR - LOCAL BRAND STANDARD

TTC Nuoc Trong
TTC Ninh Hoa
TTC Gia Lai
TTC Phan Rang

Packaging:

» Bag 50 kg

Target market:

» Trading, B2B - SMEs Customers are interested in traditional products familiar with them for a long time

Advantages:

» RS products follow market average standards

Year: 2016

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19

TTC BIEN HOA'S SUGAR PRODUCT CLASSIFICATION

A. RS SUGAR

EXTRA PREMIUM WHITE SUGAR

Bien Hoa Daily/Mimosa

Packaging:
- Bag 12 kg
- Bag 50 kg

Target market:
- Mid-end B2B - MNC and SMEs Customers with demands on color value

Advantages:
- Meeting Customers' need for high-quality products
- Competitive price

Year: 2019

PREMIUM WHITE SUGAR

Bien Hoa Daily/Mimosa

Packaging:
- Bag 10 kg
- Bag 25 kg
- Bag 50 kg
- 40 packs x 500 gr (Bag 20 kg)
- 20 packs x 1 kg (Bag 20 kg)

Target market:
- Mid-end B2B - SMEs Customers, requiring lcumsa 150 color value but not paying much attention to microelements
- B2C Customers

Advantages:
- RS products meet strict requirements for quality
- B2C Customers are concerned about products' origin and affordable price

Year: 2012

PREMIUM REFINED SUGAR

TSU Family

Packaging:
- 40 packs x 500 gr (Bag 20 kg)
- 20 packs x 1 kg (Bag 20 kg)

Target market:
- High-end and mid-end B2C Customers

Advantages:
- RS products meet strict requirements for quality
- Customers are concerned about products' origin and affordable price

Year: 2015

EXPORT SUGAR

Bien Hoa Domin

Packaging:
- 40 packs x 500 gr (Bag 20 kg)
- 20 packs x 1 kg (Bag 20 kg)

Target market:
- General B2C Customers

Advantages:
- Product is produced by modern technology with an advanced and strict quality and food safety management system according to International standards
- The products meet the requirements of exports about its pureness and naturalness
- Customers who take an interest in affordable prices and have a habit of going to renowned supermarkets and shops for shopping

Year: 2018

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19

TTC BIEN HOA'S SUGAR PRODUCT CLASSIFICATION

A. RS SUGAR

WHITE SUGAR

Bien Hoa Saving
TTC Phan Rang
TTC Gia Lai

Packaging:
- » Bag 12 kg
- » Bag 50 kg

Target market:
- » Trading, B2B - SMEs and Local Customers
- » General B2C Customers

Advantages:
- » RS products follow average market standards
- » B2C Customers are concerned about competitive price

Year: 2018

CLEAN SUGAR

Bien Hoa Saving

Packaging:
- » 40 packs x 500 gr (Bag 20 kg)
- » 20 packs x 1 kg (Bag 20 kg)

Target market:
- » General B2C Customers are concerned about competitive price

Advantages:
- » RS products follow average market standards

Year: 2018

B. RE SUGAR

STICK EXTRA REFINED SUGAR

Bien Hoa Joy

Packaging:
- » 20 x 1 packet (50 x 6 gr)
- » 20 x 1 packet (50 x 6 gr)

Target market:
- » High-end and mid-end B2C Customers

Advantages:
- » The products are convenient to use in Cafes, Restaurants and Hotel
- » They are easy to bring along

Year: 2011

STICK EXTRA REFINED SUGAR

Bien Hoa Sticksu

Packaging:
- » 30 x 1 packet (50 x 6 gr)
- » 30 x 1 packet (50 x 8 gr)

Target market:
- » Mid-end B2C Customers

Advantages:
- » The products are convenient to use in Cafes, Restaurants and Hotel
- » They are easy to bring along

Year: 2011

SPECIAL REFINED SUGAR

Bien Hoa Pure/Mimosa

Packaging:
- » Bag 10 kg
- » Bag 25 kg
- » Bag 50 kg
- » 12 x 800 gr

Target market:
- » B2B - MNC Customers with strict demands for quality and lcumsa color
- » High-end and mid-end B2C Customers with demands for food safety and clear origin

Advantages:
- » High quality
- » Meeting the demands of Customers for quality and Sugar color
  - • High-end MNC Customers: Pharmaceutical and Beverage
  - • High technique requirements by Customers, meeting International Standards

Year: 2015

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19

TTC BIEN HOA'S SUGAR PRODUCT CLASSIFICATION

B. RE SUGAR

STANDARD & EXTRA REFINED SUGAR

Bien Hoa Pure

Packaging:
- » 40 packs x 500 gr (Bag 20 kg)
- » 20 packs x 1 kg (Bag 20 kg)
- » Bag 50 kg

Target market:
- » Packed Sugar: Mid-end Customers through B2C - MT and GT Channels
- » Bagged Sugar: High-end Customers, requesting the quality be equivalent to that of Premium White Sugar but some higher microelement requirements through B2B - SMEs Channels

Advantages:
- » Medium quality
- » Meeting most of production requirements of these types of food:
  - Beverage
  - Condensed milk, Milk
  - Seafood
  - Consumption: Family, Café

Year: 2011

STANDARD REFINED SUGAR

Mimosa

Packaging:
- » Bag 50 kg

Target market:
- » High-end Customers, requesting the quality be equivalent to that of Premium Sugar but some higher microelement requirements

Advantages:
- » Medium quality
- » Meeting most of production requirements of these types of food:
  - Beverage
  - Condensed milk, Milk
  - Seafood
  - Consumption: Family, Café

Year: 2015

PURE CASTER REFINED SUGAR

Bien Hoa Pure/Mimosa

Packaging:
- » Bag 10 kg
- » Bag 25 kg
- » Bag 50 kg

Target market:
- » High-end B2B - MNC Customers with special requirements for the fineness of Sugar crystals for ease of dissolution and decoration

Advantages:
- » Special-sized Sugar
- » Satisfying the requirements about Sugar crystal size, quality and taste of Customers
- » Being mostly used by Customers who want to put Sugar directly into their products
  - Milk Powder
  - Instant Coffee
  - Confectionery decoration

Year: 2007

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19

TTC BIEN HOA'S SUGAR PRODUCT CLASSIFICATION

B. RE SUGAR

SUPER REFINED SUGAR

Bien Hoa Pure

Packaging: Bag 50 kg

Target market:

» High-end Customers with strict demands for quality

Advantages:

» High purity
» The best quality in the market
» Meeting the strictest demands of MNC Customers like Pharmaceutical

Year: 2015

SUPER REFINED SUGAR

Mimosa/Pure

Packaging: Bag 50 kg

Target market:

» High-end Customers with special demands on low color value

Advantages:

» High purity
» The best quality in the market
» Meeting the strictest demands of B2B - MNC Customers like Pharmaceutical

Year: 2015

EXTRA PREMIUM REFINED SUGAR

TSU Extra

Packaging:

» 40 packs x 500 gr (Bag 20 kg)
» 20 packs x 1 kg (Bag 20 kg)

Target market:

» High-end and mid-end B2C Customers

Advantages:

» High purity
» The best quality in the market

Year: 2015

PREMIUM REFINED SUGAR

Pure/Mimosa

Packaging:

» Bag 10 kg
» Bag 25 kg
» Bag 50 kg

Target market:

» High-end Customers, requiring quality and color at medium level

Advantages:

» Being widely used in various Industries
» Complying with the high production standards of most of Manufacturers in the Industry:
  - Food
  - Beverage
  - Confectionery
  - Milk and Icecream
  - Seafood
  - Consumption: Family, Café
» Meeting the general requirements of the market

Year: 2014

PREMIUM REFINED SUGAR

TSU Premium

Packaging:

» 40 packs x 500 gr (Bag 20 kg)
» 20 packs x 1 kg (Bag 20 kg)

Target market:

» High-end B2C Customers

Advantages:

» Meeting the needs of the Customers who tend to go shopping at large, renowned shopping centers

Year: 2015

EXPORT REFINED SUGAR

Bien Hoa Pure

Packaging:

» Bag 12 kg
» Bag 50 kg

Target market:

» B2B - MNC and SMEs Customers
» Requiring quality and Icumsa color at medium level

Advantages:

» Complying with the high production standards of most of Manufacturers in the Industry:
  - Food
  - Beverage
  - Confectionery
  - Milk and icecream
  - Seafood
  - Consumption: Family, Café

Year: 2019

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19

TTC BIEN HOA'S SUGAR PRODUCT CLASSIFICATION

C. ORGANIC SUGAR

ORGANIC SUGAR

TSU Special

Packaging:
- » 24 bags x 500 g
- » Carton 12 kg

Target market:
- » High-end B2C - MT Customers

Advantages:
- » Organic Sugar products
- » From Raw Material planting to production and distribution stage, ensuring compliance with International Organic Regulations
- » High-class products according to strict standards of the US and Europe

Year: 2016

ORGANIC DARK BROWN SUGAR

TSU Special

Packaging:
- » 24 bags x 500 g
- » Carton 12 kg

Target market:
- » High-end B2C - MT Customers

Advantages:
- » Organic Sugar products, having find crystals and retaining the naturally pleasant sweetness of Sugarcane syrup to the fullest

Year: 2017

ORGANIC

Golden Cane Sugar

Packaging:
- » Bag 25 kg

Target market:
- » Special Customers (ED&F Man)
- » Export
- » European market

Advantages:
- » Organic Sugar products
- » From Raw Material planting to production and distribution stage, ensuring compliance with International Organic Regulations
- » High-class products according to strict standards of the US and Europe
- » For export

Year: 2018

ORGANIC

Extra Light Cane Sugar

Packaging:
- » Bag 25 kg

Target market:
- » Special Customers (ED&F Man)
- » Export
- » European market

Advantages:
- » Organic Sugar products
- » From Raw Material planting to production and distribution stage, ensuring compliance with International Organic Regulations
- » High-class products according to strict standards of the US and Europe
- » For Export

Year: 2019

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19

TTC BIEN HOA'S SUGAR PRODUCT CLASSIFICATION

D. ROCK SUGAR

ROCK SUGAR

Bien Hoa Pro

Packaging:
» Bag 50 kg

Target market:
» High-end B2C - SMEs Customers

Advantages:
» Large size Sugar crystal
» Meeting the Consumer tastes
» Being used for
- Heat-relieving water products
- Bird's nest products
- Traditional medicine stew
- Sweet soup and etc.

Year: 2011

ROCK SUGAR

Bien Hoa Pro

Packaging:
» 24 x 500 gr
» Ziplock bag

Target market:
» High-end B2C - MT Customers

Advantages:
» Large size Sugar crystal
» Meeting the Consumer tastes
» Being used for
- Heat-relieving water products
- Bird's nest products
- Traditional medicine stew
- Sweet soup and etc.

Year: 2011

NATURAL ROCK SUGAR

Bien Hoa Pro

Packaging:
» Bag 500 gr/ 1 kg
» Carton 12 kg

Target market:
» High-end B2C - MT Customers

Advantages:
» Large size Sugar crystal
» Meeting the Consumer tastes
» Being used for
- Heat-relieving water products
- Bird's nest products
- Traditional medicine stew
- Sweet soup and etc.

Year: 2011

PREMIUM ROCK SUGAR

TSU Diamond

Packaging:
» 24 x 450 gr
» Plastic box

Target market:
» High-end B2C - MT Customers

Advantages:
» Large size Sugar crystal
» Meeting the Consumer tastes
» Being used for
- Heat-relieving water products
- Bird's nest products
- Traditional medicine stew
- Sweet soup and etc.

Year: 2016

NATURAL GOLDEN ROCK SUGAR

Bien Hoa Pro

Packaging:
» 24 x 500 gr - Ziplock bag
» 12 x 1 kg - Ziplock bag

Target market:
» High-end B2C - MT Customers

Advantages:
» Large size Sugar crystal
» Meeting the Consumer tastes
» Being used for
- Heat-relieving water products
- Bird's nest products
- Traditional medicine stew
- Sweet soup and etc.

Year: 2018

GOLDEN ROCK SUGAR

Bien Hoa Pro

Packaging:
» 24 x 500 gr - Ziplock bag
» 12 x 1 kg - Ziplock bag

Target market:
» High-end B2C - MT Customers

Advantages:
» Large size Sugar crystal
» Meeting the Consumer tastes
» Being used for
- Heat-relieving water products
- Bird's nest products
- Traditional medicine stew
- Sweet soup and etc.

Year: 2018

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19

TTC BIEN HOA'S SUGAR PRODUCT CLASSIFICATION

E. GOLD SUGAR

NATURAL GOLD SUGAR

Mimosa

Packaging:
» Bag 50 kg
Target market:
» Mid-end B2C - SMEs Customers
Advantages:
» Meeting the Consumer tastes
» Retaining the quality and natural flavor of Sugarcane
Year: 2016

NATURAL GOLD SUGAR

Bien Hoa Gold

Packaging:
» Bag 12 kg
» Bag 25 kg
» Bag 50 kg
Target market:
» High-end B2C - SMEs Customers
Advantages:
» Meeting the Consumer tastes
» Retaining the quality and natural flavor of Sugarcane
Year: 2017

NATURAL GOLD SUGAR

Bien Hoa Gold

Packaging:
» 20 packs x 1 kg (Bag 20 kg)
Target market:
» High-end B2C - MT Customers
Advantages:
» Meeting the Consumer tastes
» Retaining the quality and natural flavor of Sugarcane
Year: 2017

Golden Cane Sugar

Packaging:
» Bag 25 kg
Target market:
» Special Customers (ED&F Man)
» Export
» European market
Advantages:
» Meeting the Consumer tastes
» Retaining the quality and natural flavor of Sugarcane
Year: 2018

BROWN SUGAR

Co Ba

Packaging:
» 40 packs x 500 gr (Bag 20 kg)
» 20 packs x 1 kg (Bag 20 kg)
Target market:
» B2C - GT and KA Customers
Advantages:
» Meeting the Consumer tastes
» Retaining the quality and natural flavor of Sugarcane
Year: 2019

"NU HOANG"

Dark Brown Sugar

Packaging:
» 20 packs x 1 kg (Bag 20 kg)
Target market:
» B2C - MT, GT and KA Customers
Advantages:
» Being supplemented with flavoring
» Retaining the full flavor of Sugarcane Syrup
Year: 2019

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19

TTC BIEN HOA'S SUGAR PRODUCT CLASSIFICATION

F. FUNCTION SUGAR AND ISOMALT SUGAR

VITAMIN A - FORTIFIED EXTRA REFINED SUGAR

Bien Hoa Value

Packaging:
- 20 packs x 1 kg
- Bag 20 kg

Target market:
- High-end B2C - MT Customers

Advantages:
- Products meet the specific needs of Customers on supplementing micronutrients

Year: 2008

BAKING SUGAR

Bien Hoa Pro Baking

Packaging:
- 12 x 1 kg
- Ziplock bag

Target market:
- High-end B2C - MT Customers

Advantages:
- Products meet the specific needs of Customers on making cakes

Year: 2012

GOLD MINERAL SUAGR

Bien Hoa Pure

Packaging:
- 20 packs x 1 kg (Bag 20 kg)

Target market:
- High-end B2C - MT Customers

Advantages:
- Products meet specific needs of Customers on supplementing minerals

Year: 2012

ISOMALT SUGAR

Bien Hoa Light

Packaging:
- 12 x 1 box
- 50 x packet 5 gr

Target market:
- High-end B2C - MT Customers

Advantages:
- Products meet the specific needs of Customers on going on a diet

Year: 2017

G. LIQUID SUGAR

LIQUID SUGAR

Bien Hoa Syrup

Packaging:
- 2016:
  - 24 x bottle 300 ml
  - 12 x bottle 750 ml
  - 4 x bottle 5l
- 2019, being changed to Mia Xanh Liquid Sugar:
  - Bottle 250 ml (6 x 4; 24 bottle/carton)
  - Bottle 500ml (4 x 3; 12 bottle/carton)

Target market:
- High-end B2C - MT Customers

Advantages:
- Convenient products
- Natural sweetness
- Meeting the needs for direct consumption, processing of daily drinks and dishes

Year: 2016

SUGARCANE VALUE CHAIN

THE IMPRESSIVE DIVERSIFIED PRODUCT PORTFOLIO OF TTC BIEN HOA IN FISCAL YEAR 18-19 (CONTINUED)

TTC BIEN HOA'S BY-PRODUCTS CLASSIFICATION

PRIMARY BY-PRODUCTS

1 SUGARCANE-FLAVORED MINERAL BOTTLED WATER

Descriptions

» Applying a modern and closed process, Miaqua Bottled Water is a special product which was extracted during the condensation and distillation process of Sugarcane, thus preserving the pleasant sweetness of Sugarcane

» Using RO system and UV ultraviolet light for filtration, thus creating a refined and safe product

Value

» No preservatives

» No aroma chemicals

» Completely natural and pure

2 BAGASSE

Descriptions

» Bagasse is derived from the Sugarcane after juice extraction stage

» Being used as Fuel source for Power Plants and boilers

Value

» Useful materials

» Being widely research and used in Energy production, Animal husbandry, Cultivation, Agricultural activities

SECONDARY BY-PRODUCTS

3 COMMERCIAL ELECTRICITY

Descriptions

» Raw Material is excess Bagasse derived from Sugarcane processing

» Electricity is partly provided for Company's Factories

» The remaining Electricity will be sold to the National grid for residential electrical supply

Value

» A Product of great significance to the Company and Society

» A Renewable Energy source being produced from Biomass, generating Green Energy and protecting the Environment

4 MOLASSES

Descriptions

» This is the final By-products derived from Sugar production. Sugar can no longer be crystallized economically by conventional technologies

» The main component of Molasses is Sugar, mainly sucrose with some Glucose and Fructose

» Molasses accounts for nearly 1/3 Sugar output. It can be said about 100 tons of Sugarcane, after crushing, can produce 3 - 4 tons of Molasses

Value

» Useful materials

» Rich source of minerals

» Ca content in Molasses being as high as 1%, while P content being low

» Molasses being rich in Na, K, Mg and S

» Molasses also being contained a significant amount of microelements, for example, Cu (7 ppm), Zn (10 ppm), Fe (200 ppm), Mn (200 ppm)

5 MICROBIAL FERTILIZER

Descriptions

» Microbial Fertilizer is derived from residue of Sugar production (Furnace ash, Sludge refining, Raw sludge)

» Applying microbiological technology to turn Organic components in mud into humus thanks to microorganisms in Trichoderma-based preparations

Value

» Products being supplemented with micronutrients (Bo, Mg, Zn and etc.) to increase its quality, thereby, being of service to crops

» Meeting the needs of Sugarcane cultivation; in addition, contributing to reduce pollution and protect the Environment.

RESEARCH AND DEVELOPMENT ACTIVITIES AND CUSTOMER FEEDBACK ON NEW PRODUCTS

"The success of Company is built on the reputation of providing high-quality products as well as fostering creativity and innovation, in developing a diverse Product Chain, with a focus on Customer preferences in order to meet their demands."

TTC Bien Hoa has ensured the investment in developing new products and research to improve product quality during recent years. Towards Green production in association with Environmental protection, TTC Bien Hoa has created a list of Organic products that are safe, nutritious and wholesome which has achieved not only domination of the Domestic market but also International recognition, contributing to the process of taking Vietnamese brand Global. This is for the common goal of upgrading Vietnamese brand's capability of competing with dominant countries in Global Sugar Industry.

In the last year, R&D activities were deployed in a proactive manner, with the intention of enhancing operational efficiency, building a complete Value Chain of products derived from Sugarcane, diversifying product portfolio to serve Customers and contributing to the improvement of business efficiency. Key R&D activities consist of:

1. **Research to create new products as the approved plan**
2. **Research to develop technology, improve product quality and extend the expiry date**
3. **Supplementing/Changing the packaging methods for existing products to offer Customers a wide range of selections, meet Customers' needs, facilitate the storage and transportation in line with the direction to expand the market share in B2C Channel**
4. **Research the development of products that meet the requirements of Sales Department - who acts as a go-between - in order to satisfy each demand of the Customers and accompany Customers in their R&D activities**

PRODUCTS ARE THE RESULTS OF RESEARCH AND DEVELOPMENT ACTIVITIES AND UNDER PRODUCTION IN FISCAL YEAR 18-19

No.	Portfolio	Packaging	Time to market	Information
	Key Products of Research and Development plan			
1	Natural Gold Sugar	50 kg 25 kg	December 2018	» The new Product is expected to increase competitiveness and make a difference for TTC Attapeu
2	Organic Sugar	25 kg		» They are used for Export and Domestic market
3	Natural Dark Brown Sugar	500 gr	Expected in November 2019	» The Product is made from pure Sugarcane without undergoing the Molasses-removing process, retaining the natural flavor » The Product can be used as ingredients in baking, as spices and as supplement to drinks » They are used for B2C - MT and GT Customers
	Products that are researched and developed as requested by Customers			
4	Organic Sugar ED&F Man (Secondary label)	25 kg	December 2018	» They are Organic Sugar for Export markets » The Product is made upon the requests of Strategic Partner ED&F Man
5	OEM - Lotte	12 kg 1 kg 500 gr	February 2019	The packaging is customized based on the request of Customer - Lotte
	Other key Products			
6	Extra Refined Sugar 2	50 kg 12 kg	December 2018	» The Product is used for: • B2B - SMEs Customers • B2C - GT Customers » The Product has a reasonable price and good quality
7	Standard Refined Sugar 2			
8	Pure Rock Sugar	1 kg 500 gr		
9	Natural Rock Sugar	50 kg 1 kg 500 gr		» The new Sugar Product Lines with diverse packaging can meet the demands of different Customers » The Product can be used to cook sweet soup, make food or drinks » The Product is used for: • B2C - MT and GT Customers • B2B - SMEs Customers
10	Pure Gold Rock Sugar	1kg 500 gr		
11	Natural Gold Rock Sugar	12 kg 1 kg 500 gr		
12	RS Sugar, Gold Sugar	5 kg	March 2019	» The diverse packaging is convenient during the storage and transportation » They are used for B2C - MT and GT Customers » The Product has reasonable price and high quality
13	Black Sugar	1 kg	July 2019	» Refined Sugar is with Syrup flavor and natural black color » The Product can be used as a replacement for Sugar or used to make milk tea, cake aiming to answer the demand of market and attract the younger » They are used for B2C - MT and GT Customers
14	Brown Sugar Herb Tea	25 gr	July 2019	» This is a By-product, developed as food for detox and purification, having a number of health benefits and improving the appearance of skin » The Product is beautifully packaged, Nutritious, Medicinal and a thoughtful gift » Currently, the Product can only be found at the Company's Showrooms located at Love Valley and Ta Cu Mountain Tourist Area
15	Big bag Packaging	950 gr - 1000 kg	August 2019	» Large packaging helps reduce packaging and labor costs » They are used for B2B Customers
16	Liquid Sugar	5 l 250 ml 500 ml	August 2019	» The Product can be used to replace crystal Sugar and be convenient to use » They are used for B2C - MT and GT Customers
17	Caramel Color	210 gr	October 2019	» This is new By-products Line of TTC Bien Hoa » Caramel is the rich-flavored, Syrup-scented Product that every kitchen needs » They are used for B2C - MT and GT Customers
18	Organic Gold Sugar	500 gr	FY19 - 20	» This is the Brown Sugar Product Line in TTC Attapeu applied Organic standards » The Product meets European Export standards

R&D activities have been effective, constantly researching and launching new products to match the increasing demands of Customers for a variety of types, quality and features. The Company has focused on the training programs to extend technical knowledge of packaging for R&D Department. Thereby, it helps Employees to improve knowledge to serve the improvement of product design, selection of appropriate materials, food safety but still ensure high aesthetics for Customer attraction.

RESEARCH AND DEVELOPMENT ACTIVITIES AND CUSTOMER FEEDBACK ON NEW PRODUCTS

The achievements in FY 18-19 are remarkable. Strategic activities including new product research and development, sales promotion, continuous distribution expansion have increased product consumption by 31% from 572,300 tons to nearly 749,000 tons, accounting for 42% of market share as well as has achieved considerable success in B2C - MT Channel with 70% market share.

18 PRODUCTS WERE UNDER PRODUCTION IN FISCAL YEAR 18-19

"The Company continues to suggest and promote plan on new product Research and Development in Fiscal year 19-20 to introduce new products to the market."

- Enhancing the development of the high Profit Margin products for example Rock Sugar, Brown Sugar, Stick Sugar, Dark Brown Sugar, Baking Sugar and etc.
- Carrying out the Research and Development high-quality Organic products, Natural Clean Sugar products for Export markets
- Continuing to pursue the strategy of market share expansion, targeting B2C Segment which being considered a great potential with constantly increasing consuming demand through the development of high-end, unique products and products that cater to the affordable Customer segment
- Focus on building relationship with Horeca Customers in B2C Segment by pushing up the quantity of bags 12 kg and 50 kg in weight for bag-packed Sugar products which have high Profit Margin
- Continuing to raise the quality and innovate new packaging designs to enhance competitiveness and satisfy the changing needs of Customers, thereby, increasing product penetration rate and expanding distribution channels
- Research to improve the packaging size 50 kg in weight for facilitating automation, replacing manual loading and unloading, reducing labor costs and ensuring food defense
- Collaborating with universities, Domestic and International Partners to develop Sugar products, especially Sugar By-products.

"*Extending the Influence - Scaling up the Value Chain*" is the goal of TTC Bien Hoa in particular and Vietnam Sugar Industry in general. To fulfill this goal, focusing on investment in Research and Development activities is the right way. Groundbreaking research in technology innovation and product development play an important role in helping TTC Bien Hoa Sugar being not only a Domestic Brand but also earning International recognition."

CUSTOMER FEEDBACK ON NEW PRODUCTS BY TTC BIEN HOA

BEP XUA CARAMEL COLOR

Bien Hoa Sugar has long been a well-known and familiar Brand to people by many Products of Bien Hoa Pure Sugar, Bien Hoa Gold Sugar. The new products of late have met market demands in a comprehensive manner. Particularly, Bep Xua Caramel has brought Customers the choice of high quality, more secure than the floating products provided by small establishments that do not guarantee food safety and hygiene.

Mr. Hua
Distributor in B2C - GT Channel (Go Vap District, HCMC)

My family has been using Bien Hoa Sugar for cooking in many years. The appearance of Bep Xua Caramel has helped me save time and effort. I do not have to make caramel on my own every time I need it for my dishes. The Product has a reasonable price, pleasant smell and high quality guaranteed by Bien Hoa Brand. My family all feels satisfied with this Product.

Ms. Ky
Housewife (District 5, HCMC)

NATURAL ROCK SUGAR AND GOLDEN ROCK SUGAR

TTC Sugar has many products on sale at our Supermarket chains. Their launch of new products recently has diversified their product portfolio. Besides Rock Sugar which has become very familiar, TTC Bien Hoa also introduced Natural Rock Sugar and Golden Rock Sugar to satisfy different needs of the market as well as explore new trends of consumption, thereby increasing Revenue and Profit for both parties.

Ms. Quen
Head of Categories, Coopmart Supermarket (HCMC)

"NU HOANG" DARK BROWN SUGAR

Before "Nu Hoang" Dark Brown Sugar was introduced to the market, our Milk Tea businesses had no any choice, so we had to purchase Black Sugar imported from Korean at a high price. To be worse, some small shops had used Sugar with unknown origin, containing flavor enhancer. This course of action causes harm to Consumer health. However, since "Nu Hoang" Dark Brown Sugar goes on with competitive price and high quality which is comparable to the imported product, it gives us confidence and Customers more peace of mind.

Mr. Nhiem
Bartender (Binh Thanh District, HCMC)

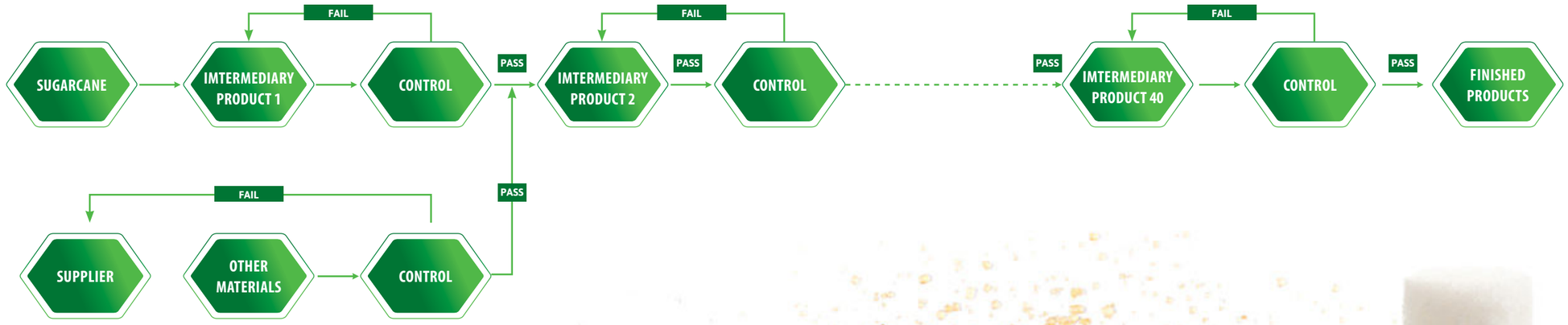
PRODUCT QUALITY ASSURANCE AND FEEDBACK FROM CUSTOMERS

> "Stable and high-quality product is one of the core values that establish reputation for TTC Bien Hoa's Brand."

In order to achieve above value, the Company has improved the production line and management. The inspection has been carried out at each stage from the import of Raw Materials to the delivery of finished products in order to ensure the best quality of each product. All TTC Bien Hoa's products must be manufactured in accordance with the food safety regulations promulgated by Ministry of Health, as well as International standards of food safety and quality management system FSSC 22000 version 4.1.

The Company has set quality standards for all B2B and B2C Customers as well as for Trading and Export. The Company also has specific standards for each Customer.

QUALITY CONTROL PROCESS



Source: TTC Bien Hoa

PRODUCT QUALITY ASSURANCE AND FEEDBACK FROM CUSTOMERS

TTC BIEN HOA'S INTERNATIONAL CERTIFICATIONS

"TTC Bien Hoa attains lots of International Certifications of the utmost importance and provides products for high-end markets with high standards, especially the United States and Europe."

ORGANIC CERTIFICATION (EU) AND USDA (USA)

CERTIFICATION AGENCY
CONTROL UNION

EU and US Organic Standards

To certify that the products of the Organization meeting the requirements of EU and US Organic Standards

ISO 14001:2015

CERTIFICATION AGENCY
BUREAU VERITAS BSI

International standards for Environmental management system, aiming to minimize negative impacts

To make a positive impact on Environment through the Organization's activities

ISO/IEC 17025

CERTIFICATION AGENCY
BUREAU VERITAS BSI

Quality management standards for the competence of testing and calibration laboratories

To set requirements to manage and ensure technical competence of laboratories, including regulations of quality management system which helping labs produce valid results widely accepted

KOSHER

CERTIFICATION AGENCY
KOF-K

Jewish quality management standards

To certify products, comply with ingredient standards and allow to apply Kosher standards in their manufacturing activities

FSSC 22000 VERSION 04

CERTIFICATION AGENCY
BUREAU VERITAS BSI

Food safety and quality management system certification

To provide Customers healthy products

HALAL

CERTIFICATION AGENCY
HALAL CERTIFICATION AUTHORITY (HCA)

Islamic quality management system

To certify products comply with ingredient standards and allow to apply Halal standards in their manufacturing activities

ISO 9001:2015

CERTIFICATION AGENCY
BUREAU VERITAS BSI

Quality management system, aiming to ensure stable product quality, satisfy Customer requirements and comply with applicable laws

To request the risk identification for the purpose of supporting the establishment, operation and improvement of the quality management system

SEDEX

CERTIFICATION AGENCY
SGS

Social security standards

To certify that Corporates carrying out ethical practices and Social responsibility in their supply chain

Certificate in Sustainable Development

SGP

CERTIFICATION AGENCY
SGS

Social security standards

To certify that Corporates carrying out ethical practices and Social responsibility in their supply chain

Certificate in Sustainable Development

URSA

CERTIFICATION AGENCY
SGS

Social security standards

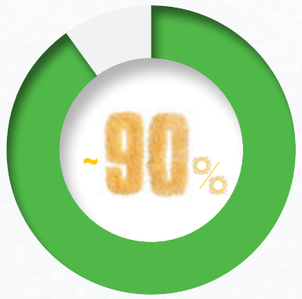
To certify that Corporates carrying out ethical practices and Social responsibility in their supply chain

Certificate in Sustainable Development

PRODUCT QUALITY ASSURANCE AND FEEDBACK FROM CUSTOMERS

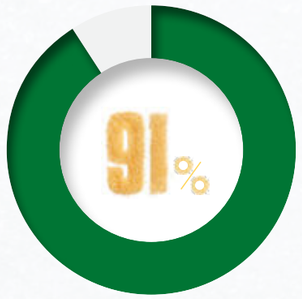
"Sugarcane Industry is considered as a heavy Industry which involves advanced technology, heavy equipment and facilities as well as complex manufacturing processes compared to other Industries. How to control impurities effectively arising in the production process becomes one key issue in ensuring product quality."

Good and Very good



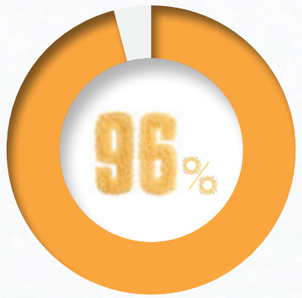
SATISFACTION RATE OF PRODUCT QUALITY

Good and Very good



PUNCTUAL RESPONSE TO CUSTOMER'S REQUIREMENTS

Good and Very good



DELIVERY COMPARED TO CUSTOMER'S REQUIREMENTS

TTC Bien Hoa is currently a Sugar supplier for many large-scale corporations in F&B, Confectionery, Milk and Icecream, Pharmaceutical which have strict requirements on product quality. As at the end of FY 18-19, the market share in MNC and SME Channels were 57% and 15% respectively. In FY 19-20, the market share in these 2 Channels is forecast to keep increasing, especially SME segment which offers excellent potential for expansion. TTC Bien Hoa has not only regularly enhanced and renovated its production lines but also facilitated the early identification of any risks that may occur in machine and equipment as well as operational processes in order to put impurities in control. It allows the Company to develop control plans and improve equipment performance and manufacturing processes.

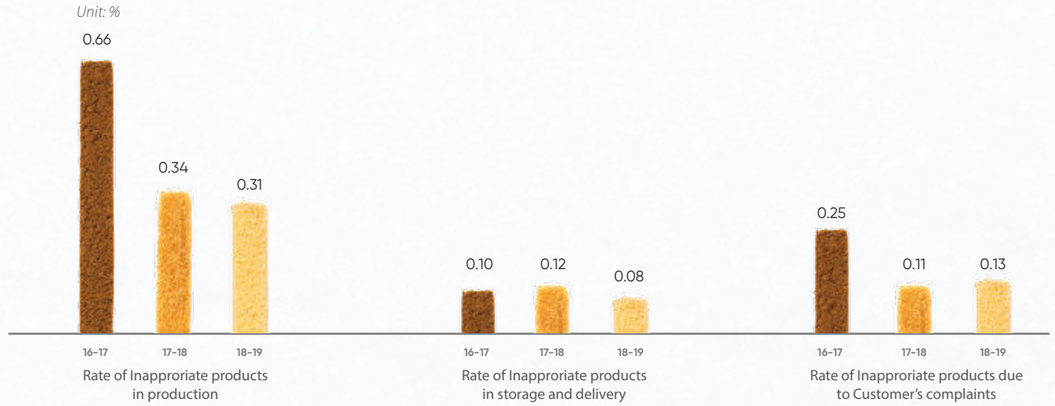
TTC Bien Hoa' Factories are all applying advanced technology, in line with top Sugar Producing Countries, for example, Brazil, India, Thailand and etc. All Leaders and staff of the Company assign high priority to product quality. Therefore, in the last FY, the Company organized many seminars on impurity control with the participation of Leading Manufacturers in quality management such as Nestlé, Mondelez. The Company also conducted internal training courses for all Employees who directly involved in manufacturing process and maintenance activities with the aim of increasing food safety awareness and practice.

In FY 18-19, SPC (Statistical Process Control) and Trend charts were applied in the Company's operation in order to supervise and evaluate the quality of Raw Materials and finished products and thereby timely proposing improvement solutions. These applications brought great stability to product quality, declined the rate of inappropriate products by 9% over the same period and 53% compared to FY 16-17, helping the Company reach the target of 0.31%. Therefore, the Company well controlled quality even reduced production cost.

In terms of storage and warehousing, the products that have damaged or ripped packaging comprise a large proportion of inappropriate products. In order to overcome this issue, the Company has improved the conveyor system, kept delivery in better supervision, set requirements for each Employee working in storage locations to diminish their error rate as well as enhance the quality of product packaging. The Company has also promoted sales activities and inventory reduction in order to limit products color change. As a result, the rate of Inappropriate products in storage and delivery fell to 0.08%, plummeted by 33% over the same period and exceeded the target set at the beginning of FY by 50%.

With the constant efforts to improve product and service quality, the rate of Customer complaints against inappropriate products is stable and in allowable limit, exceeded the target of 0.19% by 32% and significantly plunged by 48% compared to FY 16-17.

Rate of Inappropriate products from Fiscal year 16-17 to 18-19



Source: TTC Bien Hoa

With the motto
RESPONDING TO ALL CUSTOMER'S REQUIREMENTS

TTC Bien Hoa annually implemented Customer Satisfaction Survey to access *Punctual response to Customer's requirements, Product and Delivery Quality.*

Summary of Customer Satisfaction Survey

Rank	Punctual response to Customer's requirements			Delivery compared to Customer's requirements			Quality of Sugar product		
	Rate in 18-19	Rate in 17-18	Rate in 16-17	Rate in 18-19	Rate in 17-18	Rate in 16-17	Rate in 18-19	Rate in 17-18	Rate in 16-17
Very good	**61%**	45%	37%	**52%**	33%	31%	**30%**	33%	20%
Good	**30%**	48%	52%	**44%**	53%	60%	**57%**	55%	71%
Normal	**9%**	7%	11%	**4%**	14%	9%	**13%**	12%	9%
Poor	**0%**	0%	0%	**0%**	0%	0%	**0%**	0%	0%
Weak	**0%**	0%	0%	**0%**	0%	0%	**0%**	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: TTC Bien Hoa

The Survey result showed that the Customer satisfaction rate of Good and Very good assessment for *Punctual response to Customer's requirements* is stably high, reached 91% according to the result in FY 17-18. *Quality of Sugar product* achieved the same result with approximately 90% of Good and Very Good assessment. Remarkably, *Delivery compared to Customer's requirements* indicator were significantly improved in Good and Very good assessment, from 86% in FY 17-18 to 96% in FY 18-19, advanced by 12% thanks to compliance with the standards and application of strict control measures in each production stage.

PRODUCT QUALITY ASSURANCE AND FEEDBACK FROM CUSTOMERS

CUSTOMER FEEDBACK ON PRODUCT QUALITY

BUSINESS TO BUSINESS

Multinational Corporation

Beverage Enterprises: Sugar is one of the most ingredients needed in our manufacturing operations. Sugar quality directly influences product quality. We choose TTC Bien Hoa as our main supplier of Raw Materials since their Sugar Products have high quality and meet standards for Pass Floc Sugar (without precipitation) as well as for purity.

Pharmaceutical Enterprises: Pharmaceutical Industry requires the strictest standards on quality and purity of Raw Materials using in manufacturing processes. Therefore, we only use the best of all kinds of Premium RE Sugar. TTC Bien Hoa's products well meet this requirement.

Small and Medium-sized Enterprises

Sometime, it is extremely difficult for small businesses like us to do business with large-scale suppliers. TTC Bien Hoa, despite their dominant position as the largest Vietnam Sugar Company, has paid us full attention and always proposed to us feasible solutions with competitive price.

BUSINESS TO CONSUMER

General Trade

TTC Bien Hoa's Sugar products always gain our satisfaction for its high-quality, pure, sweet Sugar grains and creative packaging design. Compared to other products of unknown origin, TTC Bien Hoa makes me feel at ease while using their Sugar products.

Modern Trade

I appreciate TTC Bien Hoa's commitment to continuous innovation and renovation with the aim of providing numerous Products such as Stick Sugar, Liquid Sugar and Caramel. The fact that TTC Bien Hoa is using creative packaging designs in their products to attact Customer's attention, proving their proactive approach in a long-standing market.

EXPORT

Business to Business

We are truly impressed by TTC Bien Hoa's product diversity and commitment to quality. TTC Bien Hoa also ensures on-time delivery. But what makes us feel most satisfied is the flexibility in customizing the packaging's designs and materials in order to meet specific requirements.

Trade

As a Global Agricultural commodities merchant, ED&F Man has supplier's selection criteria which are not easy to fulfill, especially when it comes to Organic products. After the first year, we believe we made the right decision in choosing TTC Bien Hoa as our suppliers of EU Certified Organic Sugar.

"In Fiscal year 19-20, TTC Bien Hoa aims to continue to improve Quality Assurance activities in order to achieve the highest degree of Customer satisfaction. The action plan was reviewed, evaluated, implemented and supervised by the Company's Leaders in a systematic and synchronous manner."

1. Focusing on impurity control by way of identifying potential risks, proposing and carrying out corrective and preventive measures
2. Minimizing inventory time through developing practical production plan among plants in accordance with the requirements of Markets and Customers. The target of inventory days is less than 3 months
3. Using a wide range of packaging methods, packing products in Big bag 1 ton to reduce cost and storage time
4. Proactively accompanying with Customers in R&D activities. Business Division is an intermediary role in order to review, introduce, provide products and services in line with Customer's requirements.

ACCOMPANYING FARMERS

65,000 HA

RAW MATERIAL AREAS ACROSS INDOCHINA REGION

39,000 HA

RAW MATERIAL AREAS IN VIETNAM

27%

RAW MATERIAL AREAS OF THE WHOLE COUNTRY

BUILDING A GREEN AGRICULTURE

TTC Bien Hoa continues to accompany with Sugarcane Farmers at 65,000 hectares of Raw Material Areas in Indochina Region. For Vietnam, Raw Material Areas of TTC Bien Hoa accounts for about 27% of the whole Country, of which Tay Ninh, Dong Nai and Gia Lai being Strategic Areas.

SIGNIFICANT EVENTS FOR FARMERS

JANUARY 2019 — 1

Signing a Strategic Cooperation Agreement with Orient Commercial Bank (OCB):

Offering preferential loans with a fixed interest rate in medium or long terms for the Farmers' households, enhancing planting stability and the Raw Material Area development

APRIL 2019 — 4

TTC Gia Lai supported Sugarcane Farmers in Phu Thien District:

Investing in electricity system along Irrigation Canal, Ayun Ha with the total value of over VND2 billion; accompanying the Farmers in digging ponds, drilling wells, buying irrigation equipment and pumps

JUNE 2019 — 6

The 4th Conference of Southeast Asian Sugarcane Association:

The World Sugar is forecasted to be in a deficit of 2.6 million tons in FY 19-20, Sugar prices are expected to gain positively

JULY 2018 — 7

Choumaly Sayyasone - Former President of Laos visited the Raw Material Areas:

TTC Attapeu presented the three-year development orientation with the key product being Organic Sugar

MARCH 2019 — 3

Signing a contract with BIDV:

Developing Raw Material Areas in Kratie in Cambodia and continuing to reach into Indochina Market

MAY 2019 — 5

Opening 3S Center in An Giang - TTC Bien Hoa being an Official Dealer:

Displaying and supplying of John Deere tractors and ploughs - a Worldwide Leader in Agricultural Equipment Brand

SIGNIFICANT NUMBERS

13,000

SUGARCANE FARMERS IN PROVINCES AND CITIES WHERE TTC BIEN HOA'S FACTORIES ARE LOCATED

65,000

RAW MATERIAL AREAS ——— HA
3 INDOCHINA COUNTRIES

3 COUNTRIES - 7 PROVINCES
Locations where Sugarcane Farmers' input are guaranteed by TTC Bien Hoa

100% MECHANIZED	~14,000 HA			PREFERENTIAL CREDIT LINE FOR FARMERS HAS BEEN SUPPORTED BY TTC BIEN HOA AND OCB	VND 1,000 BILLION
RAW MATERIAL AREAS OF VIETNAM	27%	CCS IN TTC ATTAPEU	12.5	AVERAGE CCS	~9.6
DISTRIBUTORS OF JOHN DEERE AGRICULTURAL MECHANICAL EQUIPMENT	3	SUGARCANE R&D CENTER	4	3S CENTER SALE; SERVICE; SPARE PART	4
FACTORIES REFINING SUGAR	9	FINISHED PRODUCT WAREHOUSES STORAGE CAPACITY: 335,500 TONS	41	MATERIAL WAREHOUSES STORAGE CAPACITY: 64,500 TONS	4

COMPANY PROFILE

THANH THANH CONG - BIEN HOA JOINT STOCK COMPANY

English name	: THANH THANH CONG - BIEN HOA JOINT STOCK COMPANY
Abbreviation	: TTC-BH
Business Registration Certificate	: No. 3900244389 granted by Department of Planning and Investment of Tay Ninh Province, 7th amendment on February 14th 2019
Tax code	: 3900244389
Address	: 11th Floor, TTC Building, 253 Hoang Van Thu Street, Ward 2, Tan Binh District, HCMC
Telephone	: (+84) 839 99 88 11
Website	: www.ttcsugar.com.vn
Stock exchange	: HSX
STICKER	SBT

586,740,552 SHARES

NUMBER OF LISTED SHARES

525,139,652 SHARES

NUMBER OF OUTSTANDING SHARES

VND **5,867,405,520,000**

CHARTER CAPITAL

VND **5,819,192,895,545**

OWNERS' EQUITY

COMPANY PROFILE (CONTINUED)

MAIN BUSINESS LINES

No.	Business line	Detail	VSIC code
1	Manufacture of Sugar	*Manufacture of Sugar*	1072 (main)
2	Growing of Sugarcane	-	0114
3	Manufacture of other food products not elsewhere classified	*Manufacture, trading of products using Sugar or By-products, Waste products from Sugar production*	1079
4	Manufacture of Fertilizers and nitrogen compounds	*Manufacture, trading of Fertilizers, Agricultural materials*	2012
5	Short-term accommodation activities	*Hotel services*	5510
6	Restaurants and mobile cratering services	*Restaurant services*	5610
7	Other professional, scientific and technological activities not elsewhere classified	*Technical and technological consultancy in Sugarcane production*	7490
8	Management consultancy activities	*Management consultancy in Sugarcane production*	7020
9	Manufacture of basic chemicals	*Manufacture, trading of alcohols and By-products*	2011
10	Manufacture of non-alcoholic beverages, mineral water	*Manufacture of mineral water, bottled pure water; non-alcoholic beverages, mineral water; processing of soft drinks, fruit drinks, soya milk*	1104
11	Processing and preserving of vegetables	*Processing of Agricultural products*	1030
12	Wholesale of Agricultural and forestry Raw Materials (except wood, bamboo, neohouzeaua) and live animals	*Wholesale of Agricultural and forestry materials (except rice, wood, bamboo, neohouzeua and liquid rubber)*	4620
13	Wholesale of Agricultural machineries, equipment and accessories	-	4653
14	Distilling, rectifying and blending of spirits	-	1101
15	Wholesale of food	*Wholesale of meat and meat products; fruit and vegetables; milk and dairy products, confectionery and products of cereal, flour and starch; other food (except Sugar and rice)*	4632
16	Retail sale of food, foodstuff, beverages, tobacco, rustic tobacco predominating in non-specialized stores	*Retail sale of food, foodstuff, beverages predominating in non-specialized stores (except Sugar, rice, tobacco, rustic tobacco)*	4711
17	Retail sale of food in specialized stores	*Retail sale of meat and meat products; fruit and vegetables; milk and dairy products, confectionery and jams; products of cereal, flour and starch; other food products in specialized stores (except Sugar and rice)*	4722
18	Wholesale of beverages	-	4633
19	Retail sale of beverages in specialized stores	-	4723
20	Retail sale of food, beverages, tobacco, rustic tobacco via stalls or markets	*Retail sale of food (except Sugar and rice), beverages via stalls or markets*	4781
21	Manufacture of clay building materials	-	2392
22	Wholesale of other machineries, equipment and accessory	*Wholesale of machinery, equipment for Cane Sugar production*	4659
23	Repair of machineries and equipment	*Repair and maintenance of Cane Sugar industrial equipment*	3312
24	Installation of industrial machinery and equipment	*Installation of Cane Sugar industrial equipment*	3320
25	Generation of electricity	-	3511
26	Transmission and distribution of electricity	*Distribution of electricity*	3512
27	Trading of own or rental real estate and land use rights	*Pursuant to Clause 3, Article 11 of the Law on Real Estate Business in 2014*	6810
28	Other retail sale in non-specialized stores	*Retail sale in supermarkets, trade centers; Other retail sale in non-specialized stores not else where classified (except retail sales of Sugar, rice, tobacco, rustic tobacco)*	4719
29	Construction of other civil engineering projects	*Construction of civil projects (supermarkets, restaurants, hotels)*	4299
30	Construction of buildings for living	-	4101
31	Construction of buildings not for living	-	4102
32	» Enterprises have the freedom to do business in industries not prohibited by laws » Prohibited investment and business lines as stipulated in Article 6 of the Investment Law; For conditional lines of business, Enterprises may only conduct business when they satisfy all the prescribed conditions » List of conditional business lines specified in Appendix 4 annexed to the Investment Law		Not yet classified under the Vietnam Standard Industrial Classification System

KEY HISTORIC MILESTONES

Thanh Thanh Cong-Bien Hoa JSC was formerly a Joint Venture between Group Bourbon and Sugarcane and Sugar Union II and Tay Ninh Sugarcane and Sugar Union

1995

- Established: July 15th 1995
- Investment capital: USD95 million
- Legal capital: USD28.5 million
- Sugar refinery with modern machinery and equipment, state-of-the art technology: Main product was Refined Sugar in accordance with European standards
- Designed capacity: 8,000 TCD

1998

- Investment capital: USD111 million
- Legal capital: USD39.5 million

1999

- Sugarcane and Sugar Union II transferred all its Legal capital contribution to Bourbon Group

2000

- Tay Ninh Sugarcane and Sugar Union transferred its capital contribution to Bourbon Group
- The Company was officially transformed into a 100% Foreign-Owned Company

2007

- Transforming into a JSC
- Charter capital: VND1,419 billion

2008

- Listing 44,824,172 of SBT shares on HOSE
- Accounting for 31.58% of total outstanding shares

2009

- Ground-breaking of Bourbon An Hoa Industrial Park - the first Eco-Industrial Zone in Vietnam

2010

- Group Bourbon divested and transferred its stake to Vietnamese Partners
- Thanh Thanh Cong Investment JSC became a Major Shareholder, holding 24.5% of total outstanding shares

2012

- Crushing capacity: 9,800 TCD
- Completing the Affinage Project - Raw Sugar dissolution mill

2013

- Issuing 6,574,200 shares under ESOP
- Charter capital: VND1,485 billion
- Changing the Company's name to Thanh Thanh Cong Tay Ninh Sugar JSC

2015

- Merging with Gia Lai Cane Sugar - Thermoelectricity JSC
- Charter capital: VND1,856 billion
- Being the largest Sugar Enterprise listing on Vietnam stock market

2016

- Being the first time appearing on VN30 Index Basket
- Issuing VND1,000 billion bond: Stabilizing cash flows, restructuring financing, improving capital utilization
- Issuing more than 9.1 million shares under ESOP
- Charter capital: VND1,947 billion

2017

- Contributing capital into TTC Attapeu Sugar Co., Ltd.
- Completing the M&A transaction with Bien Hoa Sugar JSC
- Changing the Company's name to Thanh Thanh Cong - Bien Hoa JSC
- Completing centralized management of all TTC Group's Sugar Business Units
- Charter capital: VND2,532 billion

2018

- Becoming the first Vietnam Sugar Producer to export Sugar products to the US: Besides China, Sri Lanka, Myanmar, Singapore, Kenya
- Completing the repurchase of 61,600,900 Treasury shares
- Foreign Ownership Limit: 100%
- Enhancing CG according to International standards and the best practices
- HOSE: Being in the Top 20 of Sustainable Development Index VNSI
- Charter capital: VND5,570 billion

2019

- Cooperating with ED&F Man: Exporting Sugar products to Europe
- Raw Material Areas: ~ 65,000 ha, 3 Indochina Countries
- Export markets: 21
- 50+ Sugar product lines in the market
- 9 reputable ETFs and Indices accounting for 19.2 million shares
- VN30 Index: Continuing to be the only Sugar Company
- Negotiating with DEG: European Strategic Investor
- TA: VND16,743 billion
- NR: VND10,857 billion

FOR THE FARMERS

RAW MATERIAL AREA NETWORK

65,000 HA

RAW MATERIAL AREAS IN 3 COUNTRIES

32,000 HA — Contracted Farms

+

33,000 HA — Owned Farms

LAOS
TTCA
AND CAMBODIA
KRATIE*

Total: 26,320 ha

Contracted Farms: 120 ha
Owned Farms: 26,200 ha

** Raw Material Areas where the Company has right to manage and exploit.*

VIETNAM

Tatal: 38,680 ha

TTCS Gia Lai: 9,930 ha	Contracted Farms: 9,590 ha Owned Farms: 340 ha
Bien Hoa - Ninh Hoa: 10,000 ha	Contracted Farms: 9,330 ha Owned Farms: 670 ha
Bien Hoa - Phan Rang: 1,800 ha	Contracted Farms: 1,800 ha
TTCS: 16,950 ha	Contracted Farms: 11,160 ha Owned Farms: 5,790 ha

SUGARCANE RESEARCH AND DEVELOPMENT CENTER

Head Office

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(+84) 27 63 71 29 75

Branch in Gia Lai

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(+84) 899 520 617

Branch in Ninh Hoa

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(+84) 336 94 30 26

Branch in Ninh Thuan

National Road 27A, La Vang Hamlet, Quang Son Commune, Ninh Son District, Ninh Thuan Province
(+84) 912 689 258

3S CENTER: SALES - SERVICE - SPARE PART

3S Center in Gia Lai

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(+84) 901 937 555

3S Center in Ninh Hoa

Lam Son Hamlet, Ninh Sim Commune, Ninh Hoa District, Khanh Hoa Province
(+84) 902 079 093

3S Center in Tay Ninh

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3S Center in An Giang

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DISTRIBUTOR OF JOHN DEERE AGRICULTURAL MECHANICAL EQUIPMENT

JOHN DEERE

Distributor in Dong Thap

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Distributor in An Giang

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(+84) 913 979 080

Distributor in Soc Trang

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(+84) 918 453 476

DEVELOPMENT PATH

FOR THE FARMERS (CONTINUED)

9
FACTORIES

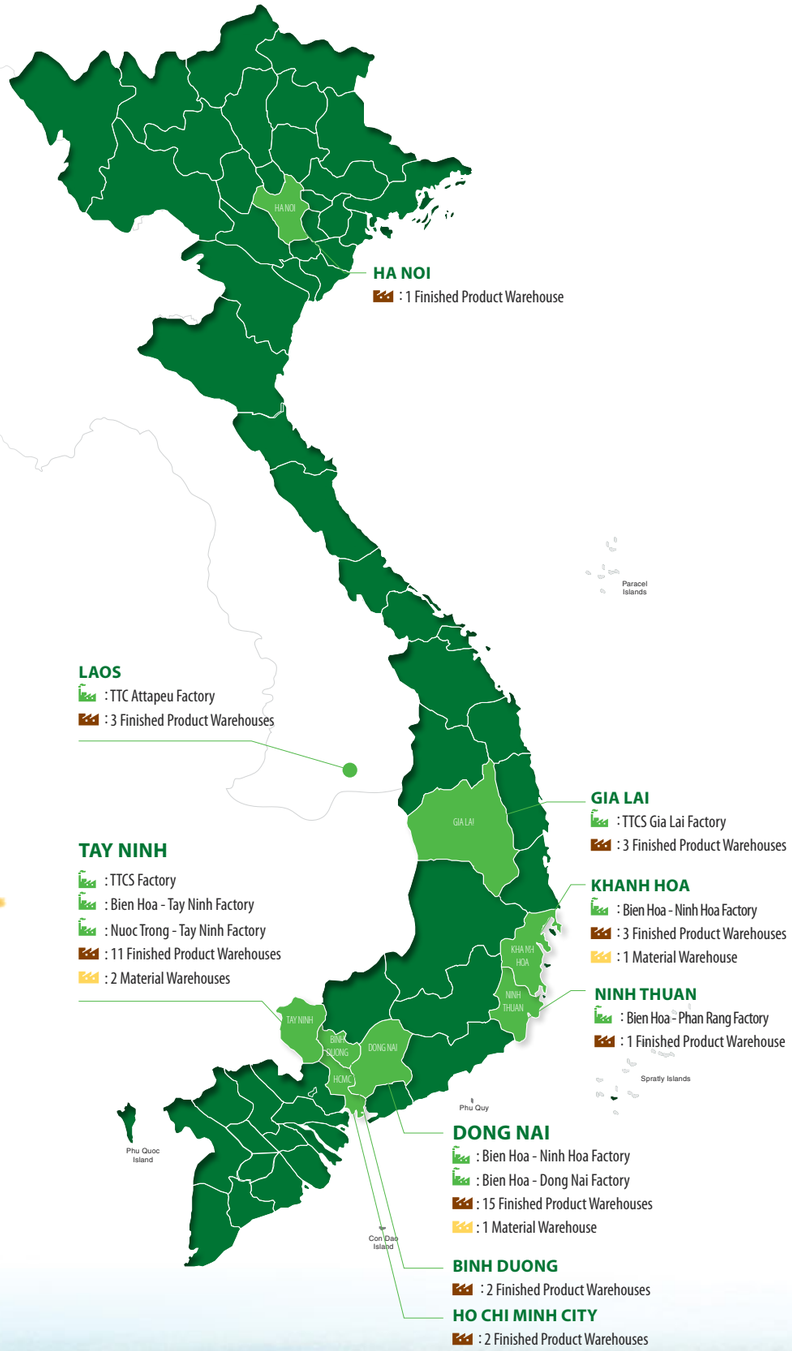
TOTAL PRODUCTION CAPACITY
4,250
TONS OF SUGAR/ DAY

41
FINISHED PRODUCT WAREHOUSES

4
MATERIAL WAREHOUSES

TOTAL LAND AREA
141,000+
SQM

TOTAL STORAGE CAPICITY
400,000
TONS



FACTORY NETWORK

No.	Factory	Location	Refinery capability	Production Capacity (Tons of Sugar/Day)	Main Products	Refinery Time	By-Products
1	TTCS	Tay Ninh	Raw Sugar and Cane	1.000	RE Sugar	Seasonal	Cogeneration
2	Bien Hoa - Ninh Hoa	Khanh Hoa		600			
3	Bien Hoa - Tri An	Dong Nai		250			x
4	Bien Hoa - Dong Nai	Dong Nai	Raw Sugar	400	RE Sugar	Year-round	x
5	TTCA	Laos	Cane	750	RS Sugar	Seasonal	Cogeneration
6	TTCS Gia Lai	Gia Lai		600	RS Sugar, Raw Sugar		
7	Bien Hoa - Tay Ninh	Tay Ninh		400	Raw Sugar		x
8	Bien Hoa - Phan Rang	Ninh Thuan		150	RS Sugar, Raw Sugar, Brown Sugar		
9	Nuoc Trong - Tay Ninh *	Tay Ninh		100	Organic Sugar		

*: Nuoc Trong Factory - Tay Ninh was changed to produce Organic Sugar instead of RE Sugar.

WAREHOUSE SYSTEM

Types of Warehouses	Location	Quantity	Land Area (Sqm)	Storage Capacity (Tons)
Finished Product Warehouses	Dong Nai	15	46,200	83,800
	Tay Ninh	11	39,500	142,250
	Gia Lai	3	12,400	38,000
	Ninh Hoa	3	12,300	23,000
	Laos	3	8,500	19,000
	Binh Duong	2	9,200	25,000
	Hochiminh City	2	400	400
	Phan Rang	1	1,600	4,000
	Ha Noi	1	100	50
Total	**9 Locations**	**41**	**130,200**	**335,500**
Material Warehouses	Tay Ninh	2	4,400	25,500
	Dong Nai	1	4,500	27,000
	Ninh Hoa	1	2,000	12,000
Total	**3 Locations**	**4**	**10,900**	**64,500**

Source: TTC Bien Hoa

FOR THE CUSTOMERS

4 DISTRIBUTION CHANNELS

BUSINESS TO BUSINESS

730+
CUSTOMERS

MNC - MULTINATIONAL CORPORATION

30+
Customers

57%
Market share

Campina, Coca-Cola, Nestle, Nutifood, Pepsi, Red Bull, Tan Hiep Phat, Trung Nguyen, Vinacafe, Vinamilk and etc.

SME - SMALL AND MEDIUM-SIZED ENTERPRISES

700+
Customers

15%
Market share

Beverages: Chuong Duong, FES (Pho Coffee), Highland Coffee, Jolibee, Tan Quang Minh (Bidrico), Sanest Khanh Hoa and etc.

Food: Asiafood, Cholimex, Thien Huong Food, Uniben (3 Mien Noodles) and etc.

Confectionery: Bibica, Pham Nguyen, Pan, New Choice and etc.

Whipping milk: IDP, KIDO, Long Thanh, Yakult VN and etc.

Pharmaceutical: Cuu Long, Domesco, Hau Giang, Mekophar, Sanofi and etc.

TRADING

72
CUSTOMERS

22
LEVEL 1 DISTRIBUTORS

TTC Investment, TTC Trading, Thanh Thanh Phat, Toan Phat and etc.

~50
Level 2, 3, 4 Distributors across the Country

BUSINESS TO CUSTOMER

67,200+
CUSTOMERS

GT - GENERAL TRADE

10%
Market share

60,000
Retail stores

~100
100 Distributors

MT - MODERN TRADE

70%
Market share

3,600
Supermarkets and Convenience stores

KEY ACCOUNTS

4%
Market share

3,500
Points of sale

EXPORT

21
COUNTRIES

NORTH AMERICA

1
Country
America

EUROPE

6
Countries
Belgium, Bulgaria, Czech Republic, Malta, France, Italy

ASIA

8
Countries
Cambodia, South Korea, Indonesia, Myanmar, Philippines, Singapore, Sri Lanka, China

AFRICA

1
Country
Kenya

PACIFIC ISLANDS

5
Countries
Nauru, Papua New Guinea, Samoa, Solomon, Tahiti

3 SHOWROOMS

HO CHI MINH CITY

512 Ly Thuong Kiet, Tan Binh District, HCMC
(+84) 8 36 36 82 98 - (+84) 938 048 908

DALAT CITY

Valley of Love Tourism, Dalat City, Lam Dong
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PHAN THIET CITY

Ta Cu Tourist Area, Ham Thuan Nam District, Binh Thuan
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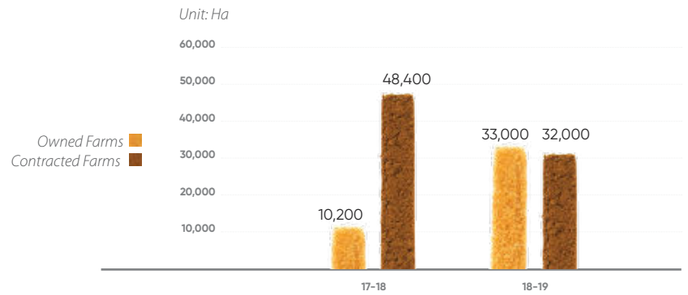
"Under the negative influence of the World Sugar Industry, the plummeting Sugar price caused a significant impact on Vietnam Sugarcane's price. The price of Sugarcane therefore went down, affecting Farmers' income, then they decided to switch from Sugarcane to other crops. Facing that situation, the Company has strived to provide several supportive solutions for Farmers to retain the Cane fields. At the same time, taking over Owned Farms in Kratie - Cambodia adjacent to Vietnam was the Company's solution in order to proactively increase Raw Material Areas, develop large-scale fields and address the lack of control over the Raw Material Areas."

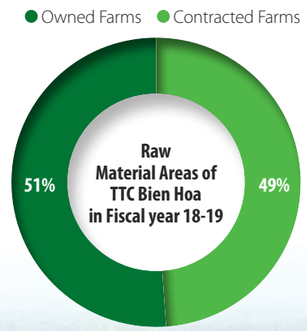
By the end of FY 18-19, the total Raw Material Areas of the Company was 65,000 hectares, expanded by 11% compared to FY 17-18, accounted for 27% of the whole Country. Contracted Farms - invested by the Company for Farmers to jointly exploit was 32,000 hectares, accounted for 49%. Owned Farms - owned and taken over by the Company, was 33,000 hectares, accounted for 51%. These Raw Material Areas have been suitably distributed across all 3 Indochina Countries including Vietnam of 38,680 hectares (60%), Cambodia and Laos of 26,320 hectares (40%).

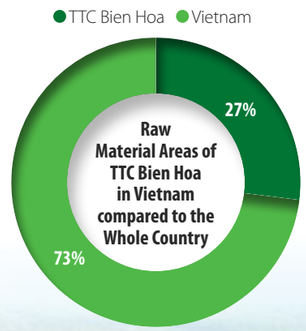
In FY 18-19, the Company also implemented land plot combination and mechanization in Gia Lai, Ninh Hoa and Tay Ninh with over 300 fields to increase the lot area and brought Sugarcane to the remote areas, contributing to local economic support. As a result, 14,000 hectares was 100% mechanized with deep plowing, tending and soil analysis techniques; fertilizing according to the needs of the soil and plants in each period and harvesting by machine. The application of mechanization has helped to improve soil quality, reduce farming costs and enhance performance efficiency. Presently, the Mechanized Areas accounted for about 29% of TTC Bien Hoa's Raw Material Areas excluding Kratie Farm which just has had a right to manage at the beginning of Quarter 4 of FY 18-19 and expected to exploit in FY 19-20. The support from TTC Bien Hoa not only creates opportunities for Farmers to access new scientific and technical knowledge, but also supports them to reduce their harvest costs by 50% and increase their income.

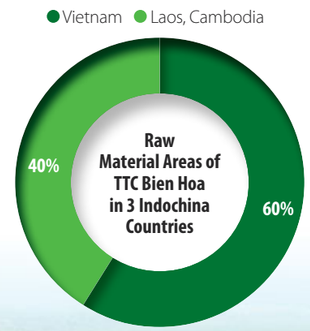
29%
100% MECHANIZED AREA

TTC Bien Hoa's Raw Material Areas









Source: TTC Bien Hoa

CROSS-BORDER RAW MATERIAL AREAS

LOCATION	CONTRACTED FARM (HA)	OWNED FARM (HA)	CHARACTERISTICS OF THE RAW MATERIAL AREAS	DEVELOPMENT ORIENTATION FOR THE FISCAL YEAR 19-20
TAY NINH	11,160	5,790	» Concentrated Raw Material Area was suitable for the application of mechanization from soil preparation to harvest » Mechanization in soil preparation and fertilization reached almost 100% » The percentage of area harvested by machines reached nearly 40% » Being located in a good rainfall area, it is suitable for Sugarcane cultivation, especially high-yield Sugarcane Varieties including KK3, LK92-11 » Having supportive policies for Farmers in FY 18-19: • For new plant crop, we provided a non-refundable aid of VND13 million per hectare for Farmers in Tay Ninh; VND11 million per hectare for Farmers in Cambodia - Area bordering with Tay Ninh • For ratoon crop type 2, we provided a non-refundable aid of VND3.8 million per hectare for Farmers in Tay Ninh; VND2.9 million per hectare for Farmers in Cambodia - Area bordering with Tay Ninh	» The Company continues to implement the policy of leasing land for lot combination, increasing the planting area to full mechanization » The upcoming 3-year goal: 60% of Raw Material Areas will be harvested by machines
GIA LAI	9,590	340	» This is the largest Cane Raw Material Area in the whole Country » The level of scientific and technical application and mechanization is currently only ranked after Tay Ninh » The percentage of area harvested by machines arrived over 20% » Support policies for Sugarcane Farmers in FY 18-19: • For new plant crop, we provided a non-refundable aid of VND5 million - 7 million per hectare depending on the scale • For ratoon crop, we provided a non-refundable aid of VND2.4 million per hectare • For enhancing soil fertility towards Sustainable Development, subsidies on Organic Fertilizers were given priority	» Applying a successful model of Tay Ninh, TTC Gia Lai will implement the policy of land lot combination to expand the planting area as well as widen mechanized Raw Material Areas » The percentage of area harvested by machines will go up to 30% in the next 3 years » TTC Gia Lai focuses on conversion from low-yield Varieties to high-yield Varieties such as KK3, K95-156 » The coming 3-year target is to get 4 main Varieties, accounting for 80% of the Raw Material Areas
KHANH HOA	9,330	670	» Contracted and monoculture Sugarcane Raw Material Areas » High Cane quality is an advantage for production activities » The Factory has conversed to plant high-yielding varieties in line with the Raw Material Area characteristics » Support policies for Sugarcane Farmers in FY 18-19: • For new plant crop, we provided a non-refundable aid of VND5.8 million per hectare • For ratooncrop, we provided a non-refundable aid of VND3.4 million per hectare • Policy on encouraging to harvest by machine with the subsidy of VND1 million per hectare to increase the mechanized harvesting rate to 20% in the next 3 years from the current of 8%	» Applying a successful model of Tay Ninh, Bien Hoa-Ninh Hoa and Bien Hoa-Phan Rang Factories will implement the policy of land plot combination to expand the planting area as well as widen mechanized Raw Material Areas » Successfully converting 4 main varieties to account for over 80% of the farming area in Khanh Hoa and Ninh Thuan Areas is the next 3-year goal
NINH THUAN	1,800	-	» Located near to the State irrigation system, Raw Material Areas have a number of development potentials » Being able to proactively enhance productivity, prolong Cane pressing time (average time 140-150 days per crop), 20% higher than other Factories » Raw Material Areas are close to the factory that helps to reduce transportation costs » Support policies for Sugarcane Farmers in FY 18-19: • Advancing of VND26 million per hectare for new plant crop and VND14 million per hectare for ratoon crop • Providing Non-refundable aid of VND3.8 - 4.8 million per hectare for new plant crop and VND2.3 million per hectare for ratoon crop • For enhancing soil fertility towards Sustainable Development, subsidies on Organic Fertilizers were given priority	
LAOS	120	26,200	» Raw Material Areas are specialized, suitable for the cultivation and production of Organic Sugar » Raw Material Areas covered a large area, making it possible to fully apply mechanization from soil preparation to caring stage » Particularly, the mechanized harvesting rate came to 70% » Raw Material Area system is surrounded by big rivers, making irrigation deployment easier » Thanks to the differences in weather condition, Sugarcane quality is outstanding, 20% higher than the average of Vietnam » Support policies for Farmers in FY 18-19: • Supporting Farmers in reclaiming and preparing land for planting Sugarcane • Providing Sugarcane varieties for Farmers, supporting Fertilizers, harvesting Sugarcane	» Expected Organic Sugarcane Areas to be harvested account for 50% of the total area in FY 19-20 and 100% in the upcoming 3 years » Total Raw Material Areas are expected to widen to nearly 14,000 hectares » Setting a goal to expand the Contracted Farm to 1,000 hectares
CAMBODIA (*)			» The Farm is considered to be perfectly appropriate for the production of Organic Sugar thanks to a large, clean and unpolluted land areas » Large and continuous farming are suitable for the construction of large-scale fields » Located near to the Mekong River Region, it is facilitated for irrigation and farming	» In the coming years, Organic Cane will be planted according to European standards » Besides the Raw Material Areas under management, the Company will continue to invest in leasing land in the Cambodian border area, planning field infrastructure, and handing it out to the capable Farmers to plant Cane.

(*) Raw Material Areas in Cambodia where the Company has right to manage and exploit

"In line with Global development trend, the Company, in cooperation with its Partners, has deployed the application of technologies and artificial intelligence into cultivation instead of a traditional farming method, based primarily on experience. Currently, Farmer Relationship Management - FRM system on the Microsoft CRM platform with various features including information management of Farmers, soil conditions and quality; harvest control and capital investment management has been operated. Based on the available data, the Company will more accurately advise the processes and farming techniques for Farmers on each Raw Material Area, in accordance with the natural conditions and the existing land.

In addition, in Fiscal year 18-19, the Company has also cooperated with German technological Partners for testing the use of satellite and microwave technology in managing field, helping to focused control, managing the harvest in a better manner, increasing the quality of Sugarcane and reducing operation and logistics costs. These technologies will be expected to officially apply in all Domestic and Foreign Factories of TTC Bien Hoa in Fiscal year 20-21, contributing to the trend of Smart Agriculture in Vietnam."

INVESTMENT IN TECHNOLOGY DEVELOPMENT AND PROJECT IMPLEMENTATION PROGRESS

> "To get ready for the integration of ATIGA as well as to serve the orientation of developing sustainable Agriculture Chain, TTC Bien Hoa has done researches, promoted investment and proposed various solutions in order to reduce production cost."

4 PROJECTS WERE COMPLETED IN FISCAL YEAR 19-20

1 PROJECT WILL BE FINISHED IN FISCAL YEAR 19-20

In the Sugar Industry, the cost of Raw Materials accounts for a large proportion of process cost, approximately from 75% to 80%. Therefore, the Company has taken necessary measures to minimize cost meanwhile the high quality of Sugar output has remained.

In terms of Sugarcane planting, TTC Bien Hoa has come up with several solutions for investment, cultivation and harvest policies to reduce Sugarcane price. On the basis of available modern technology and innovation introduced in every FY, the same actions have been taken in production to raise Sugar volume and reduce production cost when Sugarcane input tends to decrease recently. In FY 18-19, TTC Bien Hoa has been investing in 5 projects, in which 4 projects were completed and 1 project will be finished and put into operation in FY 19-20.

STEAM SAVING SYSTEM

Time of implementation: May 2018 - November 2018
Current status: To be completed and put into operation

Objectives

» To reduce steam consumption and save Bagasse for refinery process after the Sugarcane seasons

» To increase refined Sugar production from Raw Sugar without using any materials other than Bagasse as fuel source to boiler

Investment information

To invest in several Steam saving equipments for example:

» Direct Sugar Cane juice heating: Directly transporting superheated steam to Cane juice during Sugar production

» Replacing conventional extractor and evaporator by vacuum distillation columns (Jet Condenser): Using water jet instead of steam jet for steam-saving purpose

» Investing in expansion of plate-type heat transfer for evaporation and modifying of steam extraction methods

Efficiency

» Saving steam volume was used in Sugar production line. It only takes 500,000 tons of steam to crush 1 million tons of Sugarcane, much lower than the previous figures of 570,000 tons, saving 70,000 tons of steam

» A significant amount of Bagasse was reduced by burning Bagasse for steam production. With the crushed Sugarcane volume of 1 million tons, the amount of Bagasse can be saved is 33,000 tons

» Increasing RE Sugar output for the reason of economic performance being dependent on crushed Cane volume; More crushed Sugarcane, more produced and more refined Sugar

» Thanks to steam-saving solutions, at the end of FY 18-19, the Company saved 82,000 tons of Bagasse, increased the production of RE Sugar from Raw Sugar by 100,000 tons without having to purchase fuel to burn boiler

» It is expected to develop a plan to reduce steam consumption to 42% in the next FY:

- With the crushed Sugarcane volume of 1 million tons, the saved amount of Bagasse can reach more than 170,000 tons
- This saved amount will be used to refuel the boiler during refinery process after the Sugarcane seasons.
- Refined Sugar now can be produced 300 days per year without more investment in fuels.

BIG BAG PACKAGING FOR DELIVERY METHOD DIVERSITY

Time of implementation: August 2018 - November 2018
Current status: To be completed and put into operation

Objectives

» To meet the needs of B2B Customers as Nestle, Ajinomoto and etc. in using Big bag for product delivery

» To play a pioneering role and have a monopoly on application of Big bag 1 ton in delivery

Investment information

» New investment in Sugar Big bag packaging system

» Required equipment: Weighing machine, filling machine, conveyor system, inkjet printer, pallet and magnet

Efficiency

» Winning Customer's satisfaction thanks to the convenience of new delivery method

» Creating favorable conditions for MNC Customers:

- Purchasing Sugar as Raw Materials for their production, for example Pepsico, Nestle, Vinamilk, Unilever, Friesland Campina, Redbull, URC, Perfetti and etc.
- Fully supporting Customers in reducing loading and unloading charges as well as applying automatic system with ease when needed

» Becoming a supplier with diversity of delivery methods

» Being achieved efficiency while investment cost being fully depreciated with an estimated time of 10 years.

AUTOMATIC ROBOT SYSTEM FOR LOADING 50 KG BAGS AT BIEN HOA – DONG NAI FACTORY

Time of implementation: January 2018 - April 2019
Current status: To be completed and put into operation

Objectives

» To meet the high demand of Customers

» To optimize transportation and reduce labor cost

Investment information

Phase 1:

» To replace all manual workers working in the packaging area by Robotic palletizing system

» 50 kg or 25 kg Sugar bags after being packaged will slide along the stainless-steel trough which leads to the Robotic palletizing system

» The Robots will load 50 kg Sugar bags onto the Pallets and wrap shrink films or not

» The forklift will then move the pallets onto the transit truck so the pallets can be stored at the warehouse

Phase 2:

» To make an investment in purchasing suitable pallets and building warehouses

» To plan on using pallets in all stages of production, storage and delivery process

Efficiency

» Satisfying the needs of B2B Customers on FSSC - Food Safety System Certificate in order to optimize the storage and delivery process by using pallets

» Reducing the rate of inappropriate products in storage and delivery; minimizing bag damage caused by loading and unloading process as well as reducing the number of transportation times

» Reducing cost for loading and unloading service to VND14,000/ton for both Factories and Customers

» Minimizing the risks of a labor shortage in storage as well as decreasing risks involving human factors

» Relieving the burden shouldered on labor force in loading and unloading process as well as easing the pressure carried by recruiters to find suitable workers

» Becoming the first Company in Vietnam Sugar Industry to apply Robots in loading/unloading and pallets in delivery

» Leaving a good impression on Customers during their tour to TTC Bien Hoa's Factories thanks to its application of Robotic system

» Gaining a competitive advantage compared to other Companies in terms of providing services for B2B Customers.

INVESTMENT IN TECHNOLOGY DEVELOPMENT AND PROJECT IMPLEMENTATION PROGRESS

ROOFTOP SOLAR POWER SYSTEM AT 9 REFINERIES

Time of implementation
July 2018 - May 2019

Current status
Connection and transfer of power to the National grid to be completed

Objectives

» To install the Rooftop Solar Power system at the Company's Factories in other to take advantage of Renewable Energy, while saving operating cost

» Being sold to the grid at VND2,086 (9.35 U.S cents) per kWh

No.	Refinery	Installed capacity (MWp)
1	TTC Bien Hoa - Dong Nai Refinery	1.5
2	TTC Bien Hoa (TTCS) Refinery	0.999
3	TTC Bien Hoa - Ninh Hoa Refinery	0.999
4	TTC Gia Lai Refinery	0.999
5	TTC Bien Hoa - Tay Ninh Refinery	0.7
6	TTC Bien Hoa - Tri An Refinery	0.6
7	Nuoc Trong Refinery	0.5
8	TTC Bien Hoa - Phan Rang Refinery	0.5
9	Attapeu Laos Refinery	0.44
	TOTAL	7.23

Investment information

» TTC Group, with deep experience, supported the Company in the installation of Rooftop Solar Power systems

» In FY 18-19, the Company installed the system at 9 Refineries with a total capacity of 7.23 MWp

Efficiency

» Making use of the roof area of the Refineries for installation of the Solar Power system in other to increase Renewable Energy consumption.

» Being capable of generating electricity used in production activities as well as contributing to the reduction of Greenhouse gas emission and Environmental protection

» Flexible in grid connection: Rooftop Solar Power being used in Refinery's activities, the excess electricity being sold to the National power grid

» The participation of Solar Power System in the National power grid contributing to meeting part of the electricity demand for Socioeconomics development, both in the Region and the State.

BAGASSE DRYING SYSTEM WITH A CAPACITY OF 110 TONS PER HOUR

Time of implementation
November 2017

Current status

» To be expected to put into operation in November 2019

» According to the original plan, the Bagasse drying system would be completed and come into force by the end of 2018. However, import of equipment and the needs of altering rotary valve to be in line with kind of Bagasse using diffusion extraction technology prolong the project. At present, the installation and preparation for trial run has been completed

Objectives

» To take advantage of the redundant heat of flue gas to dry the Bagasse

» To reduce the moisture content of Bagasse before being fed to the boiler

Investment information

» To invest in Bagasse drying system with the aim of making use of redundant heat of flue gas as well as decelerating Bagasse's moisture content from 52% to 40% before the next step being implemented

» The system consists of equipment as follows:

Main equipment: Belt conveyor transports wet Bagasse to the dryer, Bagasse dryer, belt conveyor transports dried Bagasse to the boiler

Ancillary equipment:

» The air duct transports flue gas to the dryer and then to the chimney

» The rotary valves control the Bagasse put into and taken out of the dryer

» Frame and foundation support for equipment, electrical cables

Efficiency

» By reducing moisture content of Bagasse, the capacity of 1 million tons of Bagasse in producing steam increases to 2.7 from 2.1 tons of steam/tons of Bagasse

» The volume of redundant Bagasse will increase 2.2% compared to crushed Sugarcane in terms of calorific value and weighing conversion

» The filter is used to remove dust from flue gas instead of using water

» This alternative method will reduce the dust components in flue gas to the level in line with the criteria prescribed by laws

» Since the investment was made, a significant amount of Bagasse has been saved. This surplus Bagasse will be used as fuel for boiler, thereby providing steam for Sugar production. As a result, with the same amount of Sugarcane input, a larger amount of Raw Sugar output can be produced

» The increase of Raw Sugar production after the Sugarcane seasons as well as produced Sugar volume from the same amount of Sugarcane proves project efficiency

» This is the first-time Bagasse drying system has been exercised in Vietnam, TTC Bien Hoa is honored to be the pioneer in using this new system with the hope of boosting Bagasse utility

» The new system has presented itself as a challenge to TTC Sugar Industry. If this Project goes well, TTC could achieve considerable benefits in the context of continuous Sugarcane input reduction.

FARMERS - ON EVERY STEP TO DEVELOPMENT

"When ASEAN Trade in Goods Agreement - ATIGA enters into force, all Sugar import quotas and tariffs will be reduced to 5%. Vietnam Sugar Industry will face direct competition with businesses from the ASEAN Region, especially Thailand. Every challenge is an opportunity, TTC Bien Hoa - the Leading Company in Vietnam Sugar Industry - has taken initiative in planning for various scenarios in order to optimize internal competencies built up in years and take advantage of new business opportunities."

POLICIES FOR FARMERS

Sugarcane Purchasing price

Capital Support

Technical Assistance during cultivation

The first link in the Sugar Industry production chain, the supply of Raw Materials is of vital importance to Farmers, Refineries and all of the Participants in the chain, for instance, the Suppliers of Agricultural Materials, Machinery and etc.

TTC Bien Hoa proactively made investments in the development of Raw Material Areas, including Large-scale Owned Farms and Contracted Farms. Up to date, TTC Bien Hoa has had a total Raw Material Areas of approximately 65,000 hectares, including both Owned and Contracted Farms across 3 Countries Vietnam, Laos, Cambodia in the Indochina Region.

Farmers are the main suppliers of Sugarcane - the most important Raw Materials in both production and operation. With the aim of ensuring sustainable Sugarcane production in TTC Bien Hoa, accompanying the Sugarcane Farmer is given top priority, TTC Bien Hoa introduced various policies for timely support of Farmers in order to relieve their burden, reduce production cost and ensure a stable income. Thus, TTC Bien Hoa could maintain a good relationship with Farmers, sustain and expand the Raw Material Areas and scale as well as ensure the continuity of Sugarcane cultivation. The most important policies could be listed as follows: Sugarcane Purchasing price, Capital Support, Technique, materials and service Assistance during cultivation.

POLICY OF SUGARCANE PURCHASING PRICE

It can be said that this Policy plays the most crucial role and exerts a direct effect on Farmers. Therefore, within Our business capacity, TTC Bien Hoa always tries to offer the best possible purchase price in each period. When Sugarcane faces plummeting price, TTC Bien Hoa also provides Farmers with more financial support to share their burden in a difficult time.

In FY 18-19, non-refundable aid of the Company increased from VND2 million to VND12 million per hectare. Particularly, in Tay Ninh Area, for 2nd ratoon crops, the Company provided VND3.8 million per hectare in subsidy. For the new plant crops, the Company subsidized VND13 million per hectare in Winter-Spring crop and increased the amount to VND18 million per hectare in Summer-Autumn crop. In addition, the Company had other forms of non-refundable aid for Farmers, for example, providing mechanical services, Fertilizers, means of transportationand and etc. as well as improving the implementation of insurance policy applied to 10 CCS Sugarcane. In general, despite the volatility in the market, TTC Bien Hoa was doing much better than National average when it comes to the purchase price and other policies.

POLICY OF CAPITAL SUPPORT

Due to the characteristics of Vietnam's Agricultural, which are small and household-scale, the lack of capital as well as the inability to adopt advanced techniques and mechanization becomes common issues. In order to support Farmers to re-invest in production and follow new planting procedures, TTC Bien Hoa offers preferential loan with low interest rate and the time of disbursement made in line with each stage of growth and development of Sugarcane. Therefore, the Company creates favorable conditions for both Farmers to cover expenses and the Company to streamline debt collection activities.

Farmers has a huge demand for capital, TTC Bien Hoa proactively acts as a guarantor and intermediary to ensure the participation of financial institutions in the market for Agricultural loans. Remarkably, the Company signed the cooperation agreement with Orient Commercial Joint Stock Bank - OCB to offer credit options with considerable advantages to Farmers. The borrowers will be from the age of 18 to 70, in need of capital for planting and tending Sugarcane and in a supplier agreement to TTC Bien Hoa. The interest rate is applicable to medium-term and long-term loans, remains unchanged during the loan period and looks attractive in the market. Farmers could have access to these policies are located in Tay Ninh, Dong Nai, Ninh Thuan, Khanh Hoa, Gia Lai, Dak Lak, Binh Thuan and Cambodia. The maximum loan is up to VND3 billion, with the longest period of up to 36 months, equivalent to 2 crops of Sugarcane. Principal and interest can be paid at the end of the crop. These policies motivate Farmers to continue investing in and cultivating Sugarcane in the belief that TTC Bien Hoa and OCB will always be willing to support them.

POLICY OF TECHNICAL ASSISTANCE DURING CULTIVATION

Taking advantage of having a team of experienced experts and owning Thanh Thanh Cong Sugarcane Research and Application Center with feasible testing projects, TTC Bien Hoa has implemented a number of Policies to provide techniques, materials and Sugarcane varieties for Farmers. The Farming Staff of the Company paid a visit to all Material Areas to instruct Farmers to apply advanced techniques in farm works. They also introduced a wide range of high-quality Agricultural materials, accompanied by many great benefits, which included complimentary Fertilizers and bio-products in line with actual conditions of each locality and the current status of Sugarcane farms. Besides, TTC Bien Hoa successfully bred and restored 8 Sugarcane Varieties, raised and released 365 million of Red-eye Bees for pest-controlling and pesticide-replacing purpose, thereby improving the quality of Sugarcane Varieties and enhancing Sugarcane yield.

TTC Bien Hoa also provides comprehensive mechanical services, ranging from soil preparation, fertilizing to harvesting. This helps Farmers gain access to innovative, effective and cost-saving farming techniques for example underground plowing, straight row creating, plowing and fertilizing and etc. without the need of a sizeable investment in machinery and equipment. Mechanical harvesting is also the solution for the labor shortage in the peak season, thereby ensuring the timely harvesting of Sugarcane and maintaining high Sugarcane yield and CCS.

When Sugarcane is harvested manually, the cost spent for each worker to cut the Sugarcane ranges from VND170,000 to 250,000 per day and the average cutting yield is 1 - 1.2 tons of Sugarcane per day. Meanwhile, each harvester can bring a maximum capacity of up to 700 tons per day in well-planted fields, at the cost of only 1 - 1.2 liters of diesel. For the purpose of priming Farmers to make their own investment in mechanization, TTC Bien Hoa signed a contract with the World's Leading Agricultural Machinery Brand John Deere - the US, for the distribution of high-quality tractors and harvesters via 3S Centers (Sales - Service - Spare Part) in Tay Ninh, An Giang, Gia Lai and Ninh Hoa.

Last crop, the Sugar market experienced many fluctuations, for example, Global Sugar prices dropped low due to the recession, smuggled Sugar into the Vietnam market on a large scale, the competition from Liquid Sugar with 0% tax rate and etc. For these reasons, Farmers gradually lost their interest in Sugarcane, causing Raw Material Areas across the Country be significantly plummeted. In FY 19-20, the Raw Material Areas are forecasted to decrease from 300,000 hectares to 220,000 hectares. However, thanks to the full implementation of the Policies aiming at accompanying Farmers, Raw Material Areas of TTC Bien Hoa are sustained and expanded continuously in all 3 Countries - Vietnam, Laos and Cambodia, being expected to reach 70.000 hectares in FY 19-20. Particularly, in Laos and Cambodia, TTC Bien Hoa intends to develop Organic Sugarcane-planted Areas in order to provide Raw Materials for high-quality Organic Products exported to the European market. Besides the development of Large-scale Owned Farms, TTC Bien Hoa considers Farmers as the most critical suppliers of Sugarcane, contributing a great part in the entire Sugar production. Helping Farmers continue the Sugarcane cultivation is the base for the Company to strengthen its entire production chain and increase competitiveness in the integration period.

CONNECTION WITH THE SOCIETY

3,759
JOBS FOR LABORERS

36,400 HOURS OF TRAINING
FOR ALL EMPLOYEES

32%
FEMALE MANAGERS AND ABOVE

VND **10** BILLION
FOR TRAINING BUDGET

VND **2** BILLION
FOR CHARITY ACTIVITIES

STEADY STEPS TO THE FUTURE

TTC Bien Hoa pays special attention to Environmental and Social Commitments in 3 Indochina Countries - where TTC Bien Hoa takes advantages of the Raw Material Areas, in order to bridge the gap between Vietnam Sugar Industry and the Region's as well as provide a strong foundation to attract investment from International Strategic Partners.

SIGNIFICANT EVENTS FOR COMMUNITY - SOCIETY

JULY 2018 — 8

Supporting VND1 billion:
For the local poor in Attapeu - Laos

"Asia Best Corporate Social Responsibility (CSR) Practices Awards" - CMO Asia - Singapore:
Recognizing and honoring the positive and effective contribution in CG and Sustainable Development

SEPTEMBER 2018 — 11

"Top 100 Sustainable Enterprises in Vietnam" for 2 consecutive years - VCCI:
Striving to create sustainable, comprehensive Economic, Social and Environmental values

JANUARY 2019 — 1

"2018 TTC Family Festival":
Participating in year-end activities with TTC Group Members

MAY 2019 — 5

"Bien Hoa Clean Sugar's run for public health" Marathon Project in Tay Ninh Province:
In commemoration of the Worker month in 2019, the 129th Anniversary of President Ho Chi Minh's Birthday

AUGUST 2018 — 7

Rooftop Solar Power system in 9 Factories - VND134 billion:
Using clean Energy, reducing greenhouse gas emission, protecting the Environment

Giving 500 kg of Sugar:
For Families under preferential treatment policy in Tay Ninh Province on the War Invalids and Martyrs Day

NOVEMBER 2018 — 9

"The 7th Vietnam Sugar Industry Sports Festival":
Tightening solidarity, gathering and training in health

Putting into operation the Steam-saving system:
Total investment of VND14 billion

DECEMBER 2018 — 12

Giving 570 kg of Sugar:
For Families under preferential treatment policy in Tay Ninh Province on Tet Holidays

APRIL 2019 — 4

"The 2nd training program to improve the local labour quality":
Intensive training for to-be-graduating students in South Laos Province, with the total cost of VND460 million

Mr. Pham Hong Duong
Chairman of the Board of Directors (Left)

CSI 100 DOANH NGHIỆP BỀN VỮNG 2018

TTC Bien Hoa, as the Industry's Leader making a modest contribution to the development of Vietnam's Value Chain in Agriculture, We continually strive to exert an active role in various activities upholding Community and Social responsibility. As a result, brand resonance among Stakeholders and TTC Bien Hoa has been created.

TTC not only makes commitments or proposes procedures, We also ensure it never fails to materialize by undertaking a wide range of activities. Material Stakeholders mentioned in the AR and Sustainable Development Summary Report are Shareholders/Investors, Customers, Farmers and Community - Society.

Based on world-recognized GRI standards, We prepared this Sustainable Development Summary Report purposing to share TTC Bien Hoa's operational principles balancing of Economic gain, Environment protection and sustainable Community development. Business is mission and ethical standards in business are compulsory criteria, which are the basis for sustainable growth and development in the long-term.

SUSTAINABLE DEVELOPMENT COMMITMENTS FROM THE CHAIRMAN

> "The brand and achievements of TTC Bien Hoa are the results of the largest-scale Mergers and Acquisitions deal in Vietnam Sugar Industry, between Thanh Thanh Cong - Tay Ninh Joint Stock Company - SBT and Bien Hoa Sugar Joint Stock Company - BHS"

COMMITMENTS AND ACTIONS TO STAKEHOLDERS

SHAREHOLDERS, INVESTORS
- Strictly abiding by the State's policies and regulations
- Ensuring transparency in information disclosure
- Protecting the rights and interests of Shareholders, especially minority Shareholders
- Striving towards the International standards in CG, specifically:
  - Raising awareness of gender equality
  - Focusing on the leading role of women in the contemporary economy

CUSTOMERS
- Commitment on regulations on food safety
- Optimum protection of Consumer health
- Promoting the strategy for diversifying products, especially natural and Organic products
- Improving Customer value

FARMERS
- Introducing policies to support, accompany and ensure stable income for Farmers
- Financially supporting Farmers, investing in modern machinery and equipment, enhancing productivity and relieving the burden shouldered on the labor force
- Creating jobs, improving skills, extending knowledge of Local Laborers

COMMUNITY - SOCIETY
- Being responsible in sharing values and joining hands to support the Community and strengthen Social security
- Continuing to use clean and Renewable Energy sources
- Strictly complying with the Environmental regulations to protect the Environment surrounded the Company areas
- Creating a friendly and professional working environment
- Developing a career roadmap for all Employees.

We are committed to making timely and necessarily improvements on each business process and ensuring the details will be included in the Reports. We are open to comments and suggestions from Stakeholders as well as a commitment to action, thereby making worthy contribution as the Leading Company in Vietnam Sugar Industry.

Mr. Pham Hong Duong
Chairman of the Board of Directors

VISION

To become the leading Agricultural Corporation in Vietnam and the Region

MISSION

To provide fresh Agricultural products and to build sustainable production and consumption

CORE VALUES

To be the pioneer of Vietnam's modern Agriculture, harmonizing the interests of Farmers, Factories, Clients and Localities, accompanying Farmers in the LONG TERM, providing CLEAN foods, bringing VALUES to Clients. More effective risk MANAGEMENT, HIGHER growth than the Industrial benchmark and being the RENEWABLE Energy supplier to the Country.

17 SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS

GOAL	VIETNAM	TTC BIEN HOA
INVEST IN HUMAN CAPITAL		
1 NO POVERTY	End poverty in all its forms everywhere	**3,759** jobs for laborers
2 ZERO HUNGER	End hunger, achieve food security and improve nutrition, and promote sustainable Agriculture	**8** Sugarcane varieties with high yield, high quality and successful restoration VND**2** billion for charity activities
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	**200** children getting free immunizations VND**162** million for free medical treatment in local community at TTCA **100%** of Employees receiving periodic health care **50+** Clean Sugar products to ensure Consumer health **2** Community Sports Festival
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	**36,400** hours of training **166** training courses **9.7** hours of training/Employee/Year on average VND**10** billion for training budget
ENSURE ADAPTATION TO CLIMATE CHANGE AND SUSTAINABLE ENVIRONMENT		
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	**~1,8** million bottles of water in Sugar production **100%** production of Waste-water being treated for using in machinery cooling, plant watering, fish farming **0.12** mg/l COD showing low emission
14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources for Sustainable Development	
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	VND**134** billion for installation of Solar Power system at 9 Factories VND**41** billion for Bagasse Drying Project in order to increase Bagasse's value VND**14** billion for New-tech Turbin Project in Thermal Power Centers **150+** million kWh Biomass power from Bagasse
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	**8** Information Technology system in order to optimize management activities

GOAL	VIETNAM	TTC BIEN HOA
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable	**10** International certifications for quality **5** National and International Awards for Sustainable Development
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	**ISO 14001** Environmental Management System in manufacturing operation
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	VND**75** billion for Microbial-Fertilizer Factory, using ash, mud and Bagasse as Raw Materials
PROSPERITY AND COOPERATION		
5 GENDER EQUALITY	Achieve gender equality and empower all woman and girls	**100%** of female whose benefits and compensation being guaranteed **91%** of female returning to work after maternity leave **34%** of BOD Members being female **32%** of female labors being middle-lever Manager and above **"2x Challenge"** DEG - Strategic Shareholders selecting SBT as a showcase
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	VND**10,857** billion of NR VND**422** billion PBT VND**461** billion Total arising value of Tax payable amounts to the State
17 PARTNERSHIPS FOR THE GOALS	Strengthen implementation modalities and promote Global partnerships for Sustainable Development	USD**28** million of SBT worth of shares being bought by DEG - German **21** Export markets **ED&F Man** underwriting the Export of Organic Sugar to Europe
PROMOTE JUSTICE, PEACE AND INCLUSIVE GOVERNANCE		
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	**4** times participating in the Southeast Asia Sugarcane Conferences **4** Quarterly dialogue with Employees **1** Annually Labor Conference **"Code of Conduct"** - under IFC's consultancy
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for Sustainable Development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	

CODE OF CONDUCT

According to the report from United Nations in 2018, the Global economy lost USD3.6 trillion due to corruption each year. In Vietnam, the Law on Anti-corruption (amended) came into effect in July 2019. The figures presented in a survey with the participation of 239 Enterprises of which 40 Enterprises agreed an in-depth interview reflect an alarming reality:

» 27%-38% Enterprises said they knew about the incomplete implementation of accounts payable to Employees, failures to comply with Law on Labor in signing and executing contracts, relationship-based recruitment instead of talent-driven approach;

» 24%-34% Enterprises, in their answer sheet, said they recognized the irregularities in sales activities, for example, improper invoice processing, violations of the Enterprise's policies, failures to fulfill the contractual commitment to deliver;

» 33% Enterprises said they had never implemented a competitive bidding;

» 25%-30% of unofficial expenses was disguised as various forms in the business transactions of the Enterprises;

» 10% of the procurement activities in Enterprises showed signs of purchasing unnecessary and low-quality goods or services, interfering with the quotation documents which leads to the lack of transparency.

Therefore, The Vietnam Chamber of Commerce and Industry - VCCI and the United Nations Development Program in Vietnam - UNDP Vietnam jointly organized the Workshop *"Application of Internal Control and Code of Conduct for Vietnam Enterprises: Current situation and recommendations"* in 2 major Cities including Hanoi and HCMC, in March and July 2019 with the participation of State Agencies, experts, business associations, Enterprises and International organizations. Experts encouraged Vietnamese Enterprises to be more engaged in implementing Internal Control and Code of Conduct in the operation of the Enterprises in order to prevent corruption and build a healthy business culture. Internal Control and the Code of Conducts also provide the businesses with the instrument for developing a comprehensive CG framework, improving capabilities needed for Risk Management, creating a transparent and effective mechanisms for business operation and management; thereby, strengthening the reputation and image of the Company.

"As international economic integration being expanded, the first key competitive advantage that an Enterprise should have is Business Culture, besides Product, Brand, Business efficiency and etc. For this reason, Code of Conduct is listed as a separate principle in Corporate Governance Code of Best Practices for Public Companies in Vietnam, proving its importance to modern Corporate Governance practices."

At the beginning of FY 18-19, with the consultancy of International Finance Corporation (IFC) - Member of the World Bank, the BOD of TTC Bien Hoa officially issued the Code of Conduct which applies to all the Employees and appointed HR and IA Department as the supervisor of the implementation and compliance with the Code. This is also compulsory for the Orientation training programs and normative documents to include the Code in the content. Besides, the Company disclosed the Code on the Website to all the Employees, Shareholders and Stakeholders, serving the purpose of building a civilized and standard business culture. The Code is both a standard framework and instruction for the Employees on how to conduct themselves in the workplace communication and in interaction with Shareholders/Investors, Farmers/Suppliers, Customers, State Agencies/ Community-Society on behalf of the Company.

THE COMPANY'S COMMITMENTS TO STAKEHOLDERS

SHAREHOLDERS/ INVESTORS	» Fairness, transparency, truthfulness in Information Disclosure » Prioritized interests for Shareholders » Disclosure of Investor-selection process » Information security
FARMERS/ SUPPLIERS	» Commitment to comply with the provisions of the Law related to transactions with suppliers » Commitment to trade on the principle of fairness, truthfulness, transparency and harmony of interests » Support in fair and equal competition » Respect for the Code of Conduct, business ethics and legal compliance from the suppliers » Effective cooperation to pursue the best interests of the Parties » Information security
CUSTOMERS	» Being the Business Partners on the basis of mutual benefits » Consistency in Customer service » Ensuring product quality and safety » Being offered a reasonable price » Honesty in advertising » Meeting the needs of Customers » Information security
STATE AGENCIES/ COMMUNITY - SOCIETY	» Compliance with Law on Environment, Law on Labor, Competition, Intellectual Property, Protection of Consumer Rights, Securities and other provisions of Vietnamese Law » Integrity in all relations with State Agencies » Policy of *"Local development for the Community"*
EMPLOYEES	» Optimum protection of Human rights » Respect for the legitimate rights and interests of Employees » Commitment for fair and equal treatment » A safe, secure, healthy, open, united and shared working environment

"Each business has its own culture, at TTC Bien Hoa, the Board of Directors and Board of Management constantly encourage Employees to continuously build up their self-esteem proved by their work efficiency as well as to uphold the behavioral standards in their daily activities."

If any course of action against the Code of Conduct is spotted, all Employees are under obligation to report it to the immediate management or IA Department. The Company promises to preserve the anonymity of all Employees who report on the misconduct and strictly prohibit any retaliation against the reporter. In FY 19-20, in order to improve the Code of Conduct, the Company will continue to review and add more mechanisms for providing more specific and detailed instructions to report or complaint misconducts. This is expected to enhance compliance efficiency and motivate the Company to work towards and achieve the set sustainable goals.

Read more on the Code of Conduct at:

http://www.ttcsugar.com.vn/quan-he-co-dong-ct/bo-quy-che-ung-xu/2233.aspx

LEGAL COMPLIANCE

"Since 1995, TTC Bien Hoa has been operating in the field of Agriculture with a throughout Value chain of

Raw Materials → **Production** → **Consumption**

A set of activities from planting, purchasing Raw Materials to producing finished products and trading, consumption has created a linkage between different participants, including Government, Farmers, Suppliers, Customers, Shareholders, Investors and etc. In order to manage the social relationships between the Company and these Stakeholders in an efficient manner, the Company must absolutely understand and comply with the Law."

COMPLIANCE AND ENFORCEMENT OF THE LAW

The Company always voluntarily and actively performs the obligations; at the same time, eliminates or minimizes actions not permitted by the Law. TTC Bien Hoa always says "No" to actions that cause negative impacts on the interests of the State, Society as well as other Stakeholders.

USE AND APPLICATION OF THE LAW

The Company applies all related provisions of the Law in our business in order to benefit or create competitive advantages, including policies on tax exemption, tax reduction, investment promotion, business development support, incentives according to International treaties and etc. In addition, having an in-depth understanding of related laws will help the Company to have more opportunities and prospects.

The Company always considers legal compliance as a core matter, as this is the foundation to support the Company in:

1. Preventing and minimizing risks in operation and investment
2. Saving costs and resources to address problems arising from non-compliance
3. Building Corporate culture
4. Building the Company's positive image and sustainable relationship with Stakeholders
5. Minimizing legal risk costs, eliminating factors which may cause increasing cost, hindering investment opportunities, limiting competitiveness.

THE MAIN LEGAL REGULATIONS FOR THE OPERATION OF TTC BIEN HOA IN FISCAL YEAR 18-19

A number of new supportive and incentive policies applied in the Agriculture sector were issued by the State in FY 18-19, thereby bringing a plenty of resonant advantages for the Company's operations.

Time issued	Regulations	Details
April 17th 2018	Decree No. 57/2018/ND-CP on Mechanisms and policies to encourage Enterprises to invest in Agriculture and rural areas (guided by Circular No. 04/2018 TT-BKHDT issued by the Ministry of Planning and Investment on December 6th 2018)	» Enterprises investing projects in Agricultural sectors will enjoy preferential policies and supports, including exemption and reduction of land use fee, land lease and water surface lease fees; Supporting land concentration; Accessing to credit support; Supporting high-tech Agricultural research, transfer and application; Supporting HR training, market development; the financial support will be largely mobilized from the State budget » The Decree clearly states that priority should be given to businesses that have contracted Raw Material Areas with Farmers. Compared to the current our operations, most of Company's projects which are under preparation or implementation stages belong to the list of preferential projects on investment and development the Raw Material Areas for Processing Industry; or Developing large-scale fields and processing Agricultural products. These are investment incentives sectors prescribed in Appendix I of this Decree
July 5th 2018	Decree No. 98/2018/ND-CP on Incentive policies for development of linkages in production and consumption of Agricultural products	» Cooperation and linkage in production and consumption of Agricultural products (linkage) is a voluntary agreement between the Farmers, individuals, cooperatives and Enterprises for investment, production and consumption of Agricultural products in order to improve production efficiency and product quality » The Decree specifies that Enterprises in charge of Leaders of linkages will be supported a subsidy as 100% of the cost of hiring consultants for establishing a linkage, including consultancy and research to build the linkage contracts, linkage projects, business and market development plans, not exceeding of VND300 million
August 29th 2018	Decree 109/2018/NĐ-CP Provisions on Organic Agriculture	» Besides encouraging Government policies in development of Agriculture and rural areas, organizations and individuals working in Organic Agricultural products will be supported 100% of the funding for the planning to identify Organic Agricultural production areas in accordance with the standards of Organic Agricultural production and 100% of the funding for the first certification.

COMPLIANCE WITH LAWS AND REGULATIONS AT TTC BIEN HOA IN FISCAL YEAR 18-19

The Government's promulgation of the above-mentioned mechanisms and policies to support and encourage Enterprises working in Agricultural Sector would be a big push for the orientation of developing Organic and high-tech Agriculture that the Company is pursuing and actualizing. At the same time, a favorable legal corridor would be formed for the implementation of project and created sustainable linkage models among the Company, Farmers, Cooperatives and the State. These are proved by the fact that the Company has been successfully deploying large-scale field models applying high-tech Agricultural production in Gia Lai, Tay Ninh and Ninh Hoa. This model will continue to be replicated in other Raw Material Areas.

In recent years, including the FY 18-19, the Domestic Sugar Industry in general and the Company in particular have faced a number of difficulties from market penetration under ATIGA, smuggled, fraud in trade and etc. Especially, Liquid Sugar (HFCS) and smugged Sugar products from Thailand in the market have become a big challenge to the Company. In this context, the Law on Foreign Trade Management took effect from January 1st 2018, accordingly, on May 15th 2018 the Government issued Decree 69/2018/NĐ-CP detailing some articles of the Law on Foreign Trade Management have helped to standardize terms for foreign trade activities and centralized mechanism for anti-dumping and safeguard measures in line with International conventions to which Vietnam participated in. The fact that Law on Foreign Trade Management promulgated has partly helped to address the above-mentioned problems. Especially, the Law is also a legal basic as well as a corridor for the Company in carrying out procedures that require suitable trade remedy measures for a fair and transparent competitive Environment.

In CG implementation, from the FY 17-18, for consolidating the CG model in line with International standards and best practices in the market with the accompanying from IFC consultant - under the World Bank, the Company issued and applied the Code of CG in accordance with the Circular No. 95/2017/TT-BTC guiding the implementation of the Decree No. 71/2017/NĐ-CP of the Government on CG applicable to the public companies; OECD Principles of CG; and Information Disclosure standards of the ASEAN CG Scorecard. In addition, the Company is also reviewing and revising the Code of CG in accordance with the CG Code of Best Practices for Public Companies in Vietnam, which was launched by the State Securities Commission and IFC on August 13th 2019 in order to improve and enhance the criteria, namely: *(1) Responsibility of the BOD (2) Control Environment (3) Information Disclosure and Transparency (4) Shareholder Rights and (5) Stakeholder Relations.*

LIST OF OTHER REGULATIONS TO PAY ATTENTION IN FISCAL YEAR 19-20

REGARDING INTERNATIONAL TREATY

As of July 2019, Vietnam has participated in a numerous bilateral and multilateral FTAs, along with Vietnam's commitments to the World Trade Organization - WTO, namely:

» FTAs that Vietnam signed as an ASEAN Member, including ASEAN Free Trade Area - AFTA and 5 FTAs between ASEAN and Dialogue Partners, namely China, Japan, Republic of Korea, India, Australia and New Zealand.

» FTAs that Vietnam negotiated as an Independent Party: FTA with Chile, Japan, Korea, the Eurasian Economic Union, the European Union, Laos, and predominantly a newly signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

COUNTRY	AGREEMENTS	HS CODE	DUTIES		ROADMAP TO REDUCE
			IN-QUOTA (%)	NON-QUOTA (%)	
NEW ZEALAND	The Comprehensive and Progressive Agreement for Trans-Pacific Partnership - CPTPP, signed on March 9th 2019	Sugar containing added flavouring or colouring matters	0	No quota applied	Since the date the Agreement with New Zealand entering into force
		Fructose and fructose syrup, containing in the dry state more than 50% by weight of fructose, excluding invert Sugar.	0		
	The ASEAN - Australia - New Zealand Free Trade Area - AANZFTA, signed on February 27th 2009, entered into force on January 1st 2010	Cane Sugar	0		
		Sugar containing added flavouring or colouring matters	0		
		Other	0		
		Fructose and fructose syrup, containing in the dry state more than 50% by weight of fructose, excluding invert Sugar.	0		
KOREA	Vietnam - Korea Free Trade Area - VKFTA, signed on May 5th 2015, entered into force on December 20th 2015	Sugar containing added flavouring or colouring matters	30	No quota applied	» Duties on goods remained at base rate before January 1st 2016 and should be reduced not less than 20% of the VKFTA's applied Most Favoured Nation (MFN) tariff not later than January 1st 2016. MFN tariff applied in Korea since January 1st 2015 » If the reduced customs duty rate in this section is higher than the standard rate, the standard rate shall be applied and remained thereafter
		Other	30		
		Fructose	8		The duties should be eliminated in 3 equal annual stages from the standard rate beginning on the date the Agreement entering into force, and such goods should be free of duty, effective on January 1st of the 3rd Year
		Fructose syrup	0		
JAPAN	Comprehensive and Progressive Agreement for Trans-Pacific Partnership - CPTPP, signed on March 9th 2019	Sugar containing added flavouring or colouring matters	0	Over 500 tons: JPY 106.20 per kg	» Goods shall be duty-free when: for the 1st year, the import volume of the goods does not exceed the quota quantity (500 tons); for the 2nd year and every subsequent year, the quota remains at 500 tons and the goods are imported with certificate of product testing and development which certifies the originating goods meet criteria and conditions set out in the Laws and Regulations of Japan » When the quantity of goods is in excess of the quota quantity, the import tax shall be determined in accordance with staging category MFN at the time of import
		Fructose containing added flavouring or colouring matters (containing in the dry state more than 50% by weight of fructose, excluding invert Sugar)	29.8% or JPY 23 per kg (whichever is greater)	No quota applied	11 years since the date the Agreement with Japan entered into force, the duties shall be eliminated and exempted on April 1st of the 11th Year
		Fructose containing added Sugar (containing in the dry state more than 50% by weight of fructose, excluding invert Sugar)	85.7% or JPY 60.90 per kg (whichever is greater)		Since January 1st 2010

COUNTRY	AGREEMENTS	HS CODE	DUTIES		ROADMAP TO REDUCE
			IN-QUOTA (%)	NON-QUOTA (%)	
CHINA	ASEAN-China Free Trade Area - ACFTA, signed in November 2004, entered into force in July 2005	Sugar	15	1.95 million tons per year	-
			95	>1.95 million tons per year	May 22nd 2017 - December 31st 2017
			90		2018
			85		2019
CANADA	Comprehensive and Progressive Agreement for Trans-Pacific Partnership - CPTPP, signed on March 9th 2019	Others	USD30.86 per ton	No quota applied	6 years since the date the Agreement with Japan entered into force, the duties shall be eliminated; and exempted on January 1st of the 6th Year
			USD30.86 per ton		
		Fructose and other syrup fructose contain over 50% by weight of fructose in dry form, except for inverted Sugar	3,5%		11 years since the date the Agreement with Japan entered into force, the duties shall be eliminated; and exempted on January 1st of the 11th Year
AUSTRALIA	ASEAN - Australia/New Zealand Free Trade Area - AANZFTA, signed on February 27th 2009, entered into force on January 1st 2010	Raw Cane Sugar	0%	No quota applied	Tax exemption for goods would be applied since the date of entry into force of the Agreement for Australia
		Other Sugars containing added flavouring or colouring matters			
		Fructose and fructose syrup contain over 50% by weight of fructose in dry form, except for the inverted Sugar			
	Comprehensive and Progressive Agreement for Trans-Pacific Partnership - CPTPP, signed on March 9th 2019	Raw Cane Sugar	0%		
		Other Sugar containing added flavouring or colouring matters			
		Fructose and fructose syrup contain over 50% by weight of fructose in dry form, except for the inverted Sugar	5%		Since the 1st Year: 0%

> In-depth understanding the content of Free Trade Agreements - FTAs may support the Company not only in capturing and making appropriate decisions in the open context, but also in making the most of export incentives to potential markets in other Free Trade Agreements' Members. Additionally, the target markets of the Company are China, Kenya and the United States. Among them, only China participated in the ASEAN - China Free Trade Area - ACFTA. Accordingly, China has committed to apply a tax rate of 50% for non-quota import Sugar and 15% for in-quota import Sugar for goods of ASEAN origin.

REGARDING DOMESTIC REGULATION STANDARDS

The Company shall continue to comply with provisions of the Law regarding operation in FY 18-19 and in the time to come. Moreover, according to the Notice No.343/TB-VPCP on September 10th 2018 from the Government Office, the Company expects a new Regulation to be issued on price adjustment for cogeneration, increasing to over USD 7 cents/kWh.

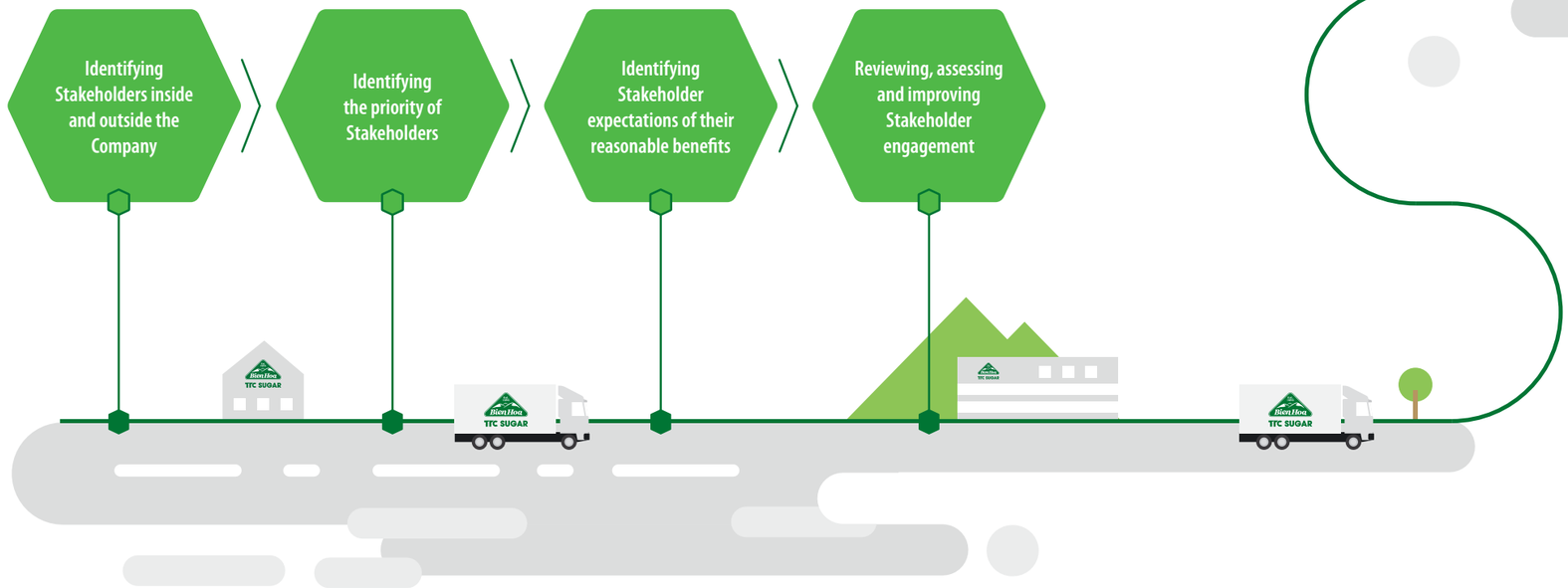
STANDARDS FOR SUSTAINABLE DEVELOPMENT REPORT

"In Fiscal year 18-19, TTC Bien Hoa continued to integrate Sustainable Development Summary Report into the Company's Annual Report, according to Global Reporting Initiative - GRI Standards. The Report also received support from the Corporate Sustainability and Reporting for Competitive Business Program - CSRCB provided by GRI in order to enhance the competitiveness and quality of Vietnamese businesses' reports as well as support greater participation in Global Value Chain."

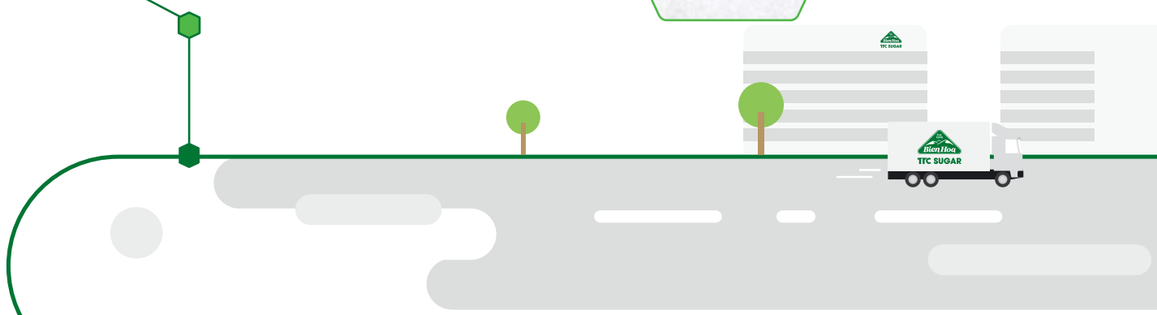
In June 2019, TTC Bien Hoa collaborated with GRI Vietnam to hold training courses for Employees in relevant Divisions/Departments on preparing and reporting on Finance - Human Resources - Environment - Community critetia, thereby ensuring report quality and its conformity with International practices.

The Report is a summary of all related activities that constitute the Company's sustainable business chain with a focus on Sugarcane and By-products.

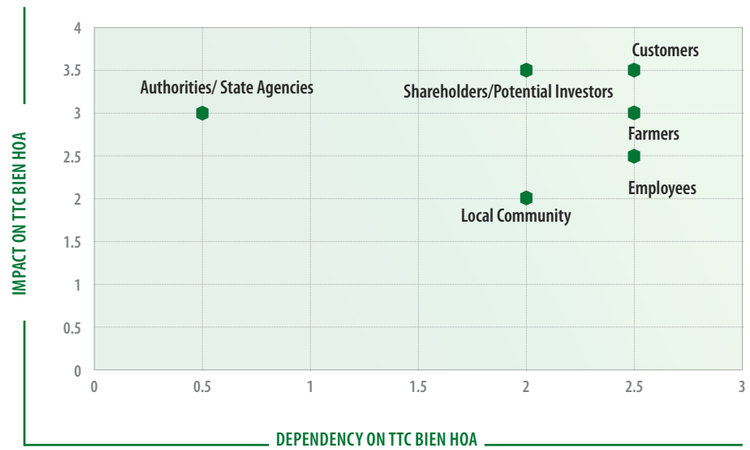
APPROACH TO IDENTIFY AND ASSESS STAKEHOLDER ENGAGEMENT



There are many Stakeholders who make great contribution to the Sustainable Development of TTC Bien Hoa. The Company, however, only selects 6 main groups of Stakeholders for further analysis.



The list of Stakeholders in Sustainable Development activities was made according to the BOD and the Heads of the related departments' assessment about the level of their interaction with the Company, to contribue into the business chain. They are those who have direct or indirect impacts on the Company, or vise versa, but all play a certain important role.



Source: TTC Bien Hoa

STAKEHOLDER ENGAGEMENT

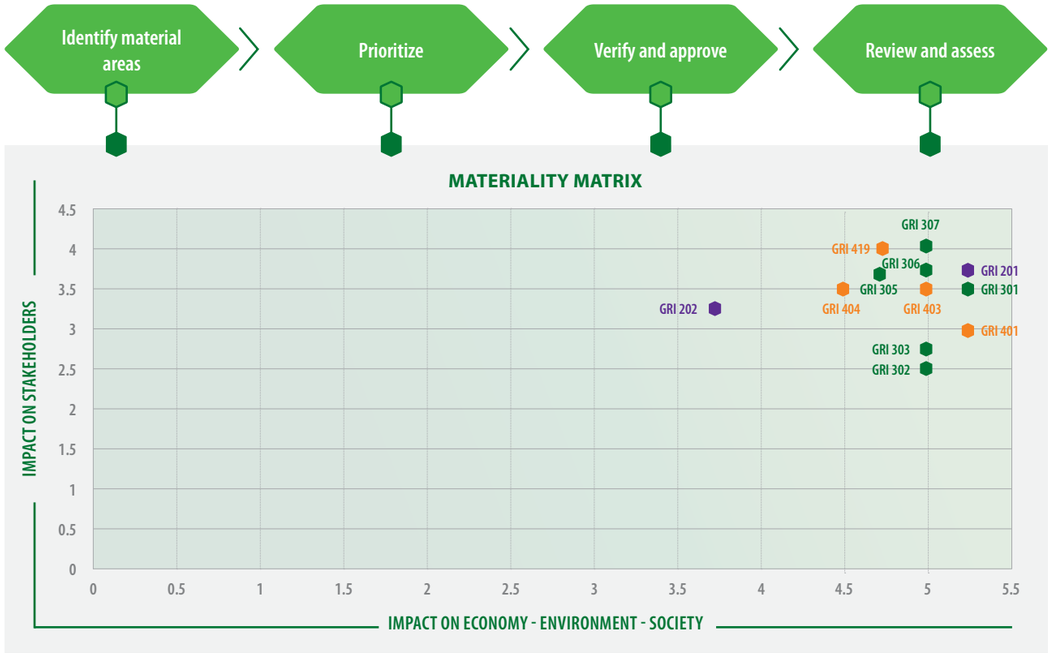
STAKEHOLDER	APPROACH	CONCERNS	MAIN ACTIVITIES OF THE COMPANY	ACHIEVEMENTS
SHAREHOLDERS/ POTENTIAL INVESTORS	» Meeting and consulting directly and indirectly in GMS or Collecting Shareholders' written opinions » Holding meetings with potential Investors, VIP Shareholders, Analyst meeting; Domestic and International Roadshows and Events » Participating in forums, Investors meetings being organized by Domestic and International Securities Companies, Investment Funds, Financial Institutions » Receiving feedback, providing information and responding to requests via phone, email, AR, Sustainable Development Report, Press Release, Investor Bulletin, FS Interpretation; updating information on business activities, stocks, IR and Capital market and etc.	» CG issues » Governance and Management abilities of the Company's Leaders » Medium and long-term development strategies being in line with the macroeconomic policy, internal resources and the potential of the Company » Demonstrating a Sustainable Development via business results » The potential growth of the Company » Internal value of the Company, stock market price » Compliance and transparency in information disclosure and transaction » Equal treatment of Shareholders and the protection of their rights » Attracting more strategic Shareholders, especially International Shareholders » Remaining in VN30 Index as well as reputable ETFs	» Fully and promptly disclosing information and responding to requests • Complying with Circular No.55 as well as provisions of the Law • Following best practices in the market • Striving towards a higher standard of International financial Community » Updating and improving CG in accordance with International best practices: OECD, Asean Scorecard, IFC, CG of Best practices for Public Companies in Vietnam » Updating information about Industry and Company's activities to Shareholders and potential Investors as mentioned in the approach » Proactively finding and seizing the opportunity to work with strategic Investors - DEG from Europe » Proactively tackling information crisis to avoid causing confusion in the stock market	» Increasing both Sales volume and Revenue in the context of the whole business line facing difficulties » Fulfilling the commitment to pay cash and stock dividend to Shareholders » Fully complying with the Law on Information Disclosure in FY 18-19 » Updating information on Industry and Company's activities in the timely and complete manner to Shareholders » Selling USD28 million of Prefered Dividend Shares to DEG » Owning by 9 ETFs and Index with well-established reputation, accounting for 3.62% of SBT shares » Continuing to be in VN30 Index and Top 20 VNSI » Top 10 Vietnam's Best AR in 2018 "Solid Foundation, Steady Future" » Top 50 World's Best AR in 2018 "Sustainable Development with Vietnamese Sugarcane"
FARMERS	» Regularly conducting surveys and ensuring effective communication by farming staffs through 2-way feedback » Encouraging Farmers discussing directly with the BOM/Farming Manager, R&D Department, Person in charge of the Company's Factory » Organizing seminars, training courses and guidance programs for Farmers » Holding summation conferrence at the end of the crop	» Off-take agreement » Stable purchasing policy » Commitment to minimum Sugarcane purchasing price » Compliance with provisions of the Agreement » Supporting in cultivation, technology transfer and mechanization » Support to access to the latest information and trends in the Sugar Industry, both in Vietnam and in the world	» Listening to Farmers and receiving their feedback » Signing off-take Agreement that being suitable for each period and ensuring a stable income for Farmers » Relentlessly researching, developing and testing new Sugarcane varieties » Providing Farmers with fertilizers in line with soil characteristics of each area » Giving Farmers subsidies to encourage their continuous participation in Sugarcane cultivation » Signing Cooperation Agreement with major banks to meet the capital demand of Farmers » Training and instructing Farmers to apply transferred technology, machinery, cultivation technology and harvest methods » Conducting seminars/conferences and sharing latest information, knowledge and trends in Sugar Industry, both in Vietnam and in the world » Assessing the quality of Raw Materials at the end of crop with the aim of increasing productivity and efficiency for Farmers	» Sugarcane purchasing price and other support policies to Farmers being better than national average » Signing a collaboration agreement with OCB to offer various loan options with low-interest rate » Helping Farmers buy good-quality Sugarcane varieties, Fertilizers, machinery and equipment and etc. at low cost » Providing comprehensive mechanization from soil preparation, fertilizing to harvesting » Supporting Farmers in having up-to-date knowledge and developing their skills as well as competency to apply advanced technology into their works » Carrying out and transfering the scientic applications on Sugarcane to Farmers at Sugarcane R&D Center » Supporting Farmer in the provision and maintenance services of John Deere equipment through 3S Center
CUSTOMERS	» Meeting and exchanging informations directly with Customers » Gathering information from salespersons and Distributors » Accompanying with Customers in their R&D activities » Holding workshops/ training courses with the participation of leading Manufacturers in quality management » Conducting Customer Preference Survey by experts » Conducting Customer Satisfaction Survey » Receiving Customer feedback via email and phone » Organizing Food Safety Workshops for Customers	» Products with good quality and safety for Customer health » Reasonable and competitive price » Diversing product portfolio to satisfy interests, needs and preferences of different Customer Channels » Prestige brand name » Preferential sales policy » Good Customer services and after-sales services	» Conducting Customer Preference Survey and Satisfaction Survey in 4 Distribution Channels » Conducting R&D to diversify portfolios, enhance quality and introduce innovations in packaging methods » Publishing updated information on Website, Investor Bulletin, Press Release and etc. to ease Customers access to product information » Improving the production line and impurity control in production » Strictly complying with regulations on product quality and food safety as well as requirements in Sugar production » Applying Statistical Process Control - SPC, Trend Chart and etc. for the purpose of supervising and assessing new trends in quality assurance, thereby promptly proposing improvement solutions » Designing sales policy, maintaining a long-term relationship with Distributors and major Customers » Developing a distribution system as well as carrying out marketing strategy and sales promotion to increase product coverage and ensure Customers easy access to Clean Sugar	» Increasing Domestic market shares with 42% in FY 18-19, expanding to 21 Global export markets » Going into partnership with ED&F Man Sugar - 1 of the 3 World's largest Sugar Merchant to export Organic Sugar to Europe » Being the first Vietnam Sugar Company to export products to the US and Europe » Diversifying product portfolio with more than 50 Sugar product lines » Having a widespread distribution network, one of few Vietnam Companies completing the distribution system » Owning several International Quality Certifications » Winning many Quality Awards in the field of F&B in Vietnam and Asia

STAKEHOLDER ENGAGEMENT

STAKEHOLDER	APPROACH	CONCERNS	MAIN ACTIVITIES OF THE COMPANY	ACHIEVEMENTS
AUTHORITIES/ STATE AGENCIES	» Participating in conferences/seminars on Agriculture and Sugarcane held by Government » Commenting on draft Legislation related to Company's activities, Agriculture, other relavant operations » Interacting with State Agencies to have better mutual understanding and solve existing problems/ difficulties	» Strictly complying with the Law » Carrying out responsible business activities for Consumer health, Environment and Society » Contributing to the State Budget » Supporting the State's policies and programs	» Fulfilling all legal obligations for business, for example, food safety, taxation, occupational health and safety, insurance and etc. » Assuming the role and responsibility of an Industry-Leading Company by having dialogues with Government, State Agencies and Sugarcane Association to get questions answered and problems solved » Proactively updating State regulations, policies and provisions on Agricultural activities, production and Sugar exportation to have the best preparation when Law changes » Diligently participating in activites launched by the State Agencies » Helping improve the local economy » Carrying out CG towards Sustainable Development	» No violations against the Law, Environment regulations or Social commitments » Contributing to the making of Industry policy, the effort of fighting against Sugarcane smuggling and strategy formulation for the development of Vietnam Sugar Industry » Proactively following policies for Sustainable Development » Creating thousands of jobs for Local Laborers and improving the local economy » Paying nearly VND158 billion of Corporate Income Tax
EMPLOYEES	» Conducting surveys to collect Employees' opinions on the working Environment: Salary, bonus, benefits, job, seniors, colleagues, training programs » Internal notifications » Internal communications » Training programs » Quarterly briefing » Annual conferences » Employee feedback channels: Phone, email, social network and etc. » Code of Conduct	» Safe, healthy and discrimination-free working Environment » Good remunaration and compensation policies » Opportunities for knowledge and skills improvement » Opportunities for promotion » Ensuring occupational health and safety » Giving credit to Employee achievements and their contribution to the Company » Personal brand	» Carrying out Orientation training for new Employees » Organizing and developing training programs as well as improving program quality to help Employees expanding their knowledge and learning new skills » Maintaining, building training programs for successors » Implementing Mobile Director Programs to help excellent Employees getting accustomed to CG practically and effectively » Issuing and updating compensation and benefits policy, improving physical and emotional well-being of Employees » Updating production procedure, improving chemical management, fully equipping protecting equipment/tools for Employees, ensuring safety workplace » Issuing Code of Conduct, creating a modern, professional, equitable and humanity working environment » Conducting Employee Satisfaction Survey, ensuring a friendly, civilized and talent-motivated workplace	» Issuing and updated Regulations on salary and benefits, Regulations on emulation and commendation and etc. in a transparent manner, helping Employees a stabilized life » Offering opportunities for Employees to broaden knowledge and improve professional skills by organizing 166 training courses. The total cost for training in FY 18-19 was nearly VND10 billion » Building a clear career path for Employees. In FY 18-19, 448 Employees got promotion » Ensuring safe working conditions, controlling and minimizing occupational disease rate and accidents. In FY 18-19, no violations against workplace health and safety
LOCAL COMMUNITY	» Organizing events related to Local development, Community health, Social security and etc. in many localities » Holding meetings with Local Authorities	» Developing local economy » Creating jobs and increasing income for local laborers » Activities for the development of Community » Impacts on nature and living environment of the Community	» Researching and developing high-quality products to protect Consumer health and promote Vietnamese brand » Providing job opportunities for local laborers to help them get a stabilized life as well as improving their physical and emotional well-being » Organizing programs to protect Environment and develop Community, education, health and Social security » Participating in Society and Community sponsor programs, making donations to voluntary activities in localities » Training and guiding Employees for knowledge-gaining and skill-improving purpose » Deploying roadmap for mechanization, providing machinery and equipment to Farmers	» Top 100 Vietnam Sustainable Enterprises 2018 » Top 20 Listed Companies in VNSI 20 Index - HOSE » Asia Best CSR Practices Awards » Donating VND2 billion to voluntary activities » Creating 3,759 jobs for Local Laborers.

IDENTIFY MATERIAL AREAS

"Based on Stakeholders' major concerns and the Sustainable Development Strategy of the Company towards specific goals and criteria, the Boards identify and group the material areas. On that ground, the Company will carefully assess and consider the impact of each of these areas on the operation of TTC Bien Hoa as well as Stakeholders' expectations of benefits, thereby determining materiality level of each area. The result will be reviewed and evaluated annually to take note of the achievements as well as point out the limitations that need improvement in the subsequent years."



MATERIALS AREA

ECONOMY

GRI 201: Economic Performance
GRI 202: Market Presence

ENVIRONMENT

GRI 301: Materials
GRI 302: Energy
GRI 303: Water
GRI 305: Emissions
GRI 306: Effluents and Waste
GRI 307: Environment Compliance

SOCIETY

GRI 401: Employment
GRI 403: Occupational Health and Safety
GRI 404: Training and Education
GRI 419: Socioeconomic Compliance

Economic
GRI 201

ECONOMIC PERFORMANCE

KEY TOPIC AND SCOPE OF REPORT

The major goals related to the Economic performance that TTC Bien Hoa has resolutely implemented in FY 18-19 as well as oriented for the following years comprising of:

1. Providing clean products, bringing added-value products to Customers and improving the Company's Profit Margin
2. Reducing costs to optimize operational efficiency
3. Fulfilling economic obligations with the State
4. Managing risks, growing profitability for the Company, Shareholders and Investors
5. Paying salary for Employees higher than the local minimum wage and competitive in the market, contributing for stable life

Economic performance is one of results for actualization of Company's commitments to the Stakeholders, meanwhile increasing TTC Bien Hoa Brand awareness in the market.

MANAGEMENT APPROACH

"Last Fiscal year, in terms of Economy, the Company focused on *The direct economic value generated and distributed; Financial implications and risks/opportunities due to climate change and Financial assistance received from the Government.* The Company controlled its Financial ratios through data information management systems consisting of Oracle, Microsoft Dynamic AX."

Data from the System would be continuously recorded, analyzed and updated to the BOD for their promptly grasp on operational situation with suitable business plans. With the motto of "Streamlining - Being proactive - Saving", the Company has implemented streamlining the apparatus, the regulations and procedures, cost saving and optimizing, effective control of investment projects, as well as production efficiency concentration, product and service quality improvement.

Regarding assessment of the business performance in FY 18-19, although some Profit targets were not achieved as the expectation of the Board, however the Company has gained a number of certain successes in gaining market share, expanding the scale, diversifying its product portfolio and enhancing its presence and brand awareness in the market. Especially, TTC Bien Hoa experienced a positive negotiation process with the Strategic Investor - DEG in order to accompany and cooperate in the long-term development journey in the coming time. This was the first time when a Vietnamese Sugar Company accomplished an International Capital Market. This cooperation handshake was significantly meaningful for the Sustainable Development of TTC Bien Hoa in particular, and also Vietnam Sugar Industry in general.

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GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

REVENUE

The Sugar Industry, despite being in a difficult period with a series of challenges as market saturation, surplus inventory, pressure from Thailand smuggled Sugar and upcoming ATIGA Agreement; TTC Bien Hoa still tried its best, standing as the outstanding Sugar Company in Vietnam with 42% market share, leading to the FY 20-21 goal of 50%. NR continued to maintain an upward momentum with 6% yoy, arriving in VND10,857 billion. The 5-year CAGR of NR reached 51% and is expected to remain in the following years thanks to the diversity of Revenue through R&D in Sugar products and By-products, forming a perfect Sugarcane Value Chain. Especially, in the next year, the Company aims at having new income sources from the development of other products including Agricultural mechanics, Industrial Zone management, Logistics and the Agricultural Product Chain. TTC Bien Hoa is currently in the process of negotiating to cooperate with some Asian large Corporations in the field of cultivation to take advantages of relevant parties, thereby boosting profitability for the Company.

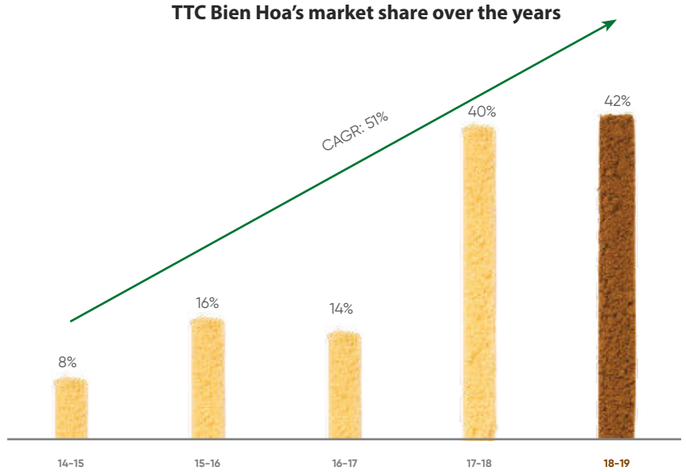
THE 5-YEAR CAGR OF NET REVENUE

51%

THE 5-YEAR CAGR OF MARKET SHARE

51%

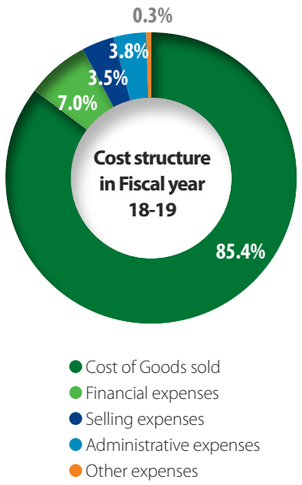
TTC Bien Hoa's market share over the years



Source: TTC Bien Hoa

Sugar remained as the key Product occupying a dominant proportion to Revenue, accounting for 87%, equivalent to VND9,471 billion, up 5% yoy. Notably, thanks to the total capacity of 152 MW from Biomass and 7.2 Mwp from Rooftop Solar Power just installed at 9 Refineries in the past FY, Electricity production brought about VND181 billion in Revenue for the Company, a surge of 106%. By producing Electricity, TTC Bien Hoa managed to offset Energy sources during the low season, especially in the dry season, when there was lack of water for Hydroelectricity, limiting the purchase of Electricity and ensuring National Energy security. The orientation of the Company is diversification of Revenue sources, reduction of operation costs and increase of competitiveness in the Industry.

OPERATION COSTS



Source: Audited Consolidated FS FY 18-19, TTC Bien Hoa

Cost of goods sold in the FY 18-19 reached VND9,985 billion, up 11% over the same period, mainly due to the amount of Sugar Inventory in the previous year with high cost be transferred to this year.

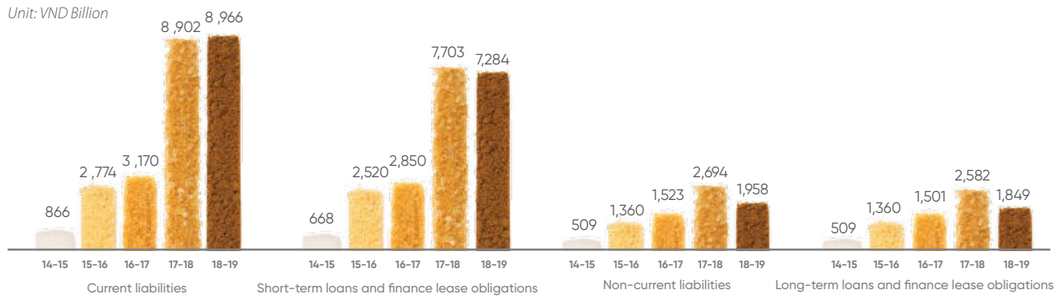
However, thanks to the boost sales with an increase of 31%, the Company has released a large amount of high-priced Inventory, recorded a decrease in Inventory by 30% yoy. Moreover, the Company has also actively improved the productivity of Factories, invested more projects for reducing the cost of products as well as enhancing production efficiency. These will be necessary and sufficient conditions for the Company to more effectively grow when the Sugar Industry recovers.

Clearly determining the goals of the current period being market share, the Company has strongly invested in distribution channel system for expanding the coverage of products in the market, thereby promoting growth of B2C and SME Channels - which still have lots of potential - for stability and sustainability in the medium and long term. In addition, the Company also signed a Strategic Cooperation Agreement with ED&F Man to promote the Export Channel, bringing products to the number of demanding markets including the US and Europe. The selling expenses therefore was up 26% over the same period. However, it will be reasonably compensated when the output and market share grow as direction. General and Administrative expenses only went up slightly by 2% thanks to the implementation of the ERP System, which helped the Company to manage its operations thereby saving time and improving work efficiency.

PAYMENTS TO PROVIDERS OF CAPITAL

In FY 18-19, Company's loans decreased in a positive direction. In term of Debt issues, the Stakeholders would be Banks and Financial Institutions. Short-term and long-term Loans were reduced by 5% and 28% respectively yoy. This came from capital restructuring, cutting financial leverage and borrowing costs, in line with long-term development goals and the policy set out from the beginning of the year.

Liabilities of TTC Bien Hoa over the years



Source: Audited Consolidated FS from FY 14-16 to FY 18-19, TTC Bien Hoa

CASH DIVIDEND

8 TIMES

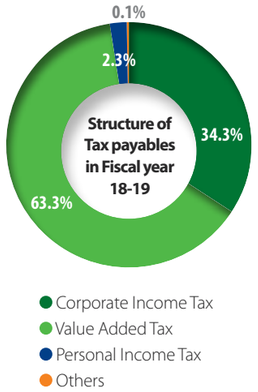
IN THE PAST 11 YEARS

Regarding Equity issues, the Stakeholders would be Shareholders and Strategic Investors. The Company completed a cash dividend of approximately VND408 billion, equivalent to 8% of par value for FY 17-18 and a stock dividend of VND297 billion equivalent to 29.7 million stocks, at a rate of 6% for FY 16-17, from undistributed PAT in FY 17-18. In order to ensure the Stakeholder's interests in any circumstances of the Industry, the BOD plans to submit a proposal of a dividend rate of 4% - 6% in cash or/and stocks for FY 18-19, equivalent to over VND293 billion to the AGM in October 2019. In the past 11 years, the Company has always paid regular dividends to Shareholders through various forms such as cash and stock dividend, in which cash dividends made up the majority with 8/11 times. For the Preferred Dividend Shares, the Shareholders will receive a preferential dividend of 6.5 years, with a fixed dividend rate of 5.5% per year for the first 1.5 years and the following years as agreement between the Company and DEG.

PAYMENTS TO THE NATIONAL BUDGET

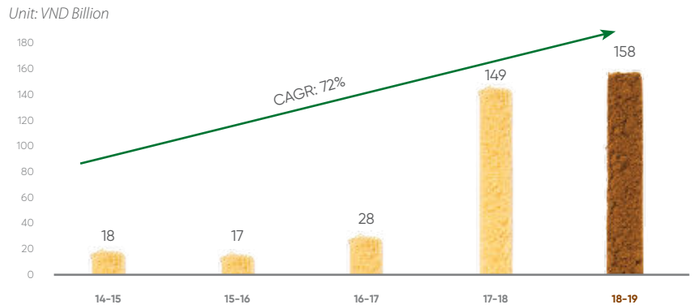
461 VND BILLION

THE TOTAL ARISING VALUE OF TAX PAYABLE AMOUNT TO THE STATE IN FISCAL YEAR 18-19



Paying taxes is the Company's rights as well as obligations, not only for the purpose of compliance, but also as a meaningful contribution to the Country, particularly the Agricultural Sector. Along with endless development in scale, the Payable Taxes of TTC Bien Hoa also accumulated accordingly. In FY 18-19, the current Corporate Income Tax expense was recorded at VND158 billion, corresponding to a CAGR of 72% in the period from the FY 14-15 to FY 18-19, in line with the Revenue growth rate in the process of expanding production and business activities. The total arising value of Tax payable amount to the State in FY 18-19 was VND461 billion.

Current Corporate Income Tax



Source: Audited Consolidated FS from FY 14-16 to FY 18-19, TTC Bien Hoa

GRI 201-2 FINANCIAL IMPLICATIONS AND RISKS/OPPORTUNITIES DUE TO CLIMATE CHANGE

Operating in the Field of Agriculture, one of the most affected sectors of climate change, TTC Bien Hoa always actively controls and has a management plan to minimize the impact from weather to its operation. In FY 18-19, the Company issued a document of the Process of preparation and response to emergency situations, consisting of incidents related to the Environment, floods, natural disasters, epidemics and etc.

Name		Economic implications due to risks/opportunities	Financial impacts before applying management measures	Risks/opportunities management measures
Risk	Storm	Making Sugarcane fall down, reducing quality and increasing the harvesting costs, the high rate of Sugarcane loss	CCS from a falling Sugarcane would be reduced by at least 0.5 CCS, whole harvesting costs is increasing by 10-20%	» Sugarcane should be planted deeply enough to reduce the fall rate » For windy and stormy weather areas, Varieties resistant to falling should be chosen for planting
	Flooding	Sugarcane died causing low productivity	Yield reduction will be 10%-20% for heavily flooded areas	» Sugarcane raises on mound/beds » Varieties tolerant are choosen to lowland areas often flooded during the rainy season
	Drought (Elnino)	Low Sugarcane yield	Productivity decreases by 30%-50%, especially in the Central Coast Region of Vietnam	» Drought-resistant Varieties are choosen for high lands and Central Regions » Deep plowing against drought for Cane is used
Opportunity	Flooding and drought	Competition between Cane and other crops	Sugarcane has better tolerance than other short-term crops under flooding and drought conditions. Therefore, in areas be prone to flooding and drought, Sugarcane has a competitive advantage, is suitable for widening Raw Material Areas	» It should be concentrated on investing in some poor condition areas with solutions as mentioned in the risks to stabilize Raw Material Areas » Favorable land areas less affected by the weather should be increased for intensive farming investment to improve productivity, thereby maximize profit for Farmers.

GRI 201-4 FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT

In line with a strategic orientation on Agricultural development by the Government, TTC Bien Hoa is entitled the preferred Corporate Income Tax of 10% for the Revenue earned from Cane Sugar production according to Circular No. 96/2015/TT-BTC by Ministry of Finance on June 22nd 2015. The Subsidiary system is also only obliged to pay Corporate Income Tax in the range of 10% to the standard tax rate on taxable income. These Subsidiaries are also entitled to the exemption and reduction of CIT according to the Business licenses and the applicable Tax laws. This is considered proactive support from the Government to Sugar Industry Enterprises in the competition with Thailand.

Economic

GRI 202

MARKET PRESENCE

KEY TOPIC AND SCOPE OF REPORT

All remuneration and welfare policies for Employees at TTC Bien Hoa are to ensure competitiveness and fairness, resolutely eliminating the inequality in income between men and women. The starting salary of the Company's Employees is consistently higher than the Region's minimum wage, bringing stable income to workers, as well as contributing to the development of Local Society and impacting the average salary level of the labor market in a positive way.

MANAGEMENT APPROACH

The Company applies and maintains the salary policy to ensure a balance, reasonableness, suitableness to each position, education level, experience and individual contributions to the Company. These policies always focus on escalating the competitiveness of total income in the market and will be immediately adjusted in accordance with changes of the Government Laws. Annually, on basic of the business results and individual performance, the Company will review and evaluate the salary increase for Employees. This will create motivation for the Employees, enhancing their engagement with the Company and promoting productivity; thereby supporting business efficiency in both quality and quantity, as well as becoming an attractive recruiter in the market.

REPORT CONTENTS

GRI 202-2 RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO THE REGION'S MINIMUM WAGE

The motto of "For Community - Local Development", created stable employment for local workers as a prerequisite of the Company's direction. The starting salary of the Employees from the unskilled workers to the Executive levels have been higher than the Region's minimum wage, contributing to satisfy a part of living costs each Employee. A gap between the income of Employees in TTC Bien Hoa and the Region's minimum wage varied from 12% to 169% depending on Location and Region.

The Region's minimum wage and starting salary of the Employees in TTC Bien Hoa

Region	Key Area	The Region's minimum wage (VND)	Income gap between TTC Bien Hoa's Employees and Region minimum wage (%)		
			Unskilled workers	Officers	Executives
I	Dong Nai	4,180,000	12%	30%	108%
I	Ho Chi Minh City	4,180,000	30%	72%	154%
III	Khanh Hoa	3,250,000	38%	91%	168%
IV	Tay Ninh	3,250,000	48%	114%	155%
V	Gia Lai	2,920,000	25%	66%	147%

Note: The above income level did not include other Non-monetary benefits as Company trip, Collective activities, Company parties, Gifts and etc.

Source: TTC Bien Hoa

"Stable Society is a prerequisite for economic development and production as well as business, consumption and export activities maintenance. Employment, Occupational Health and Safety, Training are material issues to Stakeholders in recent years at TTC Bien Hoa, because of direct and indirect impacts on the Company's development and the Community - Society. For many years, TTC Bien Hoa has constantly strived to develop consistent and long-term policies to create positive effects for the Society."

Social

GRI 401

EMPLOYMENT

KEY TOPIC AND SCOPE OF REPORT

"Business and production activities of TTC Bien Hoa not only bring about added values and benefits to Shareholders but also material and spiritual values to direct and indirect labors in the Supply Chain."

In the context of the labor-intensive Sugar Industry, the Company advocates to develop policies to align the interests of Employees with the Company, considering as one of key HR strategies in the development process. While the labor market is increasingly competitive, for a success of the brand and creating advantages for business, attracting and retaining high quality HR is a real problem. TTC Bien Hoa pays special attention to HR issues through:

- Creating employment opportunities in the labor market and the localities where the Company operates;
- Recruiting Employees, attracting talents;
- Building a friendly and professional working environment;
- Developing competitive remuneration and welfare policies for Employees;
- Building a policy of equitable and fair work, regardless of religion, nationality, gender, region;
- Ensuring Occupational safety and Health for Employees;
- Facilitating Employees to be trained for skills and professional qualifications improvement.

MANAGEMENT APPROACH

The policies are built on ensuring that all HR activities complying with the Law on Labor and ILO standards. At TTC Bien Hoa, all contribution by Employees is recognized through performance review and performance-based rewards. HR management is implemented through E-Office system to reduce the administrative procedures and workload for the Managers; as well as to increase transparency of salary, bonus, allowances and benefits for Employees. All changes in HR policies will be updated in compliance with law provisions and in the internal official HR policies to maximize worker benefits.

Under the current method in HR Management, TTC Bien Hoa has built a competent and qualified HR in line with its development orientation. The welfare and training policies are in the process of improvement for Employee's satisfaction; thereby helping Employees to feel at home for a long time as well as creating favorable conditions in building succession.

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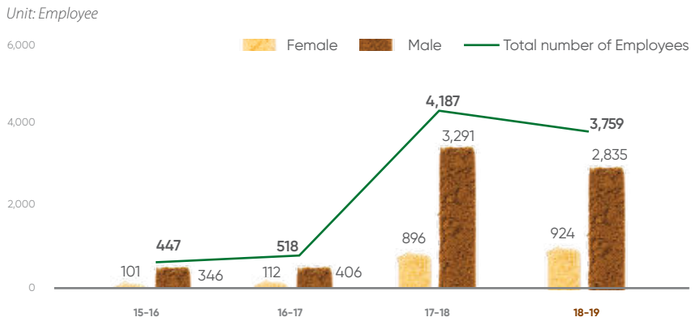
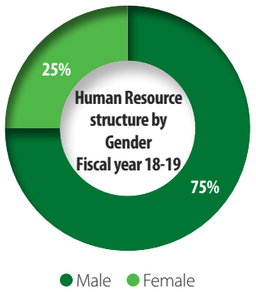
The FY 18-19 marked the expansion of the Company's operation scale in Indochina; therefore, effective HR management was an urgent requirement. In order to optimize operation, the Company arranged and streamlined the organizational structure in order to enhance the working efficiency of Employees and strengthen management capabilities. By the end of FY 18-19, the total number of Company's Employees was 3,759 of which 90% being full-time Employees and seasonal Employees occuping 10%, recording a CAGR of 103% in the period from FY 15-16 to FY 18-19.

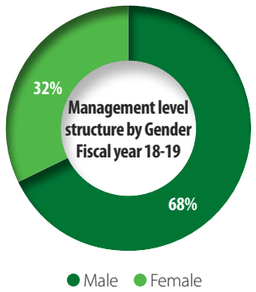
Total number of Employees over the years

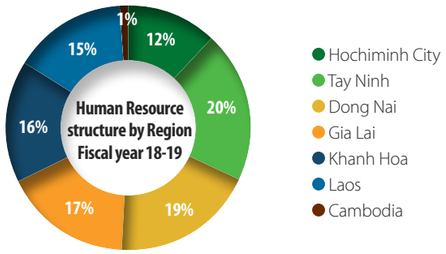


Source: TTC Bien Hoa

GRI 401: EMPLOYMENT (CONTINUED)







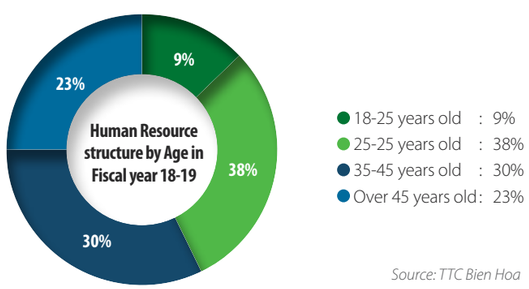
Source: TTC Bien Hoa

Operating in Agricultural Production, the Company's labor force was characterized by males, who made up a large proportion with 2,835 people or 75%, while the number of females was 924 or 25%. Despite being only 1/4 of total Employees in this FY, the ratio of the female was higher than that of the previous FY, at 21%. This increase shows the Company's efforts in improving gender equality. The Company has also encouraged and facilitated women to bring into play their capacity when the percentage of female managers and above hold 32% of the total number.

With Raw Material Area across Indochina, the HR also have a wide distribution, of which 84% Employees in Vietnam, 15% in Laos and 1% in Cambodia. Particularly in Vietnam, the proportion of Employees in Tay Ninh Province - the largest Farm accounted for 27% of the total staff of the Company, followed by Khanh Hoa, HCMC, Dong Nai and Gia Lai.

Employee qualifications	Ratio (%)			
	15-16	16-17	17-18	18-19
Post-graduation	2%	3%	1%	2%
University degree	37%	37%	25%	23%
College degree	5%	6%	9%	11%
Intermediate level	17%	16%	19%	14%
Pre-intermediate level	16%	16%	8%	11%
Unskilled workers	23%	22%	38%	39%

With the HR structure of about 47% personnel under 35 years old, 30% between the ages of 35-45 and only 23% over 45 years old, TTC Bien Hoa's staffs are young, dynamic, quick-learning and highly adaptable. No child under 18 have been employed by the Company. At TTC Bien Hoa, the qualification of Employees is one of the biggest focused requirements to meet the increasingly high standards in the context of fierce competition. Because of the Industry particularly, the ratio of unskilled and elementary workers at the Company still made up 50%. These are mostly under 35 years old, with enthusiasm, expertise and technological accessibility to significantly contribute to the development of the Company. In addition, the ratio of highly qualified Employees with qualifications from College - University Degree and above in FY 18-19 rose slightly to 36%, accounting for more than 1/3 of the Company's total workforce.



Source: TTC Bien Hoa

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER RATE

As the economy increasingly grows, workers have more choices in finding a good working environment with higher benefits. This is a difficult problem for businesses in retaining workers, especially for Manufacturing companies that need to maintain a proper number of Employees to ensure continuous operation.

Attracting and retaining talents, screening Employees who have not met the requirements in order to enhance work efficiency, avoid Waste, optimize profitability is a motto that the BOD of TTC Bien Hoa following for the year.

> "The Company has strongly restructured the Human Resources apparatus to build a team of highly qualified and appropriately competent Employees. In the last Fiscal year, there were 904 new ones recruited; in which the percentage of newly recruited Female Employees making up over 29% and more than 49% of those under 30 years old. This shows that the Company's personnel structure is progressively rejuvenated with higher professional qualifications."

Total number of Employees recruited by Age and Gender in Fiscal year 18-19

	New recruited Employees					
	Male			Female		
	<30	30-50	>50	<30	30-50	>50
Total by age	288	320	30	152	108	6
Total by gender	638			266		
Total	**904**					

Source: TTC Bien Hoa

GRI 401-2 BENEFITS FOR FULL-TIME EMPLOYEES

In addition to the attractive renumeration compared to other businesses in the same Industry and the Locality, the Company attached importance to the implementation of compensation and benefit policies for Employees, creating a friendly, professional working environment as well as improving their living conditions. The Total welfare expense for Employees in FY 18-19 was VND138 billion, making up 1.4% of Total Revenue, of which the Total Insurance expense was VND39 billion.

THE TOTAL WELFARE EXPENSE FOR EMPLOYEES IN FISCAL YEAR 18-19

VND **138** BILLION

Employee Benefits in Fiscal year 18-19				
Name of benefit	Full-time	Contract/ Part-time	Expense (VND Million)	Ratio
Social Insurance	x	x	30,277	22%
Health Insurance	x	x	3,796	3%
Unemployment Insurance	x	x	2,169	2%
Accident Insurance	x	x	379	0%
Commercial Health Insurance	x		2,086	2%
Trade Union	x		1,828	1%
Stock ownership	x			
Others	x		97,611	70%
Total			**138,146**	**100%**

Source: TTC Bien Hoa

GRI 401: EMPLOYMENT (CONTINUED)

Besides providing full benefits for Employees in compliance with the Law, such as the cost of compulsory Insurance of 29%, the Company also paid great attention to benefits other than salaries shown through material and spiritual values.

Policy	Detail
Welfare policy for regular Employees	» Car picking up for Employees working at the factory » Periodic health examination » Bao Viet Healthcare Insurance package - comprehensive health care for Intermediate and Senior Managers » Periodic vacation » Gifts for Holidays / New Year and special occasions » Allowances including lunch, overtime, telephone expenses, toxic allowances for Employees
Working regime for expatriate Employees	» Extra allowance of VND3-5 million per person » Having a right to bring spouse, children to local workplace to live together: The Company pays 50% of the regular tuition for 2 legal children under 18 years old of the Employees at the schools in the workplace » Visiting the house from 6 to 9 times per annum with travel costs being paid by the Company
Policies and benefits for female workers	» Strictly compliance with the provisions of the Law on recruitment and employment of female Employees » Focusing on gender equality in issues: Recruitment, employment, training, salaries, bonuses, promotions, remunerations, working conditions, labor safety, working time, rest time and other welfare regimes on material and spirit » Maternity leave as the regulations » Ensuring employment for female workers after maternity leave
Other incomes	» 13th month salary » Reward for year-end work efficiency » Long service bonus » ESOP

GRI 401-3 MATERNITY LEAVE

In addition to the annual health check, female Employees at the TTC Bien Hoa are fully enjoyed the maternity-related regimes in accordance with the Labor Law. Accordingly, Female Employees are entitled to leave for 5 times of antenatal examination/pregnancy period, 1 or 2 working days off for each time in cases of pregnant women with abnormal medical conditions or far distance from medical facilities. female Employees would be on maternity leave for 6 months before and after giving birth. Male Employees will be entitled to maternity leave in compliance with the Law when their wives give birth.

Maternity leave in Fiscal year 18-19	Female
Employees entitled to maternity leave	43
The employee enjoyed maternity leave	43
The employee returned to work and was retained, for 12 months, after maternity leave	39
Rate of returning to work and be retained after maternity leave	91%

Source: TTC Bien Hoa

According to the Company's Labor Regulations, female Employees with children under 12 months of age will be entitled to 1 hour off per day during the working period with full salary. During pregnancy or feeding a child under 12 months of age, female workers will be transferred to other position with reduced workload and will not be asked to work overtime. The Company does not dismiss or unilaterally terminate the labor contract for female Employees for reasons of marriage, pregnancy, maternity leave, or feeding children under 12 months of age, except for the expiry of the labor contract or the Company's termination. In FY 18-19, there were 43 cases of maternity leave, in which 39 people returned to work and were retained within 12 months after maternity leave, standing for 91%.

Social GRI 403

OCCUPATIONAL SAFETY AND HEALTH

KEY TOPICS AND SCOPE OF REPORT

As a Manufacturing Company, Occupational Health and Safety is a top priority in the TTC Bien Hoa. This is the Company's obligation to ensure the Health of Employees; at the same time, it also contributes to production efficiency and productivity, reduces medical examination and treatment costs due to labor accidents, thereby bringing economic benefits.

MANAGEMENT APPROACH

In 2017, QHSE Department was established, in collaboration with the Administration and HR Department in order to control Occupational Safety and Health issues, making sure timely update relevant changes of the Laws. The Company carries out and submits ARs on Labor environment monitoring, Occupational Safety and Health, Occupational accidents and Equipment monitoring with strict labor safety requirements and etc. to the regulators. Moreover, all guidelines/regulations/procedures are codified into internal documents to be put into practice in the Company:

» Guideline to control Employee personal hygiene and health;

» Process of addressing, reporting, investigating and reporting occupational accidents;

» Safety instructions on management and use of chemicals;

» Process for high-risk work license;

» Process of preparation and response to emergency situations;

» Equipment management process with strict requirements on Labor safety.

With the management methods set out, in 2018, no incidents of violating workers' Safety and Health was recorded at TTC Bien Hoa.

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According to statistics of the Confederation of Labor, in 2018, there was nearly 8,000 Labor accidents in the whole Country, causing more than 8,200 injured persons of which 1,039 deaths, up 12% compared to 2017. This figure showed that the Occupational Safety and Health in our Country was not properly controlled. Aiming to ILO's International labor standards, the Occupational Safety and Health in TTC Bien Hoa focuses mainly on the following activities:

» Upgrading infrastructure and equipment for Safety in production;
» Safety in management and use of chemicals;
» Equip labor with protection, safe working tools;
» Doing training and raise Employees' awareness about Safety, rehearse emergency situations, preventing and fighting fire;
» Periodically assessing hazards and controling risks, and giving precautionary measures in production;
» Periodically inspecting and maintaining equipment with strict Safety requirements.

GRI 403: OCCUPATIONAL SAFETY AND HEALTH (CONTINUED)

GRI 403-2 TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM AND NUMBER OF WORK-RELATED FATALITIES

Constantly upgrading infrastructure, improving machines and equipment, in FY 18-19, the Company recorded no unfortunate labor accidents occurred. Every year, the Company calls for help of the Regulators to monitor the working environment, check concentration of dust, noise, vibration and etc. to have a basis of data for proposing improvement solutions and supplementing personal protective equipment for Employees to limit the impact of the Environment on the worker health.

"Prevention is better than cure", the Company always promotes propaganda and training to raise Employees' awareness about Occupational Health and Safety. In the recent years, the Company organized 9 training programs on Occupational Safety and Health for Group I, II, III, IV, V and VI with a total cost of VND123 million and expected costs for FY 19-20 will be VND300 million.

The Company's Employees have been participated in regular health examinations, follow-up with regular medical examination results, especially for Employees working in areas at high risk of occupational diseases. Specifically, Employees working in areas with normal conditions would have 1 health examination per year, for Employees working in heavy and hazardous positions and locations where the results of the Environmental assessment exceed the Vietnamese Standards, the Company organizes periodic health examinations twice a year and examines to detect occupational diseases in accordance with the Law on Occupational Safety and Health.

In case of detecting Employees suffering from occupational diseases, the Company will monitor and plan to regular check-up according to the prescribed frequency. The result of occupational disease examination at TTC Bien Hoa in FY 18-19 recorded no occupational diseases, injuries acquired in the production area as well as the office. Monitoring results of the Environment in the Community area met the threshold prescribed by the Vietnam Standards on Labor Environment.

No.	Monitoring parameters	Unit	Standard accepted	Applied standard	Monitoring results
1	Noise	dBA	QCVN 26:2010/BTNMT, IFC	70	Passed
2	PM10 dust	µg/ m³	QCVN 05: 2013/BTNMT, IFC	150	
3	PM2.5 dust	µg/ m³		50	
4	SO_2	µg/ m³		125	
5	NO_2	µg/ m³		200	
6	CO	µg/ m³		30000	
7	CH	µg/ m³	QCVN 06: 2009/BTNMT	5000	
8	H_2S	µg/ m³		42	
9	Ozone	µg/ m³	QCVN 05: 2013/BTNMT, IFC	120	

Source: TTC Bien Hoa

Social

GRI 404

EDUCATION AND TRAINING

KEY TOPICS AND SCOPE OF REPORT

Activities to improve the personnel quality via training, fostering talents and building a succession team will be the foundation for Employees to adapt to Environment changes and create competitive advantages for the Company. *"To be trained"* is a basic need of every Employee. When the need is satisfied, Employees will tend to tie up with the Company for a long time, making efforts to contribute to the development of the organization. This helps to save costs and optimize Revenue and Profit.

MANAGEMENT APPROACH

Every year the Company plans to train Employees, ranging from Staff to Management levels. It has been deployed to each Department or Factory. Employees must attend all mandatory training courses of the Company. The Staff will be required to take the tests and certified when each training course finished. Each Department has a specific training schedule to be able to improve their capabilities in the best way. Each Employee is always facilitated to participate in training programs as well as encourage a continuous learning culture. Education and training activities at TTC Bien Hoa have brought about positive results when Employees were fully developed in terms of both professional and soft skills.

REPORT CONTENTS

GRI 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

In FY 18-19, 166 courses with 36,400 hours of training for Employees at all levels were organized in the Company. The total training cost in FY 18-19 was VND10 billion.

VND 10 BILLION
THE TOTAL TRAINING COST

10
HOURS/PERSON/YEAR

Description	Top-level managers	Middle-level managers	Employees	Total
Total training hours *(Hours)*	80	1,336	34,984	**36,400**
Total number of Employees *(Person)*	6	146	3,607	**3,759**
Average training hours *(Hours per person)*	13.3	9.2	9.7	**9.7**

Source: TTC Bien Hoa

GRI 404-2 PROGRAMS FOR UPGRADING EMPLOYEES SKILLS

The Company has carried out 166 training programs, of which internal training making up 57%, and 43% for external training in FY 18-19. Training programs were divided into 4 main groups (1) Professional training (83%) (2) Orientation training (9%) (3) Leadership training (6%) and (4) Soft skill training (2%).

Training program structure

Group	Number of programs	Number of training hours (Unit: Hours)				
		Employees	Low-level managers	Middle-level managers	Top-level managers	Total
Professional qualification	138	27,471	3,932	2,315	80	**33,798**
Orientation training	15	328	26	46	-	**400**
Leadership skills	9	32	72	954	-	**1,058**
Soft skills	4	560	488	96	-	**1,144**
Total	**166**	**28,391**	**4,518**	**3,411**	**80**	**36,400**

Source: TTC Bien Hoa

Climate change is a Global challenge as the consequences of Global warming including more areas that are more vulnerable to drought, forest fires, melting ice, sea-level rise, floods and etc., along with the extinction of wildlife and marine animals.

According to the most recent report of the International Labor Organization (ILO) in early July 2019, Global warming is expected to result in an increase in work-related "heat stress", damaging occupational health, restricting physical activities as well as the working ability of laborers. By 2030, 2.2% of total worldwide working hours would be lost due to higher temperatures, a loss equivalent to 80 million full-time jobs. This is equivalent to Global economic losses of USD2,400 billion. The sector forecasted to be worst affected, globally, is Agriculture. As a Developing Country characterized by an Agricultural Economy, Vietnam is the Country that is most vulnerable to climate change. Proactively combating climate change affecting our Country becomes an important and urgent mission.

"In fact, the responsibility for climate change response has been placed on not any single nation, state or organization but rather on the entire Community. Companies have to find an effective solution for utilizing Raw Materials, investing in Modern machinery, researching and applying advanced technology in operation, thereby, saving Raw Materials and orienting Customer habit towards using "High-quality - Green - Clean - Environmentally Friendly" products."

Environmental

GRI 301

MATERIALS

KEY TOPIC AND SCOPE OF REPORT

As a featured Manufacturing Company, TTC Bien Hoa is fully aware of the impact on the Environment from production which includes Raw Materials. The main business of TTC Bien Hoa is producing Sugar and By-products, which leads to high and constant demand for Sugarcane and Raw Sugar.

For that reason, an effective governance and management system for input materials will ensure labor productivity and product quality, minimizing production disruptions, thereby, retaining control on costs.

"During Sugar production, Bagasse is created as a By-products. The Company reuses this By-products as the main Raw Materials to produce Commercial Electricity - the Biomass used for in-house production or sold to the National grid, diversifying the value-added products, contributing to the increase the Company Profit in particular and the Industrial efficiency in general."

Besides Sugarcane and Raw Sugar used as the main Raw Materials, the Sugar production also requires some other Raw Materials which are not mentioned in the Report due to its negligible proportion.

MANAGEMENT APPROACH

Raw Material Management System of TTC Bien Hoa is built on Smartlab Software - an innovative digital solution for creating an effective channel to disclose production information, enabling users to access data from anywhere, thereby, enhancing and streamlining the supervision and management of production process. In addition, information and data on the Raw Materials used are also regularly updated to the Board through (1) Daily report (2) Weekly production meeting held at the factory (3) Monthly meeting to discuss plan for production moderation inside the Corporation whose purpose is optimizing the Inventory of Raw Materials and production capacity, and especially ensuring the timely supply of input Materials for the production process.

With the given management methods, TTC Bien Hoa successfully controls the quality and supply of Raw Materials, ensuring reasonable coordination according to the production plan.

In FY 18-19, the rate of Sugar recovery from Sugarcane 10CCS and the rate of Commercial Electricity per ton of Sugarcane respectively achieved 101% and 106% of the plan. The rate of inappropriate products in production, inappropriate products in storage and delivery, inappropriateness due to Customers' complaints are 0.31%, 0.08% and 0.13% respectively; lower than the target set at the beginning of the year which were 0.31%, 0.16% and 0.19%.

GRI 301: MATERIALS (CONTINUED)

REPORT CONTENTS

GRI 301-1 MATERIALS USED BY WEIGHT OR VOLUME

> "TTC Bien Hoa is one of a few Vietnam Sugar Companies capable of refining Sugar from both Sugarcane and Raw Sugar."

TTC Bien Hoa currently owns 9 Sugar Refineries with the total production capacity of 620,000 tons of Sugar, in which 4 Refineries capable of producing Sugar from Raw Sugar being TTCS, Bien Hoa - Ninh Hoa, Bien Hoa - Tri An and Bien Hoa - Dong Nai. Especially, Bien Hoa - Dong Nai is the only Refinery that manages to refine Sugar year-round with a capacity of 400 tons of Sugar per day. As a result, the Company gains better control of input Materials, increases the processing time as well as maximizes the productivity of the Refineries.

In order to use Raw Materials efficiently, close coordination among the Departments and compliance with procedures and regulations are required, regarding management of Raw Materials, namely both Sugarcane and Raw Material. This will ensure Raw Materials meeting the quality standards, and at the same time, inventory is maintained at a reasonable level, fulfilling the objectives of avoiding the excess or shortage of Raw Materials which affects the production process, increases production costs or reduces product quality caused by prolonged inventory.

SUGARCANE	RAW SUGAR
The Global Sugar Industry faces plenty of obstacles which negatively impacted Sugarcane price, Sugarcane areas across the Country are downsized. However, TTC Bien Hoa still dedicates to stabilize and increase the Raw Material Areas in order to ensure the Sugarcane supply for Factories according to the production plan. This has been the result of TTC Bien Hoa's policies on supporting Farmers, promoting the application of science and technology to farming techniques in order to improve Sugarcane yield	With the support of the Sales and Supply Division, Raw Sugar used in the production are accordance with Sugar import quotas
The Agriculture Division plays a pivotal role in managing and controlling the Raw Material Areas, interacting with Farmers to ensure the output and quality of Sugarcane, ensuring to meet the production plan consumption	The purchasing process has to ensure compliance with the policies and procedures from purchasing to storage, as well as adherence to Guideline for Raw Sugar analysis, Guideline for technical standards of Raw Sugar and etc.
All stages from planting, farming to harvesting are strictly controlled through a system of normative documents that provide specific procedures/instructions: Handbook on Sugar cultivation, Handbook on Organic Sugarcane cultivation, Guideline for Growth Assessment, Guideline for Post-harvest Inspection and etc.	

Fiscal year 18-19 was a tough year for Global and Vietnam Sugar Industry when all Sugar companies decided to make changes in output due to the surplus situation, resulting in the slightly reduction in Sugarcane output and Raw Sugar usage as compared to the last period. However, according to experts' forecasts, Sugar Industry will be entering to recovery phase, the current surplus could turn into deficit, starting from FY 19-20. To proactively seize the opportunities as soon as the market recovers, TTC Bien Hoa has made adequate preparations, for example, expanding Raw Material Areas in order to enhance production capacity and encourage consumption; thereby facilitating the business development in the coming years.

GRI 301-2 RECYCLED INPUT MATERIALS USED

Model of Waste reuse in Sugar production process at TTC Bien Hoa

GRI 301: MATERIALS
REPORT CONTENTS (CONTINUED)

Products are produced from By-products and Wastes of TTC Bien Hoa up to Fiscal year 18-19

SUGARCANE-FAVORED BOTTLED WATER	Miaqua Bottled water is a special product, extracted during Sugarcane condensation and distillation, thereby, preserving the pleasant sweetness of Sugarcane	In FY 18-19, the Company produced more than 73,000 barrels of Miaqua bottled water, exceeding 3% of the plan
BAGASSE	Bagasse is a By-products created from Sugarcane production, after the juice extraction stage. This can be used as a fuel source for boilers and as Raw Material for the production of Mushroom, Paper, Organic Fertilizer, Animal feeds and etc.	In FY 18-19, the Company took back more than 1 million ton of Bagasse for re-production, minimizing Waste released to the Environment
ELECTRICITY	In order to optimize the Sugarcane Value Chain, most of the Bagasse after being discharged are collected and brought to the boilers. In the boilers, Bagasse would be burnt to create heat sources for producing Sugar and generating Electricity used in Factories or sold to the National grid	In FY 18-19, the Company's total Commercial Electricity output reached 150 million kWh, increasing by 7% yoy
MOLASSES	Molasses is a By-products of the Sugar Industry. The production process will produce Sugar crystals and Molasses. Sugar crystals are separated and Molasses continues to be concentrated. After about 3 times of concentration, it is almost impossible to crystalize more Sugar by conventional techniques, the remaining liquid is Molasses	The rate of Molasses/Ton of Sugarcane in FY 18-19 remained at the same level of the previous FY, contributing to the better recovery of Sugar
MICROBIAL ORGANIC FERTILIZER	Microbial Organic Fertilizer is produced from the Waste of Sugar products (Ash, Sludge dregs, Raw sludge), applying microbiological technology which is using micro-organisms in Trichoderma-based preparations to convert the Organic components in Sugarcane mud into humus. The product is supplemented with micronutrients (Bo, Mg, Zn and etc.) to increase its quality, thereby, being of service to crops	In 2018, the Company completed construction and put into operation the Microbial Organic Fertilizer Plant with the total capacity of 50,000 tons. Currently, Products have been sold in the market with the quality exceeding the set requirements.

150+ MILLION KWH,

COMMERCIAL ELECTRICITY INCREASING BY 7% YOY

Environmental
GRI 302

ENERGY

KEY TOPIC AND SCOPE OF REPORT

Production and business activities have a great demand for Energy. Facing challenges of climate change and the scarcity of natural resources, Companies must pay attention to the question of effectively controlling Energy used due to its negative impact on presence and even on future generations.

The Leaders of the Company always ensure the selected fuels are sustainable, effective and safe in order to lessen the intensity of greenhouse gas emissions and the impact on the Environment.

> "TTC Bien Hoa' solution is taking advantage of the Waste of Sugar production - Bagasse and using it as a fuel source to provide steam for the production process as well as generate clean Electricity provided to Factories and being sold to the National grid. A great deal of efforts that goes into changing and balancing Energy sources consumed directly and indirectly by the Company not only helps to reduce costs but also contributes to decrease the impact of excessive Energy consumption."

MANAGEMENT APPROACH

TTC Bien Hoa manages issues arising from Energy usage through the ERP Integration Software system. In order to ensure all information is updated to the Board on a regular basis, besides periodic reports (daily, weekly, monthly, each crop) and face-to-face meetings (weekly, monthly, quarterly and etc.), Smartlab Software allows quick, accurate and timely access to information. In addition, internal communication activities to raise Environmental protection awareness of Employees by saving Electricity also receives attention from the Company.

The Production Engineering Department will periodically inspect and evaluate the performance data of the previous FY to propose improvement methods based on each crop and the actual production plan. According to the evaluation, FY 18-19 saw a significant decrease in power consumption in the Company compared to the previous FY.

GRI 302 - ENERGY (CONTINUED)

REPORT CONTENTS

GRI 302-1 **ENERGY CONSUMPTION WITHIN THE ORGANIZATION**

The Company's operation is associated with a variety of sources of Energy, including Renewable and Non-renewable sources. Although the consumption of Energy produced by the Company decreased by 7%, its sales rose to 12%, which led to the decline of 10% in actual consumption compared to FY 17-18.

"In Fiscal year 18-19, the Company diminished the consumption of Energy provided by the National grid to the equivalence of 24% compared to the same period last year."

	Criteria	Decrease/Increase 18-19/ 17-18 (%)
1	Total consumption of Energy from Non-renewable fuels (oil, gas, coal and etc.)	-0.4
2	Total consumption of Energy from National grid	-24.0
3	Total consumption of Energy produced by the Company for its own use (Solar Power, Windand and etc.)	-7.2
4	**Total Energy consumption**	**-10**
5	**Total Energy sold**	**12**

Source: TTC Bien Hoa

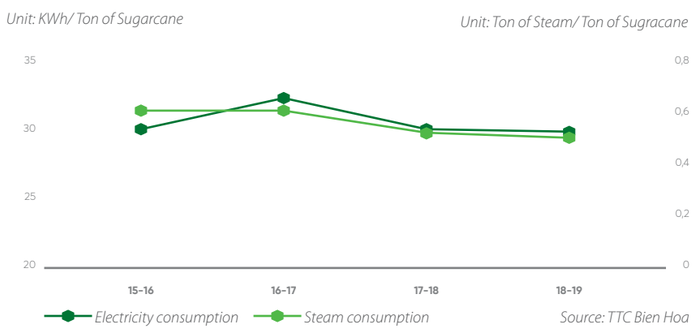
GRI 302-4 **REDUCTION OF ENERGY CONSUMPTION**

"Renewable Energy is a Global trend; as one of the top Sugar Companies in the Industry, TTC Bien Hoa instantly actively followed the trend."

After finalizing the feasibility study, in FY 18-19 the Company spent VND134 billion to install the Rooftop Solar System on the Roof of 9 Factories to generate most clean Energy as well as saving costs. The Company estimates that the Project will contribute to saving 10.6 million kWh of Electricity, equivalent about VND24 billion. In the coming years, the Company establishes the goal of continuing to increase the proportion of this kind of Energy in order to reduce production costs and enhance competitiveness.

In FY, in addition to the installation of the Rooftop Solar Power systems, the Company also implemented other projects for Drying Bagasse, Saving Steam and Improving Carbonization System to minimize Energy consumption. At the TTCS Factory, all high-pressure steams are replaced by jet condensers. The steam consumption during the Sugarcane crushing stage as the result reduced to only 0.50 from 0.57 tons of steam per ton of Sugarcane, during the Sugar refining stage decreasing to 1.8 from 2.0 tons of steam per ton of Sugarcane. The Company will continue to research, improve and install more equipment in the production line, aiming to diminish the steam consumption at the TTCS Factory from 0.50 tons of steam per ton of Sugarcane to 0.45 in the FY 19-20 and to 0.42 in FY 20-21. Additionally, the Company also put into practice the Reform of the CO2 distribution system at TTCS in order to enhance Carbonate performance. Electricity consumption declined from 10,200 kWh to 6,720 kWh per day, saving 3,480 kWh per day yoy, equivalent to 762,120 kWh per year and VND1.1 billion of Electricity costs.

Electricity and steam consumption at the TTCS Factory



Source: TTC Bien Hoa

Environmental
GRI 303

WATER

KEY TOPIC AND SCOPE OF REPORT

"Water is one finite natural resource. Considering that the Company has been continuously expanding its production, the demand for Water by TTC Bien Hoa has been on the rise. As the Company operating in Agriculture, it heavily depends on Water. For that reason, the Company Leaders emphasizes the urgency of controlling and saving Water, recycling Water as well as ensuring the quality of Waste in order to reduce the Environmental impacts across the Company operations."

MANAGEMENT APPROACH

TTC Bien Hoa manages Water and Wastewater by segregating Water sources into different types according to its intended use:

No.	Description	Sources
1	Water used to create the pressure vacuum in production process	Surface Water of canals, rivers, streams, well Water, clean Water discharged from sewage treatment system
2	Water used for technology	Water extracted from Sugarcane
3	Water used to clean Factories and equipment	Surface Water of canals, rivers, streams, Well water, clean Water discharged from sewage treatment system
4	Water used in cultivation	
5	Water used for internal purposes	Tap Water, well Water

The Company established the control parameters for each type of Water, built 2 separate systems to collect Wastewater and Rainwater. Wastewater is collected to the treatment system before being disposed to the Environment or reused. Relevant information will be updated to the BOD and BOM frequently through the data reported on the Smartlab software, weekly briefings and periodic reports of Factories which were prepared weekly, monthly, quarterly and etc. At TTC Bien Hoa, issues arising from tap Water and Wastewater will be periodically evaluated:

» For Tap water, Well water and River water: Monthly evaluated based on recorded data

» For Wastewater: Daily evaluated based on measured data

In the last FY, Water used and reused was kept under control and no violations were detected.

REPORT CONTENTS

GRI 303 -1 WATER WITHDRAWAL BY SOURCES

Safety and Health issues are always at the forefront, therefore, controlling Water quality during the production process is attached to critical importance. The Company issued the Guidelines for Water sources control, aiming to bring Water sources used; The distribution and storage system under control and propose control and treatment measures when Water sources are detected in the failure to meet the requirements. Water in direct contact with products complies with the regulations on Drinking Water as prescribed in National Technical Regulation QCVN 1-2019/BYT. Filtering equipment, containers, pipes, valves at workshops must be regularly inspected and cleaned as well as immediately repaired if any problem occurs. In FY 18-19, the total Water consumption of the Company was more than 3.8 million m^3, 18% decrease yoy thanks to the effective control of the Water sources used.

Total volume of Water withdrawal by sources

Description	17-18		18-19		Difference 18-19/17-18	
	Water volume (m^3)	%	Water volume (m^3)	%	Water volume (m^3)	%
Surface Water (rivers, streams, ponds, lakes and etc.)	2,504,306	54	2,157,371	56	-346,935	-14
Groundwater	179,275	4	151,148	4	-28,127	-16
Urban water	348,195	8	311,326	8	-36,869	-11
Tap water	1,630,003	34	1,206,260	32	-423,743	-26
Total	**4,661,779**	**100**	**3,826,105**	**100**	**-835,674**	**-18**

Source: TTC Bien Hoa

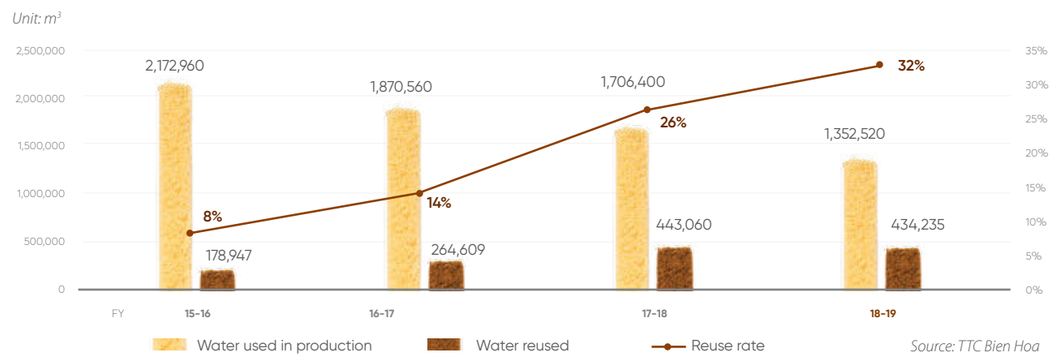
Note: Data was collected from the monthly volumetric flow meter at the Company. The data above was from TTCS, TTC Gia Lai, TTC Attapeu, Bien Hoa - Dong Nai, Bien Hoa - Ninh Hoa, Bien Hoa - Tay Ninh, Bien Hoa - Phan Rang, Bien Hoa - Tri An, Nuoc Trong. Particularly in FY 17-18, TTC Attapeu had no statistics of Water use because it was not merged to TTC Bien Hoa.

GRI 303 -3 RECYCLING AND REUSE OF WATER

Sugar production requires a significant amount of Water to be used for the cooling system; however, this amount of Water after passing the cooling system will reach a high temperature, be no longer usable and then be discarded to the Environment. In order to save Water and reusable Water from the cooling process, the Company invested in a Cooling Tower system to circulate used Water for cutting down the purchased Water and saving costs.

Particularly, at TTCS Factory, with the investment in the Wastewater Treatment system and the Cooling Tower system, Wastewater discharged from the production process is treated in line with column A according to National Technical Regulations QCVN 40:2011/BTNMT. Wastewater after treatment will be 100% reused, saving more than 1,000 m^3 of Clean Water per day, equivalent to VND3 billion per year, contributing to lowering the production costs.

Statistics of Water used and reused at the TTCS Factory



Source: TTC Bien Hoa

Environmental
GRI 305

EMISSIONS

KEY TOPIC AND SCOPE OF REPORT

"Climate change is progressing rapidly and life on Earth are facing plenty of threats as greenhouse effects, melting ice, sea-level rises and etc. The Stakeholders recognize the necessity of the accountability of the Companies regarding these matters more than ever. TTC Bien Hoa is a Manufacturing Company which means when it comes to the greenhouse effect, the heaviest responsibility lies in the Emission issues. TTC Bien Hoa currently strictly controls the Emissions to ensure an Environmentally and Community-friendly production process."

MANAGEMENT APPROACH

Emissions are managed by ERP Integration Software and constantly updated on Smartlab Software. All of the Sugar Factories of the Company was built a smoke treatment and heat reduction system, meeting the National Technical Regulations QCVN 19:2009/BTNMT on Industrial Emission of Inorganic Substances and Dusts and other provisions of Law on Environment. Besides, in order to supervise Emissions quality, the Factories are all equipped with a smoke monitoring system in accordance with the provisions of the Circular 24:2017/BTNMT on Environmental monitoring techniques. Monitoring data are sent directly to each locality's Department of Natural Resources and Environment. In FY 18-19, the Company successfully managed Emissions released during the production process and no violations were detected.

REPORT CONTENTS

GRI 305 -1 DIRECT GREENHOUSE GAS EMISSIONS

In the Factories, boilers use Biomass fuel from Bagasse instead of Coal, thus minimizing greenhouse gas emissions remarkably. On the other hand, Refined Sugar production of the Company applies carbonation technology, in which CO_2 and lime are used to eliminate impurities. Therefore, most of the generated CO_2 is extracted from the boiler emission treatment system to reuse. It is estimated that the extraction rate is about 25% of the total amount of Emissions disposed to the Environment.

In FY 18-19, TTCS Factory implemented Bagasse Drying system in order to reduce the water in the Bagasse to 42% from 52% , increasing the calorific value of the Bagasse, which led to the rise in boiler capacity to 10%, equivalent to the decrease in Bagasse consumption to produce 1 ton of steam, thereby saving Bagasse. The redundant Bagasse is stored as Raw Material for after crop production. Thanks to the higher temperature of the boiler, dry Bagasse is burnt completely, making the Bagasse Drying system both economical and eco-friendly because the dust content in the flue gas after passing the Bagasse Drying system reduces considerately.

Environmental
GRI 306

EFFLUENTS AND WASTES

KEY TOPIC AND SCOPE OF REPORT

"Industrial Waste will pose a great problem to Sugar Industry if it is not well managed since Waste from the production process accounts for 35% of total Sugarcane. However, if Waste is put into good use, Industrial Waste from Sugarcane production technology could be used for production, creating added value and reducing selling price."

In order to optimize the Sugarcane Value Chain as well as contribute to protecting the natural Environment, TTC Bien Hoa put forward a "Zero Waste" policy towards the goals of maximizing the reuse of Waste from the production process, particularly Waste sludge which is composted to make soil and water conditioner. This proves the Company's absolute commitment to the Environment and its adherence to Global Environmental principles as well, contributing to prevent Environmental degradation for future generations.

MANAGEMENT APPROACH

For Effluents

Wastewater Treatment system complies with the current legal requirements according to National Technical Regulations QCVN 40:2011/BTNMT.

For Waste

The Company handles the Waste issues through Environmental management system ISO 14001: 2015, ensuring the Waste discharged to the Environment be satisfied the committed Environmental standards.

The Company sets Key Performance Indicators - KPIs on Waste management and conducts Internal Audit once a year. In the last Fiscal year, no violations of Effluents and Waste management were detected.

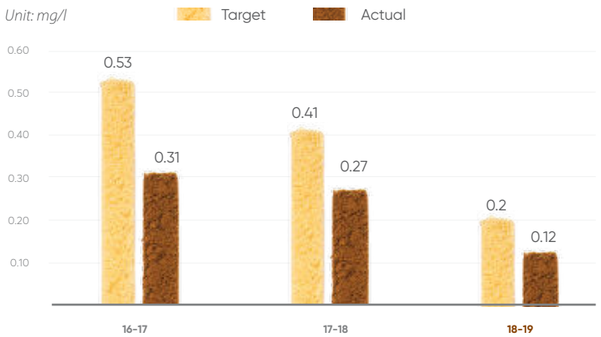
REPORT CONTENTS

GRI 306 -1 WASTE DISCHARGE BY QUALITY AND DESTINATION

The Wastewater Treatment system complies with the current legal requirements according to National Technical Regulations QCVN 40:2011/BTNMT. Wastewater after going through the treatment system is reused, saving costs for the Company. The Company establishes a goal to control COD (Chemical Oxygen Demand) anually.

A low amount of COD emissions will make the Wastewater treatment system operating more easily and using fewer chemicals. In recent years, thanks to the regular implementation of the inspection and overhaul of the Wastewater system, the replacement and repair of Water pipes, COD index decreased compared to the previous FY and was lower than the set target significantly.

Chemical Oxygen Demand - COD Emissions



Source: TTC Bien Hoa

The Company issued a number of regulatory documents, for example, Guideline for Waste management, Procedures for wastewater treatment, Procedures for Wastewater management and treatment in emergency situations, especially those involve incidents to lessen the negative impact on the Ecosystem and living Environment of the Community around the Factories. If the local Community files a complaint, QHSE Department and HR Department will bear the main responsibility for receiving and resolving issues in accordance with the Community complaint process.

Total volume of Effluents by quality and destination in Fiscal year 18-19

Place of discharge	Wastewater volume (m³)			Treatment method	Water discharge quality	Wastewater reused by other organizations
	Fiscal year 17-18	Fiscal year 18-19	%			
TTCS: Tay Ninh	443,060	434,235	-2	Biology method incorporating physical and chemical method	Column A, QCVN 40:2011/BTNMT	» Treated Wastewater is reused for creating pressure vacuum in the Factories » Being reused by the Factories
Phan Rang: Ninh Thuan	363,350	214,080	-41		Column A, QCVN 40:2011/BTNMT	
Ninh Hoa: Khanh Hoa	256,290	191,718	-25		Column B, QCVN 40:2011/BTNMT	
Attapeu: Watering Sugarcane and Farm Areas around the Factory	No Statistics recorded	178,848	-		Column B, QCVN 40:2011/BTNMT	
Bien Hoa Dong Nai: Dong Nai	106,480	78,511	-26		Column A, QCVN 40:2011/BTNMT	
Bien Hoa Tri An: Dong Nai	135,784	34,312	-75		Column A, QCVN 40:2011/BTNMT	Treated Wastewater is discharged to the Environment
Gia Lai: Gia Lai	48,957	28,272	-42		Column B, QCVN 40:2011/BTNMT	» Treated Wastewater is reused for creating pressure vacuum in the Factories » Being reused by the Factories
Bien Hoa Tay Ninh: Tay Ninh	25,200	17,400	-31		Column A, QCVN 40:2011/BTNMT	Treated Wastewater is discharged to the Environment
Nuoc Trong: Treated Wastewater is not discharged to the Environment, instead being reused in the Factory at Tay Ninh	16,358	9,111	-44		Column A, QCVN 40:2011/BTNMT	Being reused

Note: Wastewater volume data was collected from the volumetric flow meter which measures the input and output Wastewater volume of the Wastewater Treatment system

Source: TTC Bien Hoa

GRI 306 -2 WASTE BY TYPE AND DISPOSAL METHOD

All Waste treatment activities of the Company are subject to the Waste Management process committed to 100% compliance with the provisions of the Law. The Company collects and classifies Waste at source as well as periodically hires functional units to handle Hazardous Waste and Living Waste. Other Wastes such as Bagasse, Sludge, Ash will be reused as Raw Materials for other production processes strictly according to the "Zero Waste" Policy.

Bagasse will be utilized to the full as fuel for boilers and as Raw Materials for production of steam and electricity. The Biomass will be used for Factories' activities and sold to the National grid, generating Profit to the Company. Boilers using Biomass from Bagasse contribute to reducing the emission of CO_2 and other gases detrimental to the Environment. Besides, CO_2 collected from boilers, after passing the exhaust gas treatment system, is used to remove the impurities of Sugar, both saving costs and protect the Environment. Ash, Sludge is used as the supply of probiotics and increase Sugarcane productivity.

Waste classification by treatment method

Indicators	2017		2018		Difference	
	Hazardous Waste (ton)	Non-hazardous Waste (ton)	Hazardous Waste (ton)	Non-hazardous Waste (ton)	Hazardous Waste	Non-hazardous Waste
Composting *(tons)*	-	12,251,142	**-**	**6,768,077**	-	*-45%*
Burning (burning in large volumes) *(tons)*	-	937,145	**-**	**837,525**	-	*-11%*
Hiring functional units to handle	23	516	**12**	**437**	*-48%*	*-15%*

Note: The above data is prepared for the Authorities according to 2017 and 2018 reporting year

Source: TTC Bien Hoa

Environmental
GRI 307
GRI 419

ENVIRONMENTAL COMPLIANCE, SOCIOECONOMIC COMPLIANCE

KEY TOPIC AND THE SCOPE OF TOPIC

"Compliance with Environment and Socioeconomics is a great concern to TTC Bien Hoa. This is not only the basic responsibility of a Company but also a commitment of the Board of Directors and Employees to comply with the highest level, thereby, proving its role as a typical Sugar Company. It takes the Company to Global step by step, bridging the gap between Vietnam Sugar Industry and the Region, thereby continuing to attract the investment of International Strategic Stakeholders."

MANAGEMENT APPROACH

The Company has always taken seriously the question of reducing impact on Environment, developing Economics and positively benefiting the Community since the very first days of establishment. After a number of times trying to finalize the Organizational Structure, starting from the Quality Assurance Department, to System Management Department, in 2017, QHSE Department whose function is managing all the issues related to Environment - Economics - Society, ensuring all the Company's activities be complied with the provisions of the Law on Environment Protection in the locality and Vietnam legal system was offically set up. Periodically, the Company will submit the supervision report to the Regulators in accordance with the Law:

- **1-time assessment while implementing projects or raising capacity or changing types of activities:** Report on Environmental impact assessment;
- **Report twice a year:** Report on Environmental quality monitoring;
- **Report once a year:** Report on Occupational Safety and Health, Report on Work-related Accidents, Report on Groundwater exploitation, Report on Surface Water exploitation, Report on Hazardous Waste management, Report on Waste disposal, Report on Management of Device subject to the strict requirement of occupational safety and etc.

QHSE Department and HR Department will update information, continuously evaluate changes related to Environment, Human Resources and Social Affairs through internal assessment, verification and compliance assessment. In FY 18-19, the Company did not detect any violations of the laws on Economy Environment and Socioeconomics. At present and in the future, the Company will also try our hardest to control our compliance, building an image of a Reputable and Responsible Company.

REPORT CONTENTS

"Responsibility and compliance efforts on Environment - Economy - Society of TTC Bien Hoa are proved by a number of Awards in many categories related to Sustainable Development and Community Activities that the Company achieved in Fiscal year 18-19."

ASIA BEST CSR Practices Awards

TOP 100 SUSTAINABLE ENTERPRISE

TOP 20 LISTED COMPANIES OF THE VIETNAM SUSTAINABILITY INDEX - VNSI

CMO Asia

August 2018

This was an International Award to honor Companies having applications of science, techniques, advanced technology, creating Green - Clean - Environmentally friendly products

The Company actively participated in charity activities, fulfilling the responsibility to the Community - Society

Vietnam Chamber of Commerce and Industry - VCCI

November 2018

Being on the list for the second time in a row, the Award was from its efforts in creating Sustainable Economic, Social and Environmental values.

The assessment was based on the Corporate Sustainable Index, with criteria similar to the GRI. This was in accordance with Vietnamese Law and International Practices

This was seen as a measure to assess the Sustainable Development of participating businesses

HOSE

Periodic assessment in January and July each year

The Company has maintained a presence in the Top 20 listed companies of the VNSI Basket - HOSE since the first assessment period in July 2017

In order to be selected for the VNSI Basket, Enterprises must achieve good Environmental, Social and Governance assessments, the criteria for which were based on GRI Standard, OECD Code of CG and current provisions of Law on Securities

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