



Sustainable development WITH VIETNAMESE SUGARCANE



ANNUAL REPORT 2017-2018

www.ttcsugar.com.vn



To become the leading Agricultural Corporation in Vietnam and the Region

VISION



To provide fresh agricultural products and to build a sustainable production and consumption

MISSION



Sugarcane harvester



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 and bringing VALUES to clients, risk MANAGMENT, HIGHER growth than the benchmark, and being the RENEWABLE energy supplier to the Country

CORE VALUES

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ABBREVIATIONS

B2B	Business to Business	HOSE	Ho Chi Minh Stock Exchange
B2C	Business to Customer	HR	Human resources
BHS	Bien Hoa Sugar Joint Stock Company	IFC	International Finance Corporation
BOD	Board of Directors	IFRS	International Financial Reporting Standards
BOM	Board of Management	IIRC	International Integrated Reporting Council
BOS	Board of Supervisors	IR	Investor relations
BRC	Business Registration Certificate	ISO	International Sugar Organization
CAGR	Compounded Annual Growth Rate	MNC	Multinational corporation
CCS	Commercial Cane Sugar	MOIT	Ministry of Industry and Trade
CG	Corporate governance	MPI	Ministry of Planning and Investment
CIT	Corporate income tax	MT	Modern trade
COD	Chemical Oxygen Demand	OECD	Organization for Economic Co-operation and Development
CPI	Consumer Price Index	PAT	Profit after tax
DPI	Department of Planning and Investment	PBT	Profit before tax
EBIT	Earnings before interest, taxes	R&D	Research & Development
EBITDA	Earnings before interest, taxes, depreciation and amortization	RE	Refined extra
ERP	Enterprise Resource Planning	ROAA	Return on average assets
ESG	Environmental, Social and Governance	ROAE	Return on average equity
FDA	Food and Drug Administration	RPT	Related party transaction
FDI	Foreign Direct Investment	RS	Refined standard
FOL	Foreign ownership limit	SME	Small and medium-sized enterprises
FY	Financial year/Fiscal year	SSC	State Securities Commission of Vietnam
GDP	Gross Domestic Product	TCD	Tons of cane per day
GHG	Greenhouse gas	TTC Bien Hoa/the Company	Thanh Thanh Cong - Bien Hoa Joint Stock Company
GMS	General Meeting of Shareholders	UN	United Nations
GRI	Global Reporting Initiative	USDA	United States Department of Agriculture
GSO	General Statistics Office of Vietnam	VAS	Vietnam Accounting Standards
GT	General trade	VSSA	Vietnam Sugarcane and Sugar Association
HAGL	Hoang Anh Gia Lai Joint Stock Company	YoY	Year over year
HNX	Hanoi Stock Exchange		

COMMITMENTS TO THE TRUTH AND FAIRNESS OF FY 2017-2018 ANNUAL REPORT

TTC Bien Hoa's Internal Audit Department was established on December 4th 2017 with the objectives to manage and control significant risks, to minimize risks in production activities, to improve the risk management, and to enhance the internal control system as well as CG processes; and accordingly helps improve the Company's productivity and efficiency.

IN THE RESPONSIBILITY OF INTERNAL AUDIT DEPARTMENT, WE GUARANTEE THAT:

The contents presented in FY 2017-2018 Annual Report fully satisfy the information disclosure regulations as required in Circular No. 155/2015/TT-BTC providing guidelines for information disclosure on the stock market. We reckon that TTC Bien Hoa is striving toward best practices on the market and higher international standards, such as:



IIRC's Integrated reporting framework



ASEAN Corporate Governance Scorecard



OECD Principles of Corporate Governance



GRI Standards for Sustainable Development Report



All information and data presented in FY 2017-2018 Annual Report are consistent with FY 2017-2018 FS audited by Ernst & Young Vietnam Co., Ltd.



TTC Bien Hoa's Leaders set up the processes and Internal Audit Department performs the control to ensure the accuracy and reasonableness of indicators selected and presented in the Sustainable Development chapter in FY 2017-2018 Annual Report.

In the Internal Audit Department opinions, TTC Bien Hoa's FY 2017-2018 Annual Report is presented in a true and fair way to best reflect all information about production and business activities in the financial year, to protect the interest of Shareholders, Investors and other Related parties.

HEAD OF INTERNAL AUDIT DEPARTMENT

HUYNH THANH NHAN

Synergistic Effects

READY FOR INTEGRATION

With the outstanding internal competency in combination with the synergy from M&A, TTC Bien Hoa is taking steady steps to enhance the competitiveness and in-depth integration while ATIGA is approaching.





01

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Mr. PHAM HONG DUONG - Chairman of the Board



VND **10,285** BILLION
NET REVENUE
IN FY 2017-2018



THE COMPANY HAS BEEN MAKING ENDLESS EFFORTS ON THE WAY TOWARDS THE GOAL OF “SUSTAINABLE DEVELOPMENT WITH VIETNAMESE SUGARCANE”.

**Dear Esteemed Shareholders,
Investors, Customers and Partners**

FY 2017-2018 ended with a lot of achievements in TTC Bien Hoa’s activities. Over the past 23 years of development, the Company has been making endless efforts on the way towards the goal of **“Sustainable development with Vietnamese sugarcane”**. In the past year, although Sugar industry underwent major cyclical upheaval, TTC Bien Hoa still fulfilled the mission of an Industry’s leader, gradually transformed to conquer the regional market.

In September 2017, the Company officially completed the largest M&A transaction in Vietnam Sugar Industry’s history between Thanh Thanh Cong Tay Ninh JSC and Bien Hoa Sugar JSC, becoming the Industry’s leader in all aspects. It can be said that TTC Bien Hoa’s advantages in technology, production capacity and high-quality human resources; resonating with BHS’s well-established brand name, distribution

system, customer portfolio as well as its value chain of the Sugar Industry, have made up a perfect combination. Making good utilization of synergy and economies of scale from the merger helped TTC Bien Hoa to increase production output volume, enhance operational efficiency; and thereby optimize production costs, boost consumption and expand market share, promote presence in SME segments in potential and target markets such as the Southwest, the North... and especially promote export.

The Company currently has six significant export markets, and TTC Bien Hoa is the only Sugarcane Company in Vietnam so far to export Sugar products to the US, after meeting all the requirements such as Certificate from the US FDA and proving that the products are manufactured using European technology with strict standards. This is something to be proud of and motivate the Management as well as all employees to continuously improve the capability, perfect the system to bring the Company to new heights.

In FY 2017-2018, lifting limit on foreign ownership up to 100% is also considered as a new motive for the Management to improve CG system, create solid foundation for the Company’s sustainable development. TTC Bien Hoa is so far among a few listed companies in the consumer goods sector and listed companies in general approved to lift the foreign ownership cap up to maximum ratio of 100%. This is expected to bring an easier access to SBT shares for international Investors, to ensure the benefits for Investors and existing Shareholders. Also, in the year, the Company continued to improve, rearrange financial structure, optimize capital structure, actively seek strategic

Investors to pursue new targets, which must be higher and further. Not growing at all costs, the BOD specially focused on the risk management to ensure stable and sustainable development.

In such a competitive, dynamic and constantly changing business environment, advanced CG model based on international best practices was applied by the Company, in which Audit Committee under the BOD was the first function deployed, to enable the governance to work more effectively, independently and protect Shareholder’s benefits. We are proud of being one of the pioneering Vietnamese companies applying such a governance model, specifying international standard CG with the consultation from IFC of the World Bank. In the past year, we also co-operated with Deloitte to review the business strategy, aiming to restructure the Company’s operations to improve competitiveness and future growth. Particularly, the Company is gradually standardizing IR activities, implementing information disclosure beyond the compliance requirements according to ASEAN Scorecard and OECD principles, in order to protect the benefits of Shareholders and Investors.

Operating in the field of agriculture, closely collaborating with farmers, TTC Bien Hoa in general and each employee, farming staff in particular, always accompany the farmers on each sugarcane field, fulfill off-take commitments, share difficulties as well as provide timely financial and technical support to achieve bumper sugarcane harvests, prosperous life and contribute to maintain stable raw material supply for the Company. With firm belief in a sustainable Sugarcane Industry, the Company always focuses on the Community and Social activities, not only relief and volunteer programs, but also promotion for education,



public health, employment... to improve living quality for all people.

In addition to business results as represented in Total assets of more than VND 17,694 billion, Net revenue exceeded the annual plan to VND 10,285 billion, and PAT of VND 545 billion, TTC Bien Hoa also constantly reaffirmed the position of a leading Sugarcane Company listed on Vietnam stock market. Especially, in July 2018 review, SBT was the only Sugarcane share in Vietnam included in HOSE's VN30 Index, and up to now is still an index constituent. In addition, SBT share is a portfolio constituent of many prestige and famous investment funds such as V.N.M ETF, DB XTRACKER FTSE VIETNAM SWAP UCITS ETF, iShares MSCI Frontier 100 ETF, VFMVN30 ETF Fund... with a total ownership of over 20 million shares.

With approaching ATIGA integration and international market participation, Vietnam Sugar Companies have to compete directly with many major manufacturers in the world. However, it is a good opportunity for Vietnamese Sugar to be consumed on the international market as long as product quality and reputation are convinced. ATIGA is a great opportunity for Vietnamese companies to access the regional market with a population of over 650 million people, consumption of nearly 17 million tons of Sugar. ATIGA enforcement and accordingly tariff and quota barrier removal are now extended up to two years and result in favorable conditions for Vietnam Sugar industry in general, TTC Bien Hoa in particular and sugarcane farmers to have more time to better prepare, be ready to face challenges as well as to grab a lot of opportunities ahead.

With the principle ***"Profit is transient, market is eternal"***, TTC Bien Hoa is making efforts to realize the goals, i.e. maintain the No. 1 position in Vietnam Sugar Industry and occupy more than 50% of market share with the motto ***"Clean"*** and ***"For customer health"***; constantly contribute to society by strategic products that are good for health such as Organic sugar, Rock sugar...

On behalf of the BOD, I would like to convey the sincere thanks to Esteemed Shareholders, Investors, Customers and Partners for your ongoing trust and support to the Company during the past years. With clearly-defined strategic orientations, Community-Society engagement and endless efforts from a hardworking and responsible team, I strongly believe in the Company's breakthrough development to reach new heights in FY 2018-2019 and following years.

I would like to wish you happiness and success.

Best regards,



PHAM HONG DUONG

Chairman of the Board



WITH THE PRINCIPLE “PROFIT IS TRANSIENT, MARKET IS ETERNAL”, TTC BIEN HOA IS MAKING EFFORTS TO REALIZE THE GOALS, I.E. MAINTAIN THE NO. 1 POSITION IN VIETNAM SUGAR INDUSTRY AND OCCUPY MORE THAN 50% OF MARKET SHARE WITH THE MOTTO “CLEAN” AND “FOR CUSTOMER HEALTH”.

MR. PHAM HONG DUONG - Chairman of the Board



TTCS Factory, the Company's largest factory, with the capacity of 9,800 TCD



Mr. NGUYEN THANH NGU - CEO



WITH SUGARCANE VOLUME OF 3.7 MILLION TONS AND SUGAR CONSUMPTION VOLUME OF 572,300 TONS, ROSE BY 142% AND 132% RESPECTIVELY AS COMPARED TO THE PREVIOUS YEAR, THE COMPANY'S NET REVENUE REACHED VND 10,285 BILLION, SURGED BY 129% AND EXCEEDED 4% OF THE PLAN. PBT WAS RECORDED AT VND 682 BILLION, SOARED BY 120% AND FULFILLED THE ANNUAL PROFIT TARGET, AND PAT GREW BY 90% YOY TO REACH VND 545 BILLION.

3.7 MILLION TONS

SUGARCANE VOLUME

↗ 142% YOY

572,300 TONS

SUGAR CONSUMPTION VOLUME

↗ 132% YOY

VND **682** BILLION

PROFIT BEFORE TAX

↗ 120% YOY

It was known that in FY 2017-2018, there were not many supporting factors for both domestic and international Sugar Industries. What do you think about TTC Bien Hoa's operations in this context?

The world and domestic Sugar prices continued cyclical downtrend, causing a lot of difficulties for Sugar producers, many factories had to suspend the operation because of high costs and low competitiveness. Given the current Sugar price development and approaching integration, the BOD and the BOM have carefully prepared with strong internal competency, readiness to integrate with enhanced competitiveness, and it is expected that total consumption volume will reach 1.23 million tons of Sugar in FY 2020-2021.

Taking the initiative as always, immediately after the M&A completion to form the Group's Sugar Business Line, TTC Bien Hoa quickly set up and completed personnel structure, operation management and application of IT solutions in governance, management, monitoring, supervision... Therefore, TTC Bien Hoa still fulfilled the planned targets assigned by the AGM despite common challenges in the Industry cyclical contraction. With sugarcane volume of 3.7 million tons and Sugar consumption volume of 572,300 tons, rose by 142% and 132% respectively as compared to the previous year, the Company's Net revenue reached VND 10,285 billion, surged by 129% and exceeded 4% of the plan. PBT was recorded at VND 682 billion, soared by 120% and fulfilled the annual profit target, and PAT grew by 90% yoy to reach VND 545 billion.

As you shared, FY 2017-2018 was a successful year for TTC Bien Hoa with many breakthroughs in production and business activities, what was the main contributor, sir?

Thanks to 23 years of experience in sugarcane production, the Company created its own advantages with 40% domestic market share; Industry leading capability in all aspects. The Company had a widespread raw material area of approximately 58,600 ha, including 10,200 ha with 100% mechanization and advanced production technology, making up a quarter of the whole country's raw material area, cane crushing capacity of 37,500 TCD and cane yield improved to 70 tons of cane/ha. The Company owns 9 factories refining Sugar from raw Sugar and sugarcane, of which the 4 largest raw Sugar refinery centers are TTCS, Bien Hoa-Ninh Hoa, Bien Hoa-Tri An and Bien Hoa-Dong Nai with a total capacity of 300,000 tons of Sugar/year; especially Bien Hoa-Dong Nai is the only factory with all year round refinery of 400 tons of Sugar/day.

Regarding product structure, the Company currently has a diversified product portfolio of 13 Sugar products with 47 brand name from high quality products such as Organic Sugar, premium RE Sugar, premium RS Sugar to special products serving each specific customer segments and different consumption channels as function-diet Sugar, cube Sugar...; contributing 88% of FY 2017-2018 total Revenue. Extra premium RE Sugar, special RE Sugar and premium RE Sugar all meet the strictest requirements from MNC, SME customers that are famous pharmaceutical and beverage manufactures such as Coca-Cola, Suntory Pepsi, Hau Giang Pharmaceutical, Cuu Long Pharmaceutical..., in addition to the strictest requirements for technical specifications as well as international standards in production. With the aim to create convenience and peace of mind for customers using TTC Bien Hoa's Sugar products, the Company researched

and developed new product solutions such as industrial liquid Sugar, “big bag” Sugar, delivery with automated pallet packing to ensure efficiency, quality, best customer service.

To enable the Sugar value chain to bring in true values, not only help improve the revenue structure but also strengthen market competitiveness, the Company placed a great deal of importance on By-product development such as Molasses, Microbial-fertilizers, Commercial electricity, Miaqua bottled water and other products, which contributed about 12% of FY 2017-2018 total Revenue.

Molasses annual output is about 185 thousand tons and mainly serves export demands as well as Industrial customers in the Country. Regarding Microbial-fertilizers produced from mud and boiler’s ash generated during the Sugar refinery process, the Company is building Microbial-fertilizer Factory – Phase 1 with a capacity of 34,000 tons per year, used to improve soil for sugarcane growing areas and sugarcane yield.

Commercial electricity is considered to be an important product when the Company currently owns 4 factories with thermal power centers capable of selling electricity generated from bagasse to the national power grid with a total capacity of 132 MW and the annual electricity volume sold to the grid can reach 170 million KWh. And the final product I want to mention is Miaqua bottled water. It is encouraging that the product is creative result of the Company’s technical staffs in order to diversify products provided to customers. In FY 2017-2018, we produced 400,000 packs and gradually penetrated into the domestic market.



It is recognized that TTC Bien Hoa is really strong after the merger. What did BHS contribute in the overall picture of the Company?

The merger of BHS into TTC Bien Hoa promoted the synergy between a company holding a large market share, strong brand name and the other with modern production technology, high quality products, to form the largest company in Vietnam in terms of cane crushing capacity, raw material area and market share. We keep on expanding our wholesale and retail distribution network across the country with 49,000 grocery stores, 88 distributors, 2,035 supermarkets and convenient stores.

Among current 13 Sugar products, we exported 10 Sugar products including Organic Sugar, Extra Premium RE Sugar, Special RE Sugar, Premium RE Sugar, Standard RE Sugar, Caster RE Sugar, Premium RS Sugar, RS Sugar, Cube Sugar,

Brown Sugar to 6 international markets including US, China, Singapore, Sri Lanka, Myanmar and Kenya; continuing to affirm our widespread business presence. Specially, in FY 2017-2018, TTC Bien Hoa was the first Sugarcane Company in Vietnam whose Sugar products were exported to the US, the market with a total Sugar consumption of up to 12 million tons/year, one of the largest Sugar importing countries in the world. The US is a market for the world leading Sugar exporters where Mexico accounts for one third of total volume. To be able to export to the US market, the Company must meet the strictest requirements such as FDA Certificate, products are proved to be produced using European technology with strict standards. This is an encouraging point for all employees in bringing TTC Bien Hoa’s brand name to reach out to the global market.

In FY 2017-2018, export Revenue contribution was recognized at 11%,

other major consumption channels including B2B, Trading and B2C accounted for 56%, 20% and 13% of the total Revenue, respectively. TTC Bien Hoa focused on serving customers in the South, with 80% of total Sugar consumption by geographical location.

For many consecutive years, TTC Bien Hoa has the honor to be voted as Vietnamese High Quality Goods. Most recently, TTC Bien Hoa has been honored to be awarded "Best Spices Brand of The Year" granted by CMO Asia at the ceremony held in Singapore with the aim to dignify prestigious Asia brands in the spices industry.

What strategies does the Company follow to maintain No. 1 position in Vietnam Sugar Industry?

The first point I just want to mention here is that, TTC Bien Hoa's available internal resources will continue to be promoted. The formal operation under Corporations model with the principles of "Centralized management - Decentralized operation-Independent supervision" has helped the Company to best leverage internal strengths as well as resonate with Member Companies' advantages. A centralized management of raw material areas helps coordinate raw material supply among the factories, reduce transportation time and costs, retain high CCS, and hence improve sugarcane grower's profit while still reducing raw material costs. In FY 2017-2018, cane raw material costs reduced by 2% compared to the plan and 12% over the same period, and contracted cane yield improved approximately by 4 tons of cane/ha as compared to the previous crop year. For production, Member Companies regularly share experience, support each other with orientations from the Company to ensure stable and safe operation of equipment, improve extraction efficiency, production efficiency, reduce production costs.



THE FORMAL OPERATION UNDER CORPORATIONS MODEL WITH THE PRINCIPLES OF "CENTRALIZED MANAGEMENT - DECENTRALIZED OPERATION - INDEPENDENT SUPERVISION" HELPED THE COMPANY TO BEST LEVERAGE INTERNAL STRENGTHS AS WELL AS RESONATE WITH MEMBER COMPANIES' ADVANTAGES.

The second point is continuous innovation and renovation. Although TTC Bien Hoa's product portfolio is more diversified than its peers in Vietnam, the Company does not only want to maintain the current leading position but also to reach out to the regional markets. Therefore, the Company continuously invests in R and D of new products, new solutions to best serve customers at the most reasonable and competitive prices. Renovation in agricultural production with comprehensive mechanization, science and technology application in pest and disease prevention and control to increase productivity and cane raw material production efficiency while avoiding impacts on the environment. The Company invested in Sugarcane R and D Center, upgraded valuable gene sources, developed sugarcane varieties with high productivity, high CCS, good ability to withstand drought, flood, resistance to pests and diseases.

In order to enhance efficiency of Molasses utilization, the Company is implementing a feasibility study on building an Ethanol Factory with a capacity of 100,000 liters/day. In addition, Microbial-fertilizer Plant – Phase 2 is now on rush for completion and expected to put into operation in Q4/2018 with a double capacity of about 70,000 tons/year to optimize the values from boiler's ash, mud, side-products generated during the Sugar refinery process. In addition to internal use for TTCS farms and collaborated large-scale farms, the Company is expected to supply to external farms. Microbial-fertilizer is friendly to the environment, and also contributes

to land improvement, helps reduce cultivation costs and develop the raw material areas sustainably.

The Company has also been investing in several projects to reduce steam consumption, increase heat generation capacity from sugarcane bagasse and, after final inspection, will put into operation at TTCS factory from 2018-2019 production season starting from November 2018, and then replicate to the other plants. The Projects will help improve refinery capacity, optimize equipment performance. The Company also promotes mechanization in owned farms and contracted raw material areas through incentive policies for mechanical services in cooperation with John Deere, a leading mechanical equipment manufacturer in the world, and as a result, state-of-art mechanical technologies such as precision engineering, automatic navigation will be rapidly applied in the Company's agricultural production, helping improve labor productivity.

With the post-merger synergy, in the coming year, we are also ready to approach the Northern markets and the Central region to diversify TTC Bien Hoa's geographical locations. In order to express our gratitude to Customers, the Company held the first promotion program in Vietnam Sugar Industry with the total prizes of nearly VND 3 billion. The program received positive responses from distributors and consumers, contributing to bring clean, safe and healthy Sugar to every home.

Thank you very much!

BUSINESS OPERATIONS

40%

MARKET SHARE

LEADING POSITION IN THE VIETNAM SUGAR INDUSTRY



572,300

TONS OF SUGAR

TOTAL SUGAR CONSUMPTION VOLUME

↗ 132% GROWTH YEAR ON YEAR



13

SUGAR PRODUCTS

47

TRADEMARKS



4

BY-PRODUCTS

MOLASSES, MICROBIAL-FERTILIZERS,
COMMERCIAL ELECTRICITY, MIAQUA
BOTTLED WATER

VND **10,285**
BILLION

NET REVENUE

↗ 129% GROWTH YEAR ON YEAR



VND **545**
BILLION

PROFIT AFTER TAX

EXCEEDED THE ANNUAL PLAN



88%

**REVENUE CONTRIBUTION FROM
SUGAR PRODUCTS**



56%

**SUGAR REVENUE CONTRIBUTION
FROM B2B CHANNEL**

DISTRIBUTION SYSTEM

63

PROVINCES/CITIES

DISTRIBUTION NETWORK ACROSS THE COUNTRY

6

EXPORT MARKETS

(US, CHINA, SINGAPORE, SRI LANKA,
MYANMAR, KENYA)



4

MAJOR DISTRIBUTION CHANNELS

(B2B, TRADING, B2C, EXPORT)

B2C DISTRIBUTION CHANNELS
STRONG AND WIDESPREAD

88

DISTRIBUTORS

49,000

GROCERY STORES

2,035

SUPERMARKETS & CONVENIENT STORES



WIDE RAW MATERIAL AREAS, MODERN FACTORIES



58,600 HA

RAW MATERIAL AREA
IN VIETNAM, LAOS AND CAMBODIA



70 TONS OF CANE/HA

CANE YIELD



~25%

RAW MATERIAL AREA
OF THE WHOLE COUNTRY



9 FACTORIES
SUGAR REFINERY FROM
RAW SUGAR AND SUGARCANE



10,200 HA

100% MECHANIZED



37,500

TCD
CRUSHING CAPACITY



4

LARGE RAW SUGAR REFINERY CENTERS

TTCS, BIEN HOA-NINH HOA, BIEN HOA-TRI AN, BIEN HOA-DONG NAI
BIEN HOA-DONG NAI:
THE ONLY FACTORY CAN OPERATE ALL YEAR ROUND



35

FINISHED PRODUCT WAREHOUSES

114,000 sqm

TOTAL AREA



4

MATERIAL WAREHOUSES

70,000 TONS

RAW MATERIAL STORAGE CAPACITY

STOCK'S BRAND

TOP 50

THE BEST LISTED COMPANIES
IN VIETNAM 2017
FORBES VIETNAM

USD **111**
MILLION

EVALUATED BY
Brand Finance[®]

VN30

INDEX CONSTITUENT

1.79%

MVSI VIETNAM INDEX
(V.N.M ETF)

1.25%

DB XTRACKER FTSE VN
SWAP UCITS ETF

1.02%

VFMVN30 ETF FUND

0.12%

ISHARES MSCI
FRONTIER 100 ETF



CORPORATE GOVERNANCE
CONSULTANT

Deloitte.

STRATEGY CONSULTANT

**AUDIT
COMMITTEE**

ONE OF THE PIONEER
IN THE MARKET

**ASEAN
SCORECARD,
OECD**

INTERNATIONAL STANDARDS FOR
INFORMATION DISCLOSURE

KEY FINANCIAL HIGHLIGHTS

NET REVENUE (VND billion)



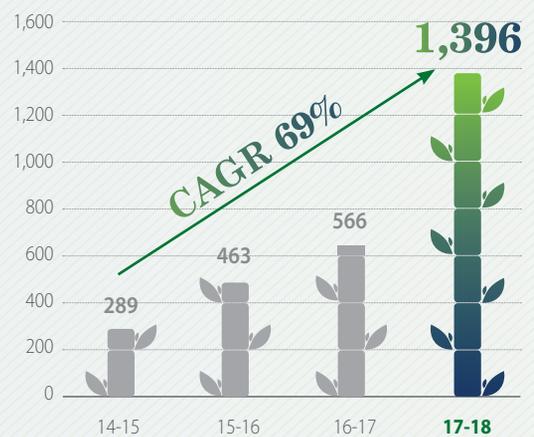
GROSS PROFIT (VND billion)



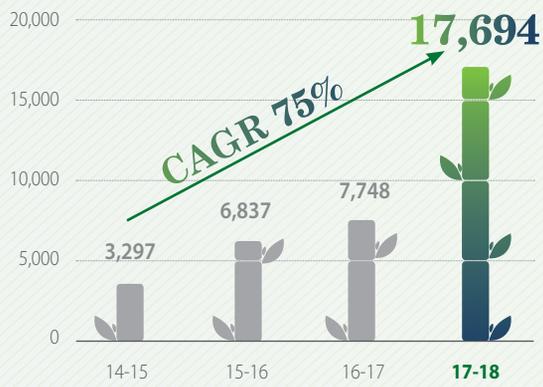
EBITDA (VND billion)



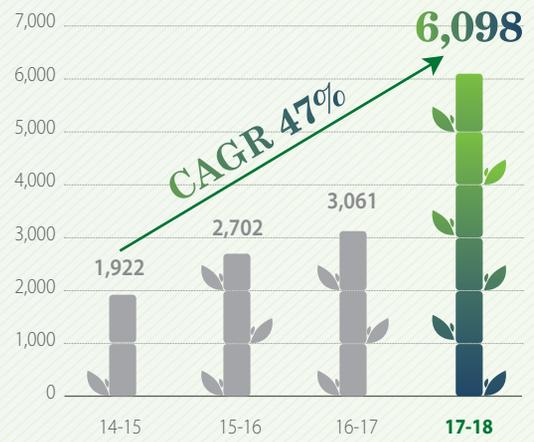
EBIT (VND billion)



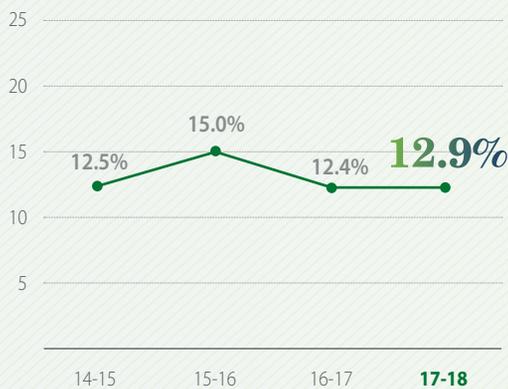
TOTAL ASSETS (VND billion)



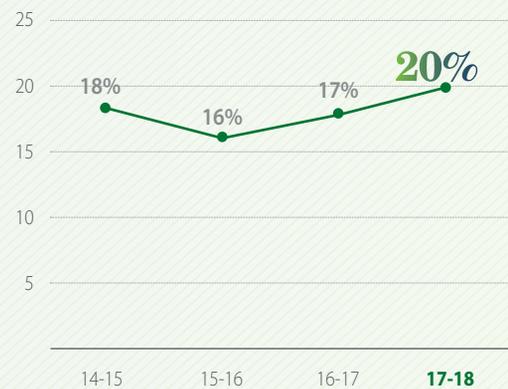
OWNER'S EQUITY (VND billion)



GROSS PROFIT MARGIN



EBITDA MARGIN



Source: Audited Consolidated FS from FY 2014-2015 to 2017-2018

Unit: VND Billion

ITEM	2014-2015	2015-2016	2016-2017	2017-2018	Increase/ Decrease yoy (%)	CAGR 2014-2018 (%)
BALANCE SHEET						
Current assets	1,891	4,216	4,415	9,813	122	73
Cash and cash equivalents	138	856	203	325	60	33
Short-term financial investments	7	46	112	614	448	344
Short-term receivables	961	1,931	2,068	4,715	128	70
Inventories	749	1,333	1,958	3,972	103	74
Other short-term assets	36	50	74	187	153	73
Long-term assets	1,405	2,620	3,333	7,881	136	78
Long-term receivables	49	194	247	544	120	123
Fixed assets	533	1,555	1,442	4,698	226	107
Investment properties	-	-	131	181	38	0
Long-term assets in progress	171	125	79	134	70	-8
Long-term financial investments	612	686	1,373	637	-54	1
Other long-term assets	40	60	61	1,687	2,666	248
Total assets	3,296	6,836	7,748	17,694	128	75
Liabilities	1,374	4,134	4,687	11,596	147	104
Short-term liabilities	866	2,775	3,164	8,902	181	117
<i>Short-term borrowings</i>	668	2,520	2,850	7,703	170	126
Long-term liabilities	508	1,359	1,523	2,694	77	74
<i>Long-term borrowings</i>	508	1,359	1,501	2,582	72	72
Owner's equity	1,922	2,702	3,061	6,098	99	47
Total resources	3,296	6,836	7,748	17,694	128	75
INCOME STATEMENT						
Net revenue	2,067	4,027	4,498	10,285	129	71
Cost of goods sold	1,808	3,422	3,942	8,959	127	70
Gross profit	259	605	556	1,326	138	72
Share of profit in subsidiaries and associates	60	14	40	61	53	1
Net financial income	15	-75	-58	-94	62	-284
SG&A expenses	-134	-240	-237	-754	218	78
Net operating profit	200	304	301	539	79	39
Profit (loss) from other activities	8	6	9	143	1,489	161
PBT	208	310	310	682	120	49
PAT	189	294	287	545	90	42
EBIT	289	463	566	1,396	147	69
EBITDA	377	625	766	2,026	164	75

FINANCIAL RATIOS	Unit	2014-2015	2015-2016	2016-2017	2017-2018	Increase/ Decrease yoy (%)
Liquidity ratios						
Current ratio	Time	2.2	1.5	1.4	1.1	-21
Quick ratio	Time	1.3	1.0	0.8	0.7	13
Leverage ratios						
Total borrowings /Total assets	Time	0.36	0.57	0.56	0.58	4
Total borrowings/Owner's equity	Time	0.61	1.44	1.42	1.69	19
Efficiency ratios						
Receivables turnover	Time	7.5	7.4	6.5	9.6	48
<i>Receivables turnover period</i>	<i>Day</i>	49	49	56	38	-32
Payables turnover	Time	25.5	62.2	53.1	45.4	-15
<i>Payables turnover period</i>	<i>Day</i>	14	6	7	8	17
Inventories turnover	Time	2.7	3.3	2.4	3.0	25
<i>Inventories turnover period</i>	<i>Day</i>	135	111	152	122	-20
Profitability ratios						
EBITDA margin	%	18.2	15.5	17.0	19.7	16
EBIT margin	%	14.0	11.5	12.6	13.6	8
Gross profit margin	%	12.5	15.0	12.4	12.9	4
Return on average Owner's equity (ROAE)	%	10.3	12.7	10.0	11.9	19
Net profit margin	%	9.1	7.3	6.4	5.3	-17
Return on average Total assets (ROAA)	%	5.7	5.8	3.9	4.3	10

Source: Audited Consolidated FS from FY 2014-2015 to 2017-2018

**JULY
2017**

VND **1,100** BILLION
TOTAL BOND
SUCCESSFULLY ISSUED

The Company successfully issued a total bond of VND 1,100 billion consulted by BIDV, in order to meet the capital requirements for Sugarcane complex and raw material investment in Attapeu (Laos). Money was used to finance the purchase of TTC Attapeu Cane Sugar Co., Ltd's stake, marking the Company's expansion across the whole Indochina region, especially high-value Organic Sugar product line.

The Company held Annual Review Meeting of TTC's Sugar Business in order to evaluate FY 2016-2017 business objectives, agricultural production activities, financial performance... The meeting also helped strengthen the post-M&A organization model during the merger phase.



FY 2017-2018 Annual Review Meeting

**AUGUST
2017**

**THE 5TH TTC
ANNUAL INTERNATIONAL
SUGARCANE CONFERENCE**

The Company successfully organized the two-day "The 5th TTC Annual International Sugarcane Conference" with the theme "The Restructure of Vietnam Sugarcane Industry" in Phan Thiet City (Binh Thuan), with three sessions relating to Policy-Agriculture-Techniques in order to affirm the Company's pioneering role and influence in Vietnam Sugarcane and Sugar industry. The conference attracted over 40 speakers and 400 delegates from leading countries in the world's Sugarcane Industry such as Brazil, Australia, Thailand...



The 5th TTC Annual International Sugarcane Conference organized by TTC Bien Hoa

**SEPTEMBER
2017**

**COMPLETED
THE MERGER WITH
BIEN HOA SUGAR**

40%

DOMESTIC MARKET SHARE

It was a historic milestone when the Company completed the merger with BHS – one of the typical M&A deals in Vietnam in 2017.

After the M&A, TTC Sugar Corporation was established with a domestic market share of 40%, charter capital of VND 5,570 billion, hiked by 120% over the beginning of fiscal year.



TTC Bien Hoa - Dong Nai Sugar One Member Company Limited

**OCTOBER
2017**

**FOOD DEFENSE
SEMINAR**

The Company organized "Food Defense Seminar" in Long An, part of the seminar series "Raising Awareness of Food Defense" in major Provinces and Cities such as Ho Chi Minh City, Tay Ninh, Bien Hoa, Binh Duong, Long An.

This is the 4th consecutive year the seminars were organized, representing the Company's great care for all customers.



A Food Defense Seminar organized by TTC Bien Hoa



**NOVEMBER
2017**

**UPGRADED TTCS
AND BIEN HOA-NINH HOA
FACTORIES' CAPACITY
SIGNIFICANTLY
INCREASED
TTC ATTAPEU'S
CHARTER CAPITAL**

In order to realize the post M&A expansion strategy for TTC Bien Hoa, the BOD decided to upgrade the factories' capacity in FY 2018-2019. TTCS and Bien Hoa-Ninh Hoa Factories' capacity for raw sugar refinery is expected to reach 300,000 tons/year and 180,000 tons/year respectively.

TTC Attapeu's charter capital was increased from VND 815 billion to VND 1,715 billion, representing the Company's determination to reach out to the entire Indochina markets.

The Company successfully organized the AGM and approved important Reports of the Management, Proposals on business activities and development orientations for the FY 2017-2018. Especially, the Meeting approved the changes in CG model as best practices and international standards, in which the Board of Supervisors was replaced by Audit Committee under BOD.



FY 2016-2017 AGM

**DECEMBER
2017**

**ESTABLISHED
INTERNAL AUDIT
DEPARTMENT
IMPROVED RISK MANAGEMENT**

The Company declared the BOD's Resolution on establishing Internal Audit Department, with the objectives to manage significant risks, to minimize risks in production activities, to improve the risk management and to enhance the internal control system.



**JANUARY
2018**

**SEMI-ANNUAL
REVIEW MEETING
STRIVED TO ACHIEVE
THE TARGETS**

The Company organized Semi-Annual Review Meeting to review the 1st half performance, promptly took corrective measures, reviewed and implemented orientation plans for the 2nd half, ensured the targets assigned by the AGM be achieved.

FPTS recommended **Buy** on SBT stock with the target price of VND 30,000 (23% higher than the current market price), based on the Company's significant improvement in production capacity, efforts to lower production costs by improving sugarcane quality and efficiency by mechanization as well as constantly expanding domestic and foreign consumption markets.



FY 2017-2018 Semi-Annual Review Meeting

**FEBRUARY
2018**

**ESTABLISHED
TTC BIEN HOA BRANCH
- TTCS FACTORY**

Establishing TTC Bien Hoa Branch - TTCS Factory is to support the specialization of each Member units, apply the centralized management in operation and strategy formation, and improve competitiveness.



TTC Bien Hoa Branch - TTCS Factory

**MARCH
2018**

MAINTAINING

M&A STRATEGY

“CORPORATE GOVERNANCE” SEMINAR ASSOCIATED WITH IFC



Maintaining M&A strategy, operation, customer base and market share expansion, the BOD declared the Resolution on acquisition of TTC - Bien Hoa - Dong Nai and Loc Tho JSC’s entire capital contribution at Hai Vi Co., Ltd.

The Company associated with IFC under the World Bank – CG consultancy firm, organized the “Corporate Governance” seminar with the participation of Deputy Director of Central Institute for Economic Management (CIEM), IFC’s CG specialists, senior environmental and social specialists, Deputy CEO of PwC Vietnam. The seminar represented the Company’s determination to perfect the CG model for sustainable development.

The Company organized “Analyst Meeting” with participation of analysts from leading securities firms and investment funds in order to provide transparent and timely information to the market, improving the Company’s image on the financial market.

**APRIL
2018**

VND 450 BILLION

**BOND SUCCESSFULLY
ISSUED**

VND 8,200 BILLION

3Q NET REVENUE

**↗ 154% OVER
PREVIOUS PERIOD,
FULFILLED 83%
OF ANNUAL TARGET**

**PARTICIPATED IN
C-SUITE
VIETNAM
INVESTOR
FORUM 2018**

**JOINTLY ORGANIZED
BY SSI AND CITI GROUP**

The Company held seminar *"Realize your dream of becoming a business owner"* with the participation of agricultural officers, employees from member units' agriculture business with the goals to implement solutions to contract farming, growth acceleration. The plan is being implemented in Tay Ninh Area and assessed for replication in the Central Area.

The Company successfully issued a bond of VND 450 billion consulted by Maritime Bank in order to increase the capital scale and supplement the working capital for business expansion strategy. After the bond issue, capital structure ratios are maintained in safe range, in line with the financial risk management regulations and satisfy all commercial bank's requirements.

The Company disclosed the FS and corresponding FS explanations for 3Q FY 2017-2018. Accordingly, the 9-month consolidated Net revenue climbed by 154% over the previous period to reach nearly VND 8,200 billion, fulfilling 83% of the annual target, contributed by the year-to-date consumption output of approximately 438,000 tons. Accumulated Gross profit and PAT were recorded at VND 966 billion and VND 397 billion, respectively risen by 127% and 54% compared to the same period last year thanks to the synergy after the merger with BHS.

The Company participated in C-SUITE Vietnam Investor Forum 2018 jointly organized in HCMC by SSI and Citi Group. The forum was organized to connect Vietnam's industry leading companies to foreign investors in Asia and Citigroup's VIP investment funds.



The Company met Investors at C-SUITE Vietnam Investor Forum 2018 jointly organized by SSI and Citi Group

**MAY
2018**

VND 1,614 BILLION

**TOTAL BOND PROCEEDS
IN FY 2017-2018**

61.6 MILLION TREASURY SHARES

COMPLETED THE SHARE BUY-BACK

↗ 100%

RAISED FOL

The Company again successfully issued the last bond package in FY 2017-2018 totaling VND 100 billion with consultancy of Post and Telecommunication Joint Stock Insurance Corporation (PTI) in order to strengthen the working capital and ensure smooth production and business operation. The total bond proceeds in FY 2017-2018 reached VND 1,614 billion, equivalent to USD 72 million.

The Company announced BOD's Resolution on establishing the Audit Committee under BOD, becoming one of the pioneering listed companies in Vietnam to apply modern CG model for sustainable development orientations. The assisting body for Audit Committee was Internal Audit Department established in December 2017.

Deployed the project "Strategy Review" with Deloitte Southeast Asia's consultancy in order to restructure the operation model, improve competitiveness and accelerate growth in the future.



Microbial-fertilizers Factory under TTC Bien Hoa's R and D program

SSC approved for the Company to raise the FOL from 49% to 100%. This is a necessary step in the Company's development roadmap to access international capital markets. Increasing FOL is in line with Vietnam stock market's strategy, and together with other listed organizations may contribute to an upgrade to Emerging market from Frontier market in coming years.

The Company proactively conducted the training course on information disclosure in accordance with higher international standards – ASEAN Scorecard to ensure accurate, transparent and timely information to shareholders and investors, higher than the requirements of Circular 155 and other relevant Vietnam regulations.

SSI released an Update Report updating TTC Bien Hoa's 9-month business results with an evaluation on post M&A production and business activities. SSI expected that the Company would accomplish well all the targets, marking another leading securities firm in Vietnam conveyed the Company's information to domestic and foreign investment community.

Mirae Asset Securities recommended **Buy** on SBT stock with the target price of VND 24,000 (33% higher than the current market price), in which emphasized core business factors such as dominant market share, large raw material areas as well as synergy generated from BHS transaction including reduction in transportation costs, optimal utilization of the warehouse system.

The Company repurchased 61.6 million treasury shares in order to protect Investor and Shareholder's benefits, minimizing dilution risk for existing shareholders, improving shareholder's value in the future. The Company's share buy-back was one of the biggest campaigns on the stock market so far with a total buy-back value of over 11% charter capital.



**RELEASED BILINGUAL
INVESTOR BULLETIN
“VIP SHAREHOLDERS,
POTENTIAL INVESTORS
AND ANALYSTS MEETING”**

**MANY PRESTIGE
DOMESTIC AND FOREIGN
ORGANIZATIONS
RECOMMENDED
BUY ON SBT STOCK**

The Company continued to organize the 2nd “Corporate Governance” seminar with IFC’s consultancy and the speakers of international experts on CG, especially in which there was only representative from Vietnam in the ASEAN Scorecard project – an initiative of ASEAN Capital Market Forum.

HSC recommended **Hold** on SBT stock with a target price of nearly VND 17,500 (20% higher than the current market price), based on the Company’s positive outlook thanks to low-cost competitive advantages and ability to maintain the market share even when ATIGA would come into effect, while other Industry peers may face many difficulties due to the integration.

Morningstar Inc., a well-known investment research company specializing in providing market data and research, released SBT valuation report with share Fair value of VND 21,700 and long-term positive outlook. The report also stated that SBT was being undervalued compared to the Company’s intrinsic value.

The Company first released bilingual Investor Bulletin for Q4 FY 2017-2018 in Vietnamese and English in order to strengthen and improve the information exchange channels more frequently and continuously for Shareholders, domestic and foreign Investors; meeting higher standards for information transparency in Vietnam stock market.

The Company and SSI collaborated to organize the first “VIP Shareholders, Potential Investors and Analysts Meeting” in the series of 2018 IR activities entitled “The sweet outcome”. At the meeting, the Chairman shared the Company’s business highlights, especially synergy effects after the merger with BHS; Sugar industry update and new favorable policies for the Company in the near future; sustainable development strategies as well as investment opportunities in SBT share.



“VIP Shareholders, Potential Investors and Analysts Meeting”
in the series of 2018 IR activities

MAIN PRODUCTS

13

SUGAR PRODUCTS

47

TRADEMARKS



01 ORGANIC SUGAR

Packaging: 50 kg, 0.5 kg

Trademark:

- Tsu Organic
- Tsu Organic Dark Brown
- Tsu Special

Specifications: - Pol (OZ) \geq 82

Product's strengths:

- Organic Sugar
- Premium products meeting US and European high standards

Target customers:

- Serving Organic product line and direct consumption segment



02 PREMIUM RE SUGAR

Packaging: 50 kg, 25 kg, 1 kg, 0.5 kg

Trademark:

- MIMOSA Super Refined Sugar
- Tsu Extra Premium
- Bien Hoa Pure Super Refined Sugar

Specifications:

- Pol (OZ) \geq 99.9
- Moisture (% w/w) \leq 0.04
- Color (Icumsa) = 8
- Ash (% w/w) \leq 0.01
- Reducing sugar (% w/w) \leq 0.03
- SO₂ (mg/ kg) \leq 2

Product's strengths:

- High purity
- The best quality on market

Target customers:

- Meeting the strictest requirements of MNC industrial customers such as Pharmaceutical



03 SPECIAL RE SUGAR

Packaging: 50 kg, 1 kg, 0.5 kg, Stick Sugar

Trademark

- MIMOSA Special Refined Sugar
- Bien Hoa Pure
- Bien Hoa JOY
- Bien Hoa Sticksu
- Bien Hoa Pure Special Refined Sugar

Specifications :

- Pol (OZ) ≥ 99.8
- Moisture (% w/w) ≤ 0.04
- Color (Icumsa) = 15
- Ash (% w/w) ≤ 0.03
- Reducing sugar (% w/w) ≤ 0.03
- SO₂ (mg/ kg) ≤ 2

Product's strengths:

- High quality
- Meeting the demand of customers with special requirements for quality, color

Target customers:

- High-class MNC industrial customers: Pharmaceutical, Beverage
- Strict requirements for international standard specifications
- Precipitate does not occur after beverage product bottling



04 PREMIUM RE SUGAR

Packaging: 50 kg, 1 kg, 0.5 kg, Stick Sugar

Trademark

- MIMOSA Premium Refined Sugar
- Bien Hoa Pure Premium
- TSU Premium
- Bien Hoa Sticksu
- TSU Harmuni
- Bien Hoa JOY
- Bien Hoa Pure

Specifications :

- Pol (OZ) ≥ 99.8
- Moisture (% w/w) ≤ 0.04
- Color (Icumsa) = 25
- Ash (% w/w) ≤ 0.02
- Reducing sugar (% w/w) ≤ 0.03
- SO₂ (mg/ kg) ≤ 2

Product's strengths:

- Refined Sugar is widely used in industries and daily consumption
- Meeting common demands on the market

Target customers:

- In line with high production standards of almost corporate customers in the following industries: Food, Beverage, Confectionery, Whipping cream, Seafood...
- Direct consumption (Canteens, Coffee shops...)



05 STANDARD RE SUGAR

Packaging: 50 kg, 1 kg, 0.5 kg

Trademark

- MIMOSA Standard Refined Sugar
- Bien Hoa Pure
- Bien Hoa Pure Standard

Specifications :

- Pol (OZ) ≥ 99.8
- Moisture (% w/w) ≤ 0.04
- Color (Icumsa) = 60
- Ash (% w/w) ≤ 0.03
- Reducing sugar (% w/w) ≤ 0.05
- SO₂ (mg/ kg) ≤ 2

Product's strengths:

- Refined Sugar with average standard for RE products with SO₂

Target customers:

- Used for almost products such as food, beverage, condensed milk, liquid milk, seafood...
- Direct consumption (Canteens, Coffee shops...)

MAIN PRODUCTS (continued)

13
SUGAR PRODUCTS

47
TRADEMARKS



06 CASTER RE SUGAR

Packaging: 50 kg

Trademark

- MIMOSA Caster Refined Sugar
- Bien Hoa Pure Caster

Specifications :

- Pol (OZ) \geq 99.8
- Moisture (% w/w) \leq 0.05
- Color (Icumsa) = 30
- Ash (% w/w) \leq 0.035
- Reducing sugar (% w/w) \leq 0.035
- SO₂ (mg/ kg) \leq 2

Product's strengths:

- With special crystal size, this product can meet demands for Sugar size, quality and taste from separate customer segments

Target customers:

- Mainly serves customers with demand to blend directly in products such as: powdered milk, instant coffee, tea, sweets decoration...



07 PREMIUM RS SUGAR

Packaging: 50 kg, 1 kg, 0.5 kg

Trademark

- MIMOSA Premium White Sugar
- Bien Hoa Premium White Sugar
- Bien Hoa Daily
- Bien Hoa Domin
- Tsu Family

Specifications :

- Pol (OZ) \geq 99.7
- Moisture (% w/w) \leq 0.05
- Color (Icumsa) = 80 IU
- Ash (% w/w) \leq 0.05
- Reducing sugar (% w/w) \leq 0.1
- SO₂ (mg/kg) \leq 10

Product's strengths:

- Premium standards
- Being RS products of best quality on the market

Target customers:

- MNC industrial customers, B2C direct consumption
- Confectionery, food, milk, opaque beverages...



08 STANDARD RS SUGAR

Packaging: 50 kg, 1 kg, 0.5 kg

Trademark

- Gia Lai Standard White Sugar
- Ninh Hoa Standard White Sugar
- Nuoc Trong Standard White Sugar
- Phan Rang Standard White Sugar
- SEC Standard White Sugar
- Bien Hoa Saving

Specifications :

- Pol (OZ) \geq 99.7
- Moisture (% w/w) \leq 0.05
- Color (Icumsa) = 120
- Ash (% w/w) \leq 0.05
- Reducing sugar (% w/w) \leq 0.1
- SO₂(mg/ kg) \leq 10

Product's strengths:

- RS products with average standards

Target customers:

- MNC industrial customers, B2C direct consumption
- Confectionery, food, milk, opaque beverages...



09 FUNCTION SUGAR AND DIET SUGAR

Packaging: 1 kg, 0.5kg (Pack)

Trademark:

- Bien Hoa Pro Baking
- Bien Hoa Pure Value
- Bien Hoa Light
- Bien Hoa Mineral Sugar

Specifications :

- Pol (OZ) \geq 99.5
- Adding minerals, vitamins, micro-nutrients

Product's strengths:

- High-quality refined Sugar
- Adding minerals, vitamins, micro-nutrients

Target customers:

- Satisfying special demands: diet, baking, supplementing micro-nutrients



10 SUGAR SYRUP

Packaging: 300 ml, 750 ml, 5 l (PET bottle)

Trademark

- Bien Hoa Syrup
- Bien Hoa Flavor Syrup

Specifications :

- Total Sugar content \geq 65%
- SO₂ (mg/kg) \leq 10
- Color (Icumsa)= 15

Product's strengths:

- Natural ingredients and many flavors
- Natural sweetness

Target customers:

- Meeting direct consumption demands
- To make daily beverages as well as dishes



13
SUGAR PRODUCTS

47
TRADEMARKS

MAIN PRODUCTS (continued)



11 ROCK SUGAR

Packaging: 50 kg, 0.5 kg

Trademark

- Bien Hoa Pure Rock Sugar
- Bien Hoa Pro
- Mimosa Diamond

Specifications :

- Pol (OZ) ≥ 99.5
- Moisture (% w/w) ≤ 0.2
- Reducing sugar (% w/w) ≤ 0.15
- SO₂(mg/ kg) ≤ 7

Product's strengths:

- Big Sugar size
- Satisfying consumer's tastes

Target customers:

- Serving the consumer goods segment
- Used for making cool drinks, distilled bird's nest, stewed traditional medicine, sweet soup or traditional dishes...



12 CUBE SUGAR

Packaging: 226 g

Specifications :

- Pol (OZ) ≥ 75
- Cone-shaped

Product's strengths:

- The product does not undergo the crystallization process but being condensed directly from molasses

Target customers:

- Meeting consumer's requirements
- Export demands



13 BROWN SUGAR

Packaging: 50kg, 1 kg, 0.5 kg

Trademark:

- MIMOSA Natural Gold Sugar
- TSU Natural Gold Sugar
- Bien Hoa Natural Gold Sugar
- Light Soft Brown Bien Hoa Gold
- Dark Soft Brown Bien Hoa Gold
- Natural Caster Bien Hoa Gold
- Bien Hoa Gold JOY
- Bien Hoa Joy OEM

Specifications :

- Pol (OZ) ≥ 98.5
- Moisture (% w/w) ≤ 0.1
- SO₂(mg/ kg) ≤ 10
- Color (Icumsa) = 1000

Product's strengths:

- Satisfying consumer's tastes
- Keeping the quality and natural tastes of sugarcane

Target customers:

- MNC industrial customers, B2C direct consumption
- Creating color and natural taste for products, and feeding bees



Premium Organic Sugar Products in TTC Bien Hoa's diversified product portfolio

4 BY-PRODUCTS

COMPARING TO OTHER PEERS IN VIETNAM SUGARCANE INDUSTRY, TTC BIEN HOA IS THE LEADING COMPANY IN TERMS OF DEVELOPING SUGAR BY-PRODUCTS, INCLUDING MOLASSES, MICROBIAL-FERTILIZERS, COMMERCIAL ELECTRICITY, MIAQUA BOTTLED WATER.

01 MOLASSES

Annual molasses volume is appropriately 185 thousand tons.

Molasses mainly serve the export markets and industrial customers in the country.

In addition, to enhance the Molasses utilization, TTC Bien Hoa is conducting a feasibility study on building an Ethanol Factory with a capacity of 100,000 liters/day. The project will be deployed at appropriate time in the future.



02 MICROBIAL-FERTILIZER

Produced from mud and boiler's ash generated during the Sugar refinery process.

In the stage of constructing Microbial-fertilizer Factory with a capacity of 34,000 tons per year-Phase 1, and double capacity of 70,000 tons per year in Phase 2.

The factory is expected to put into operation in October 2018.

Products are manufactured in the form of powder and granule, tailored according to demands from TTCS farms and farmers having large-scale fields.

Microbial-fertilizer is also supplied to other crops to increase the values.





03 COMMERCIAL ELECTRICITY

Currently, 4 Factories with thermal power center including Bien Hoa-Ninh Hoa, TTC-Attapeu, TTCS and TTCS Gia Lai are capable of selling electricity generated from bagasse to the national power grid.

The total installed capacity of thermal power centers reaches 132 MW, of which Bien Hoa-Ninh Hoa and TTC-Attapeu Factories' installed capacity is 30 MW each, and TTCS and TTCS Gia Lai factories' installed capacity is 37 MW and 35 MW respectively.

The annual electricity volume sold to the grid can reach 170 million KWh.

Thermal power centers at Bien Hoa-Ninh Hoa Factory:

- » Being invested with state-of-the art technology, completely automated and synchronous.
- » Using high pressure boilers, with the pressure up to 100 bar.
- » Being equipped with low steam consumption turbine of 5-5.5 kg per KWh, much lower than the previous figures of 8-9 kg per KWh.



04 MIAQUA BOTTLED WATER

This is a new product which was researched and developed by the Company's technical staff.

The product has been produced with the current capacity of 400,000 packs per year, and gradually penetrated into the domestic market.



Companion - Dedication

ON SUGARCANE FIELDS

TTC Bien Hoa is a companion dedicated to support the farms from sugarcane varieties to cultivation techniques, irrigation by automatic pivot-center technology, agricultural mechanization, post-harvest services... to ensure clean, safe and high-quality material sources.





02

CORPORATE GOVERNANCE

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TTC BIEN HOA'S CG FRAMEWORK IS BEING DEVELOPED AND IMPLEMENTED ON THE BASIS OF ESG SUSTAINABLE DEVELOPMENT STRATEGY, ASSISTING THE COMPANY IN ASSESSING AND BALANCING THE PERFORMANCE OF INTANGIBLE ASSETS SUCH AS BRAND VALUE, REPUTATION, R AND D PLAN, CUSTOMER'S SATISFACTION, HEALTH AND SAFETY, ENVIRONMENTAL PROTECTION, SOCIAL CONSENSUS ON BUSINESS OPERATIONS, EMPLOYEE ENGAGEMENT AND ULTIMATELY MANAGEMENT QUALITY.

CG influences on Environmental, Social, Governance (ESG) practices have drawn increasing scrutiny on the recent years' agenda of domestic and international organizations as well as Ministries and Agencies. UN Principles for Responsible Investment states that clients of asset managers begin to pay more attention to ESG issues, as ESG performance can be considered as an essential part of quality management. Companies that demonstrate professional competence in managing the risks and opportunities associated with ESG are often considered by Investors to be able to outperform in the long run. TTC Bien Hoa's CG framework is being developed and implemented on the basis of ESG Sustainable Development Strategy, assisting the Company in assessing and balancing the performance of intangible assets such as brand value, reputation, research and development plan, customer's satisfaction, health and safety, environmental protection, social consensus on business operations, employee engagement and ultimately management quality.

According to Ocean Tomo's 2017 report, in the past 40 years, the contribution of intangible assets to the market value of companies in the S&P 500 has been increasing significantly, from 83% of tangible assets in 1975 fallen to 16% as of 2015. With increasing capital competition, Investors now not only look at financial performance indicators such as investment return, financial indicators, but responsible Investors also are paying more attention to

non-financial factors including the BOD's vision, governance capacity of the management, transparency in management, reporting and information disclosure, responsibilities to the community and society... Thus, legitimate benefits of Shareholders, Investors as well as sustainable investment efficiency will be ensured.

The regulatory agencies have been making efforts to upgrade Vietnam stock market from Frontier Market, and most recently, it has been added into the FTSE Russell's watch list for a possible market to be Secondary Emerging Market under the classification of Frontier, Secondary

Emerging, Advanced Emerging and Developed, as early as September 2019 in the best-case scenario. Consequently, CG is not only a Company's own story, but also the responsibility of every company in Vietnam financial market and economy. Risk management should be expanded beyond legal compliance, that is a reliable CG mechanism, BOD with macro vision, an effective internal control system which will be decisive factors for long-term efficiency. In order to improve CG in Vietnam enterprises, the Government issued Decree No. 71/2017/ND-CP dated June 6th 2017 providing guidelines on CG of public companies and officially effective on August 1st 2017; followed by Circular 95/2017/TT-BTC guiding a number of articles of Decree No. 71 with effect from November 6th 2017. FY 2016-2017 AGM also quickly approved the new Charter and CG Framework, complying with legal requirements to be officially implemented in November 2017.



Sugarcane varieties are carefully selected

IN THE PAST YEAR, TTC BIEN HOA'S AGM APPROVED THE NEW CG MODEL IN ORDER TO MEET THE HIGH DEMAND OF INVESTORS IN THE INTEGRATION AS WELL AS THE ORIENTATION OF PARTNERSHIP WITH STRATEGIC INVESTORS.

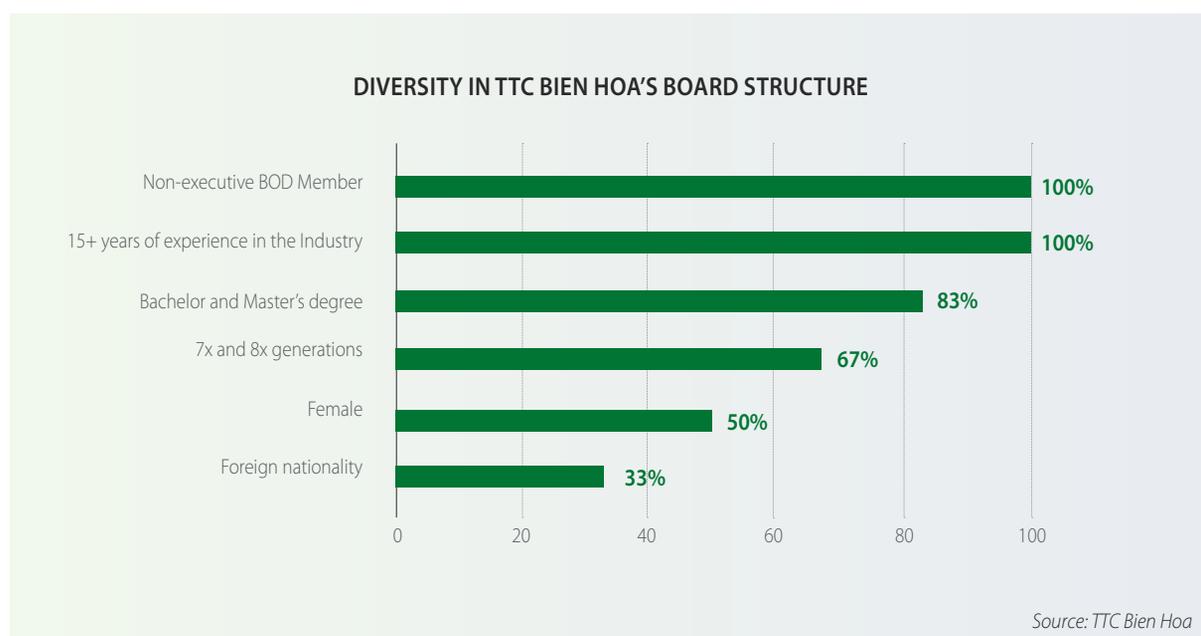
TTC Bien Hoa's CG Framework defines fundamental principles of CG including: (1) Implementing the AGM according to good practices in the market; (2) Setting specific standards of behavior and professional ethics for the BOD, Audit Committee, other BOD Committees, Person in charge of CG, BOM; (3) Preventing conflicts of interest and related party transactions; (4) Collaboration procedures and processes among the BOD and BOM; (5) Reward and discipline policies for the BOD Members, BOM and Managerial level. In this revision, CG Framework aims to build an environment of trust, transparency, promotion for long-term investment, anti-corruption and ethical assurance in business. Effective governance brings in many strategic benefits such as: (1) Cutting down

the costs, improving the effectiveness of business operations, strengthening the ability to access capital markets at reasonable costs; (2) Minimizing risks, taking advantage of opportunities and finding out areas for cost savings; (3) Enhancing the Company's brand value, prestige, and stock price as well as getting more success in attracting Investors.

AGM is the Company's highest decision-making body including all Shareholders having voting rights, meeting at least once during the year and making decisions on matters in accordance with applicable laws and the Company's Charter. In the past year, TTC Bien Hoa's AGM approved the new CG model in order to meet the high demand of Investors in the integration as well as the orientation of partnership with strategic investors. TTC Bien Hoa became one of a few pioneers on Vietnam stock market to officially apply such new CG model in May 2018. Independent supervisory functions were transferred to the BOD with support of two out of six Independent Board Members. Audit Committee was established to report directly to the BOD, the BOS that has been applied for many

decades without adequate effectiveness; despite most companies in the world, especially in European countries, such model was removed. The decision on removal of the BOS has absolutely no influence on the Company's control system and make management apparatus to become more streamlined as well as focused on the role of the BOD, and most importantly, reduces at least 5% of Revenue lost to fraud, according to PwC's research.

Although TTC Bien Hoa has not yet achieved international standards in respect of the number of the Independent BOD Members of at least 50%, the Company's BOD represented its diversity in operational structure. Foreign BOD Members accounted for 33%, female made up 50%, 7x and 8x generations comprised of 67% of the BOD Members who had a Bachelor or Master's degree, and all BOD Members were Non-executive Directors who have more than 15-year experience in the Sugarcane Industry. Diversity of nationality, gender, age, academic qualifications, experience and operational structure helped to take advantage of all BOD Members' strengths.





IN THE PAST FY 2017-2018, TTC BIEN HOA INCREASED THE NUMBER OF INDEPENDENT BOD MEMBERS AND SET UP THREE COMMITTEES TO ASSIST THE BOD COMPRISING OF STRATEGY COMMITTEE, AUDIT COMMITTEE AND HR COMMITTEE.



UN 17 Sustainable Development Goals and 17 National Sustainable Development Goals to 2030 both emphasize the goals to achieve Gender equality and empower all women and girls. In addition, National Strategy on Gender Equality for the 2011-2020 period also mentions the rate objective of female entrepreneurs reaching 35% by 2020. Research shows that the Board gender diversity with presence of women leaders can boost a company's performance and sustainability. With the percentage of female BOD of 50% and 100% Non-executive Board Members, of which one female Non-executive Board Members cum Head of Audit Committee, TTC Bien Hoa BOD's structure gradually meets international standards. Besides, the proportion of female leaders is higher than the global average of 15% and Vietnam average of 18%, reported

by Deloitte. However, there is still a long distance to go as compared to developed countries. In Norway, world leader in gender equality, the proportion of 42% female on Board is one of the highest in the world; followed by the UK aiming for 33% female of the FTSE listed companies' Board representation by 2020. In Asia, Malaysia obliges women to take at least 30% of Management positions or in the Board. Hong Kong regulations on Board gender diversity promulgates from 2013, listed companies are required to disclose gender diversity policies for Management level and explain non-compliances; Singapore is amending the CG Law to improve the Board gender diversity.

TTC Bien Hoa's CG structure demonstrated the importance and influence of two American and Malaysian Independent BOD Members, who were considered to

have a sustainable relationship with the Company to understand the Vietnamese culture and people in general and TTC Bien Hoa in particular, in order to specify CG activities in the most reasonable ways. With 20 years of experience in the Sugarcane Industry and Finance fields and nearly two years appointed as an Independent BOD Member cum Member of the Audit Committee and Permanent Deputy Head of the HR Committee in FY 2017-2018, Mr. Henry Chung contributed to advise on senior personnel strategy and internal audit system for the Company, assisted the BOD to monitor strategy and CG activities independently, contributing to harmonize Shareholders and Investors' benefits, and specially protecting Minority Shareholders' benefits. In November 2017, Mr. See Beow Tean was appointed as an Independent BOD Member at the FY 2016-2017 AGM. Despite only less than a



Automatic center-pivot irrigation in a TTC Bien Hoa's Raw material area

year on duty, with 45 years of experience in global retail and Sugarcane fields, he is an important strategic advisor for network expansion and export of TTC Bien Hoa's products to the regional markets. Apart from the position of Independent BOD Member, he was also appointed as Member of the Audit Committee, Deputy Head of the Strategy Committee, monitoring and advising on medium and long-term development strategy and gradual orientation for Internal Audit's activities based on international practices, professionalism and efficiency.

In the past FY 2017-2018, the increase in the number of Independent BOD Members brought in many positive effects in the CG implementation, such as (1) ensuring the situations were assessed honestly and objectively, and contributing fair opinions to the Board

discussions, (2) optimizing the Company's long-term benefits, minimizing effects of the short-term strategy from majority Shareholders with the veto power, (3) making sure the Minority Shareholders' trust since they understand that their opinions are represented and protected by Independent Board Members.

TTC Bien Hoa also officially established three Committees to assist the BOD. The Audit Committee consists of three members, all of whom are Non-executive Members with a Chairwoman, two third of the Members are independent Members to perform supervisory and control functions independently and transparently. Furthermore, two third of the Audit Committee Members who possessed experience and expertise in accounting and auditing, outperforming the ASEAN Scorecard's requirements,

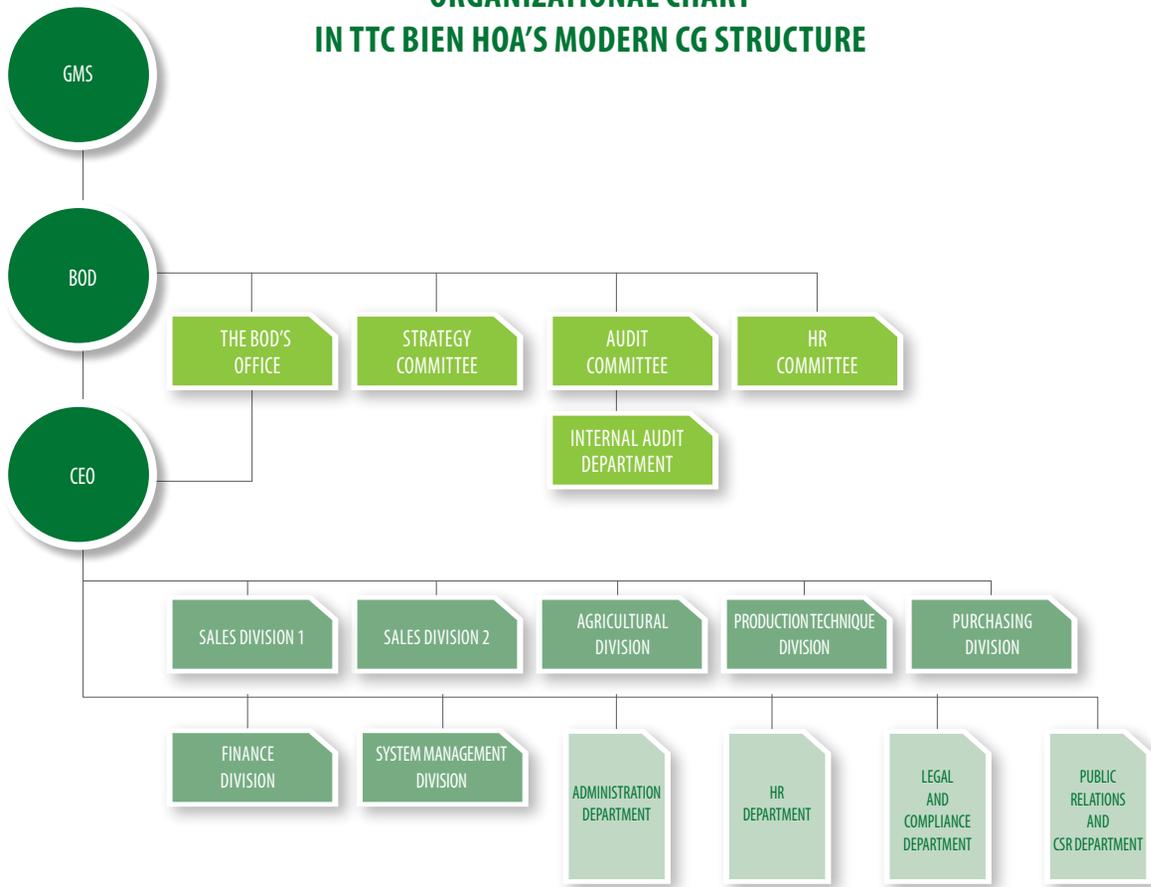
ensuring the highest performance of the Audit Committee's activities.

After the merger, the Company scale was in a new stature, became one of the largest Sugarcane companies in Vietnam. With the desire to ensure the Company's strategy and HR decision-making to be harmony with sustainable development orientations in long-term, in 4Q FY 2017-2018, the BOD also established Strategy Committee and HR Committee. Each Committee has the participation of one Independent Member and Head of the Committee is currently Non-executive BOD Member. Although the Committees' structure does not meet 100% requirements in the ASEAN Scorecard, initially it was an encouraging achievement in increasing the transparency and efficiency of the BOD. Therefore, task performance in the coming years is expected to become more consistent and reasonable. Moreover, the Company's Secretary who is in charge of CG has also been appointed by the BOD for a term limit of 5 years, with legal knowledge, becoming an important person in assisting the BOD to best perform their duties.

The BOM has 6 Members with 2 female Members, who have extensive expertise in their fields and over 10 years of experience in Sugarcane field. The CEO was appointed for a term limit of 5 years, on behalf of the BOD to run the Company's business activities. The CEO is responsible to the BOD and the GMS for his rights and duties reporting upon request.

With a dynamic, enthusiastic and experienced Directors and Management team; the Company has never stopped learning experiences in advanced CG, flexibly applying into daily production, thereby creating a solid foundation for the long-term sustainable development.

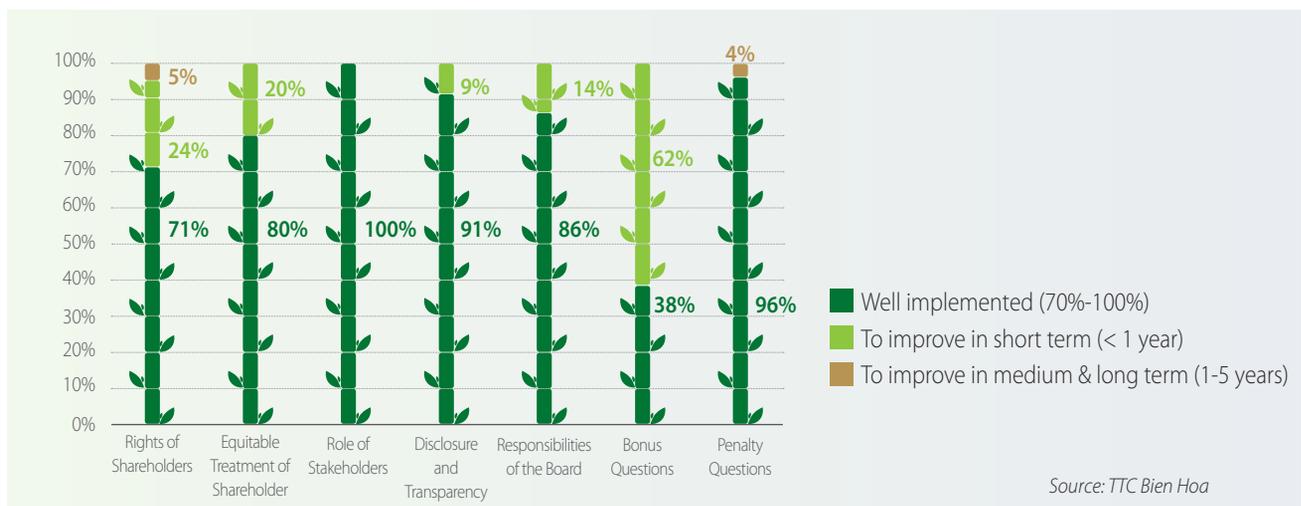
ORGANIZATIONAL CHART
IN TTC BIEN HOA'S MODERN CG STRUCTURE



Based on CG assessment according to ASEAN Scorecard in FY 2017-2018, although the overall results were quite positive, there were still many rooms to improve. For the FY 2018-2019, in addition to encouraging BOD Members to participate in continuing or professional training programs applied in the previous years; the BOD will focus on orientation programs for new Board Members; succession policy

for senior Management positions; annual assessment of the BOD, Committees, CEO, key Managers. The Company will also plan to improve governance system such as to increase the number of Independent BOD Members for the Audit Committee to promote the role as a second line of defense on risk management along with the current Internal Audit Department. The Company will also seek candidates for Independent

BOD Member from Vietnam Institute of Directors (VIOD), which is established by SSC, HOSE, HNX, IFC and Swiss State Secretariat for Economic Affairs (SECO) to improve the BOD's professionalism, enhance business ethics and the transparency of Independent BOD Members. They are all in the process to strengthen TTC Bien Hoa's trust, value and brand with Stakeholders.



ONE OF THE MOST IMPORTANT PREREQUISITES TO ENHANCE THE ENTERPRISE CORE VALUES IS THE LEVEL OF CG. PARTICULARLY IN THE CONTEXT OF CURRENT GLOBALIZATION, INVESTORS AND THEIR CAPITAL INFLOWS WILL ONLY LOOK FOR COMPANIES WITH BUSINESS EFFICIENCY TRANSPARENCY IN DAY-TO-DAY OPERATIONS; ACCORDINGLY REFLECTING THE MANAGEMENT'S WILLINGNESS IN PROTECTION OF SHAREHOLDERS, INVESTORS AND OTHER STAKEHOLDERS' BENEFITS.

In 2018, the BOD of TTC Bien Hoa has drafted and will soon promulgate the "Code of Conduct" with the consultation from IFC – Member of the World Bank – in order to meet the best practices of CG. The Code of Conduct is expected to bring in best practices for the Company, to bridge the gap with the regional countries' governance practices. The Code of Conduct is designed and implemented to suit the Company's specific operations and to comply with the current laws and regulations, as well as ethical and cultural standards of the Company in particular and society in general.

The Code of Conduct defines specific standards in the rules of communication, behavior, professional ethics commitments in daily operations and communication with Stakeholders like Colleagues, Customers, Investors, Suppliers, etc. It is applicable for

from senior Leaders as the BOD to all employees working at the Company with labor contracts in any form, including but not limited to labor contracts with indefinite term, definite term, seasonal contracts, probation, collaborator contracts, training contracts, etc. The Company's senior Leaders are expected not only to understand and comply with the Code of Conduct but also manifests the guiding example in their attitudes and behaviors.

The Code of Conduct is communicated internally, implemented companywide and will be soon published on the Company's website as the BOD's commitments with Stakeholders. HR Department is responsible for disseminating the contents of the Code of Conduct and promoting the staff's awareness. All Members of TTC Bien Hoa are required to seriously implement and sign to confirm their understanding after HR Department's announcement. Written confirmation will be kept with employee's recruitment records, which is considered as the basis for evaluating violations when incurred.

Being the Company's compliance check and control function, Internal Audit Department is responsible for evaluating all information related to non-compliance of the Code of Conduct, which may cause a risk to the Company. If there is any query about the Code, employees are entitled to request assistance from their line manager or Internal Audit Department. The best way to address the queries is

to discuss with line manager. In some special circumstances, while facing extremely important issues or conflicts of interest, employees will receive specific assistance from Internal Audit Department in written form.

When detecting violations, each employee is obligated to report to direct manager or Internal Audit Department. Employees who violate the Code must be subject to disciplines in accordance with the Company's regulations and shall be responsible for compensating for any damage caused by such violations, if any. In addition, to protect the reporter, the Code also states that the Company prohibits any retaliation and/or punishment, discouragement to those who have honestly reported the violations of professional ethics, the Company's internal regulations and legal provisions.



THE CODE OF CONDUCT IS EXPECTED TO BRING IN BEST PRACTICES FOR THE COMPANY, TO BRIDGE THE GAP WITH THE REGIONAL COUNTRIES' GOVERNANCE PRACTICES. THE CODE OF CONDUCT IS DESIGNED AND IMPLEMENTED TO SUIT THE COMPANY'S SPECIFIC OPERATIONS, COMPLY WITH THE CURRENT LAWS AND REGULATIONS, AS WELL AS ETHICAL AND CULTURAL STANDARDS OF THE COMPANY IN PARTICULAR AND SOCIETY IN GENERAL.

FOR QUERIES AND INCOMPLIANCE REPORT, PLEASE CONTACT

In charge: Internal Audit Department

Telephone 24/7: 0988.381.379

Email: tbbktnb@ttcsugar.com.vn





Mr. PHAM HONG DUONG

Chairman of the Board

Year of birth: 1974

Time of appointment as Chairman: February 2015

Duration of service as Chairman: 3 years 5 months

Ownership of voting shares at the Company:
1,585,469 shares, accounting for 0.28%

Qualifications:

- » Master of Production Management, Ludwigshafen University of Applied Sciences, Federal Republic of Germany
- » Chemical Engineer

Positions in the Industry

- » Member of International Society of Sugar Cane Technologists (ISSCT)
- » Member of ASEAN Sugar Alliance (ASA)
- » Vice Chairman of Vietnam Sugarcane and Sugar Association (VSSA)

Employment history:

- » November 2017 - present: Chairman of the Board, Thanh Thanh Cong - Bien Hoa JSC
- » February 2015 - November 2017: Chairman of the Board, Thanh Thanh Cong Tay Ninh JSC
- » 2014 - June 2015: BOD Member, Gia Lai Cane Sugar - Thermoelectricity JSC
- » 2013 - June 2015: BOD Member, Thanh Thanh Cong Packing Production Trading JSC
- » 2012 - June 2015: BOD Member, Bien Hoa Sugar JSC
- » 2011 - 2012: Deputy CEO in charge of Technique, Bourbon Tay Ninh JSC
- » 2009 - 2011: Factory Director, Bourbon Tay Ninh JSC

Outstanding achievements:

- » Conducting strategic direction and management, bringing TTC Bien Hoa to become the largest Sugar producer in Indochina Region.
- » Together with the team, significantly contributing to increase the Country's largest factory complex's capacity to 37,500 TCD.
- » Providing innovative product diversifications for premium quality, closer-to-nature Sugar products, meeting the requirements of high-end customers segment.
- » 20-year operation and management experience in Sugarcane field.

Positions held in other organizations (except Holding company, Subsidiaries): No



Ms. NGUYEN THI HOA

Permanent Vice Chairwoman

Year of birth: 1964

Time of appointment as Permanent Vice Chairwoman: November 2016

Duration of service as Permanent Vice Chairwoman: 1 year 8 months

Ownership of voting shares at the Company:
1,174,162 shares, accounting for 0.21%

Qualifications:

- » Bachelor of Finance - Accounting
- » Bachelor of Economic Laws

Employment history:

- » November 2017 - present: Permanent Vice Chairwoman, Thanh Thanh Cong - Bien Hoa JSC
- » November 2016 - November 2017: Permanent Vice Chairwoman, Thanh Thanh Cong Tay Ninh JSC
- » 2014 - 2017: Chairwoman of the Board, Bien Hoa Sugar JSC
- » 2006 - present: Chairwoman of the Board, Bien Hoa-Ninh Hoa One Member Co., Ltd.
- » 2001 - 2005: Chief Accountant, Nha Trang Centrifugal Concrete JSC
- » 1990 - 2000: Chief Accountant, Khanh Hoa Sugar JSC

Outstanding achievements:

- » Planning and implementing TTC Bien Hoa's key projects, including product diversification, support in cost management...
- » Providing strategic consultancy to reduce costs and improve efficiency of investment projects.
- » Advising on management activities and personnel structure for M&A activities.
- » 30-year operation and management experiences in Sugarcane field.

Positions held in other organizations (except Holding company, Subsidiaries): No



Ms. DANG HUYNH UCMY

BOD Member

Year of birth: 1981

Time of appointment as BOD Member: March 2015

Duration of service as BOD Member: 3 years 4 months

Ownership of voting shares at the Company:
32,523,424 shares, accounting for 5.84%

Qualifications:

- » Master of Business Administration, Preston University, New Zealand
- » Professional CEO Certificate, PACE

Employment history:

- » November 2017 - present: BOD Member, Thanh Thanh Cong - Bien Hoa JSC
- » February 2015 - November 2017: BOD Member, Thanh Thanh Cong Tay Ninh JSC
- » April 2012 - February 2015: Chairwoman of the Board, Thanh Thanh Cong Tay Ninh JSC
- » July 2009 - December 2012: CEO, Thanh Thanh Cong Investment JSC
- » July 2007 - July 2009: Permanent Deputy CEO, Thanh Thanh Cong Production - Trading JSC
- » December 2006 - July 2007: Deputy CEO, Thanh Thanh Cong Production - Trading JSC

Outstanding achievements:

- » Participating in strategic consultancy and orientations for TTC Bien Hoa's medium and long-term development.
- » Helping TTC Bien Hoa sail through despite the Sugar industry's turmoil and achieving impressive growth.
- » Bringing TTC Bien Hoa's brand name to reach out to Asian markets.
- » 15-year operation and management experience in Sugarcane field.

Positions held in other organizations (except Holding company, Subsidiaries):

- » Chairwoman of the Board, Thanh Thanh Cong Investment JSC



Ms. NGUYEN THUY VAN

BOD Member

Year of birth: 1980

Time of appointment as BOD Member: November 2017

Duration of service as BOD Member: 8 months

Ownership of voting shares at the Company:
1,303,920 shares, accounting for 0.23%

Qualifications:

- » Master of Business Administration
- » Certificate from Audit Committee Master Program, Vietnam Institute of Directors

Positions in the Industry:

- » Head of the BOS, Vietnam Sugar Cane and Sugar Association (VSSA)

Employment history:

- » November 2017 - present: BOD Member, Thanh Thanh Cong - Bien Hoa JSC
- » 2015 - 2017: Member of BOS, Bien Hoa Sugar JSC
- » 2012 - 2017: Head of BOS, Thanh Thanh Cong Tay Ninh JSC
- » 2011 - 2012: Deputy CEO, Thien Son Logistics JSC
- » 2009 - 2011: Deputy Director, Son Tin Commodity Exchange JSC
- » 2008 - 2009: Derivatives Trading Manager, Tin Viet Investment JSC
- » 2004 - 2007: Finance Manager, Vinamit JSC

Outstanding achievements:

- » Establishing and enforcing effective internal control systems, ensuring compliance to protect Shareholders and Investors' benefits.
- » 15-year experience in Sugarcane and Finance - Accounting fields.

Positions held in other organizations (except Holding company, Subsidiaries): No



Mr. **HENRY CHUNG**

Independent BOD Member

Year of birth: 1974

Time of appointment as BOD Member: October 2016

Duration of service as BOD Member: 1 year 9 months

Ownership of voting shares at the Company:
375,125 shares, accounting for 0.07%

Qualifications:

- » Bachelor of Economics
- » Bachelor of Finance

Employment history:

- » November 2017 - present: BOD Member, Thanh Thanh Cong - Bien Hoa JSC
- » October 2016 - November 2017: BOD Member, Thanh Thanh Cong Tay Ninh JSC
- » December 2015 - August 2017: BOD Member, Bien Hoa Sugar JSC

Outstanding achievements:

- » Advising on senior personnel strategy and internal audit system for TTC Bien Hoa.
- » Assisting the BOD to monitor strategy and CG activities independently.
- » Contributing to harmonize Shareholders and Investors' benefits, specially to protect minority Shareholders' benefits.
- » 20-year experience in Sugarcane and Finance fields.

**Positions held in other organizations
(except Holding company, Subsidiaries):** No



Mr. **SEE BEOW TEAN**

Independent BOD Member

Year of birth: 1953

Time of appointment as BOD Member: November 2017

Duration of service as BOD Member: 8 months

Ownership of voting shares at the Company: 0%

Positions in the Industry:

- » Member of ASEAN Sugar Alliance (ASA)

Employment history:

- » November 2017 - present: BOD Member, Thanh Thanh Cong - Bien Hoa JSC
- » January 2001 - November 2010: Operation Director, Windsor and Brook Trading Pte Ltd
- » January 1992 - November 2000: Sales Director, EDF&Man Asia Ltd Hongkong and Singapore

Outstanding achievements:

- » Monitoring and advising on medium and long-term development strategy, as well as internal audit system for TTC Bien Hoa.
- » Advising on strategy for network expansion and export of TTC Bien Hoa's products to the regional markets.
- » 45-year experience in global retail and Sugarcane fields.

**Positions held in other organizations
(except Holding company, Subsidiaries):** No



Owned Raw material area, one of TTC Bien Hoa's advantages

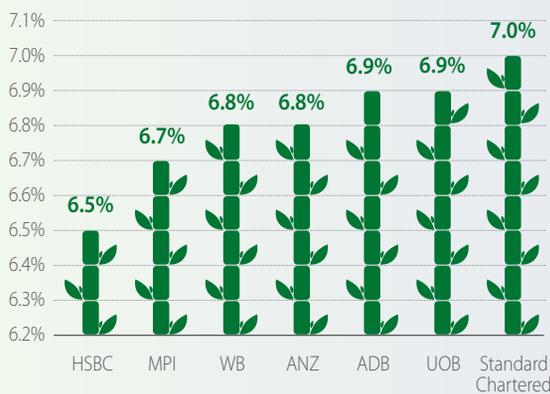
VIETNAM'S ECONOMY POSITIVE OUTLOOK IN THE EYES OF THE WORLD'S LEADING ORGANIZATIONS

Vietnam's economy in 2018 is forecasted to maintain steady growth thanks to the outstanding achievements in 2017 as well as the positive figures in the first half. Despite of turbulences on the global economy, the world's leading organizations are still optimistic about Vietnam's economy in the short-term, based on sustained domestic demand, improved business conditions and stable macroeconomic environment. Some organizations even raised their forecasts after the periodical reviews, such as the World Bank of 6.5%, and Standard Chartered Bank of 6.8%. The Vietnam's GDP growth in 2018 is commonly expected to achieve from 6.5% to 7%, higher than the target set by the National Assembly in the range of 6.5%-6.7%; of which Production and Agriculture sectors will continue to be the main drivers in the second half.

rose by 6.3% compared to the past year. CPI in the first half showed stability in line with the Government's expectations and the year-end CPI will be well controlled, even better than the target with an increase of less than 4%.

Another noteworthy macro-economic indicator was that both export and import turnovers soared by 16% and 10% respectively over the first half of 2017. Annual export turnover is estimated to reach USD 238 billion, growing by 11.2% and surpassing the target of 7%-8% assigned by the National Assembly. Registered FDI was recorded at USD 11.8 billion, slightly decreased by 0.3% over the same period, but the disbursement rose sharply by 8.4% to USD 8.4 billion.

VIETNAM'S 2018 GDP GROWTH RATE FORECASTS BY THE WORLD'S LEADING ORGANIZATIONS



Source: HSBC, MPI, WB, ANZ, ADB, UOB, Standard Chartered Bank

With optimistic views on the domestic economy, the MPI expects that all 12 targets set by the National Assembly for 2018 will be well completed, including items significantly affecting the Agriculture sector and especially the Sugar Industry: (1) GDP growth, (2) CPI, (3) Import-export turnover, (4) FDI attraction.

Although the US-China trade war has become more and more severe and partly affected the world trade, Vietnam's macro-economy still saw positive signals in the first half of 2018, with most of the targets achieved. GDP grew sharply by 7.08% over the same period last year, recording the highest semi-annual growth since 2011; of which the Agriculture, Forestry and Fishery sector recovered remarkably, estimated to achieve an annual growth of 3.3%, thanks to the effective sector and production restructuring. The nominal GDP was estimated to reach a total of VND 5,555 trillion or USD 243 billion, and GDP per capita of USD 2,540/year,

GDP GROWTH AND CPI



IMPORT-EXPORT TURNOVER AND FDI



Source: GSO, MPI

THE WORLD AND VIETNAM SUGAR INDUSTRY - CHALLENGES AND OPPORTUNITIES

DOMESTIC SUGAR INDUSTRY: A CROP YEAR OF TURBULENCES

Nobody can deny that the 2017-2018 crop year witnessed a very difficult period not only for the domestic Sugar Industry but also the world's. According to ISO, the 2017-2018 global Sugar output increased by 10.3% yoy to reach 185.2 million tons, while Sugar consumption was only 174.6 million tons. Oversupply caused the world Sugar prices fall sharply, and accordingly dragged down the domestic Sugar prices.

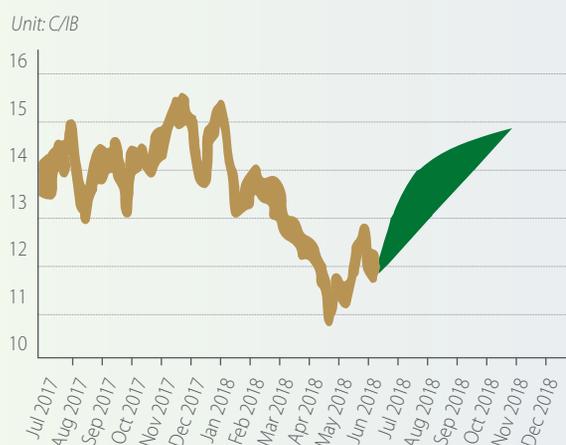
The ATIGA tentative enforcement date, which was later on extended for another 2 years, had significant impacts on the domestic Sugar market. In addition, the support policy framework is currently rather sporadic for the domestic Sugar Industry to achieve sustainable development goals. Measures to deal with smuggling activities, counterfeit and illegal Sugar are not so effective and technical barriers, preventive measures for regional integration have not yet been developed. High domestic inventory, no-tax smuggled Sugar and zero-tax rated liquid Sugar at descending prices have been flooding the market and negatively affecting the domestic Sugar industry. Under unfavorable market conditions, Sugar companies were making great efforts to both achieve business targets and accompany the farmers to overcome difficulties.

WORLD SUGAR INDUSTRY - NEW OPPORTUNITIES: SUPPLY EXPECTED TO FALL, PRICES LIKELY TO INCREASE, AND MORE SUGARCANE USE FOR ETHANOL PRODUCTION

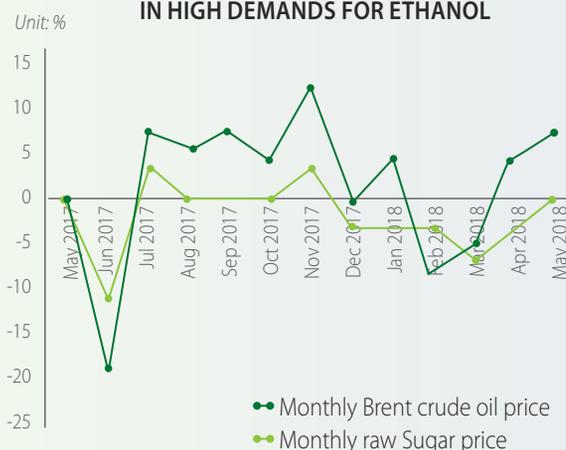
Vietnam Sugar Industry is on the threshold of regional integration and expected to take a further step to bring Vietnam Sugar brand name to the world markets. Albeit a lot of challenges, opportunities for growth still exist thanks to positive signals from producers, exporters as well as global Sugar demand. According to Rabobank, the world raw Sugar futures prices are forecasted to rebound from 14.5 cents/lb in the last quarter of 2018 since the surplus volume is expected to fall to 4.4 million tons as compared to 7.6 million tons in the last crop year. The USDA forecasts that global Sugar production volume for the 2018-2019 crop year will decline by 4 million tons to 188 million tons due to severe drought in Brazil. This Country is also considering to raise sugarcane use for Ethanol production, which results in more profitability given that the world Sugar prices dropped dramatically and oil prices increased significantly in the past year.

In addition, Thailand - the world's second largest sugar exporter decided to cut down on 500 thousand tons of raw Sugar exports. The Thai Government is also considering to increase the use of sugarcane for ethanol production because current ethanol production from cassava is less competitive. The price difference between Vietnam Sugar and imported Sugar from Thailand has been narrowing; contributing to improve the competitiveness for domestic sugar products.

SUGAR PRICE HIT THE BOTTOM AND IS RECOVERING



INCREASING OIL PRICES RESULT IN HIGH DEMANDS FOR ETHANOL



Source: Bloomberg, Rabobank, TTC Bien Hoa

THE WORLD AND VIETNAM SUGAR INDUSTRY - CHALLENGES AND OPPORTUNITIES (continued)

THE TENSE TRADE WAR BETWEEN THE US AND CHINA IN GENERAL HAS REDUCED THE SUGAR SUPPLY FROM BRAZIL AND INDIA - THE TWO WORLD'S SUGARCANE POWER COUNTRIES, THUS OPENING UP POSSIBILITIES FOR IMPROVING GLOBAL SUGAR PRICES IN THE TIME TO COME.

The tense trade war between the US and China in general has reduced the sugar supply from Brazil and India - the two world's sugarcane power countries, thus opening up possibilities for improving global sugar prices in the time to come. When Beijing imposed a 25% tariff on US soybeans in response to the US tax policy, several Chinese companies turned to import alternative soybeans from Brazil and India. Consequently, the soybean acreage in Brazil has soared by 2 million ha in the past two years, while the sugarcane area fell by nearly 400,000 ha. Dozens of Sugar factories

in Southern Brazil have been shut down for the past five years and the same situation has also occurred in India. The US President Donald Trump recently said he would be willing to tax the entire Chinese imports into the US. Another positive sign is that commodity speculation funds are increasingly buying Sugar to boost consumption volume, and commodities investment funds are now more active as market prices plummet, which helps support the Sugar prices. In addition, India's stockpiling construction has also led to restrictions on Sugar exports to the world.

Country	Position	Situations
Brazil	<ul style="list-style-type: none"> » The largest Sugar producer in the world » The largest Sugar exporter in the world » The 2017-2018 crop year's total output of 38.9 million tons » Accounting for about 20% of global output 	<ul style="list-style-type: none"> » The 2018-2019 crop year's Sugar output is expected to sink by 22% to 30 million tons thanks to: <ul style="list-style-type: none"> ❖ Drought ❖ Increasing Ethanol production thanks to higher demand and profitability ❖ World Sugar prices fell sharply while oil prices rebounded in the past year » It is better done than other countries in converting surplus sugarcane into Ethanol, through fermented sugarcane distillation
India	<ul style="list-style-type: none"> » The second largest Sugar producer in the world » The world's top 4 Sugar exporter » The largest Sugar consumer in the world: 25 million tons for domestic market » The 2017-2018 crop year's total output of 32.4 million tons » Accounting for about 17% of global output 	<ul style="list-style-type: none"> » The selling prices increased by 24% from Quarter 1 of the 2017-2018 crop year » Producers are expected to have profits without the Government's subsidy » It is expected to produce 35.5 million tons of Sugar in the 2018-2019 crop year, breaking the record of 32.4 million tons in the 2017-2018 crop year » They will export 2-4 million tons of Sugar in the 2018-2019 crop year
Thailand	<ul style="list-style-type: none"> » The third largest Sugar producer in the world » The second largest Sugar exporter in the world » The 2017-2018 crop year's total output of 14.7 million tons » Accounting for 7% of global output 	<ul style="list-style-type: none"> » There is a decision to cut down on 500 thousand tons of raw Sugar exports » It is considered by the Government to increase the use of sugarcane juice for Ethanol production: <ul style="list-style-type: none"> ❖ Ethanol production from cassava has been less competitive ❖ Cassava prices double over the same period last year ❖ There is a higher demand for cassava in the animal feed » Sugar output is expected to fall by 6% from a record of 14.7 million tons in the 2017-2018 crop year to 13.8 million tons in the 2018-2019 crop year
China	<ul style="list-style-type: none"> » Top 5 Sugar producer in the world » The largest Sugar importer in the world » The 2017-2018 crop year's total output of 10.2 million tons » Accounting for 5% of global output 	<ul style="list-style-type: none"> » Sugar consumption demand is stable at 17 million tons, undersupply of ~ 6 million tons. » Undersupply is expected to continue in the 2018-2019 crop year

Source: Worldatlas, Nasdaq, The Economic Times, The Saigon Times, CafeF, BVSC

DOMESTIC SUGAR MARKET - OPPORTUNITIES FOR GROWTH

INVENTORY IS EXPECTED TO DECREASE, CONSUMPTION VOLUME TO INCREASE,
SPECIAL ATTENTION FROM THE GOVERNMENT

PRODUCTS IN THE SUGARCANE VALUE CHAIN ARE QUITE DIVERSE WITH A SERIES OF HIGH ADDED VALUE ONES DEVELOPED FROM THE SUGARCANE JUICE AND BAGASSE.

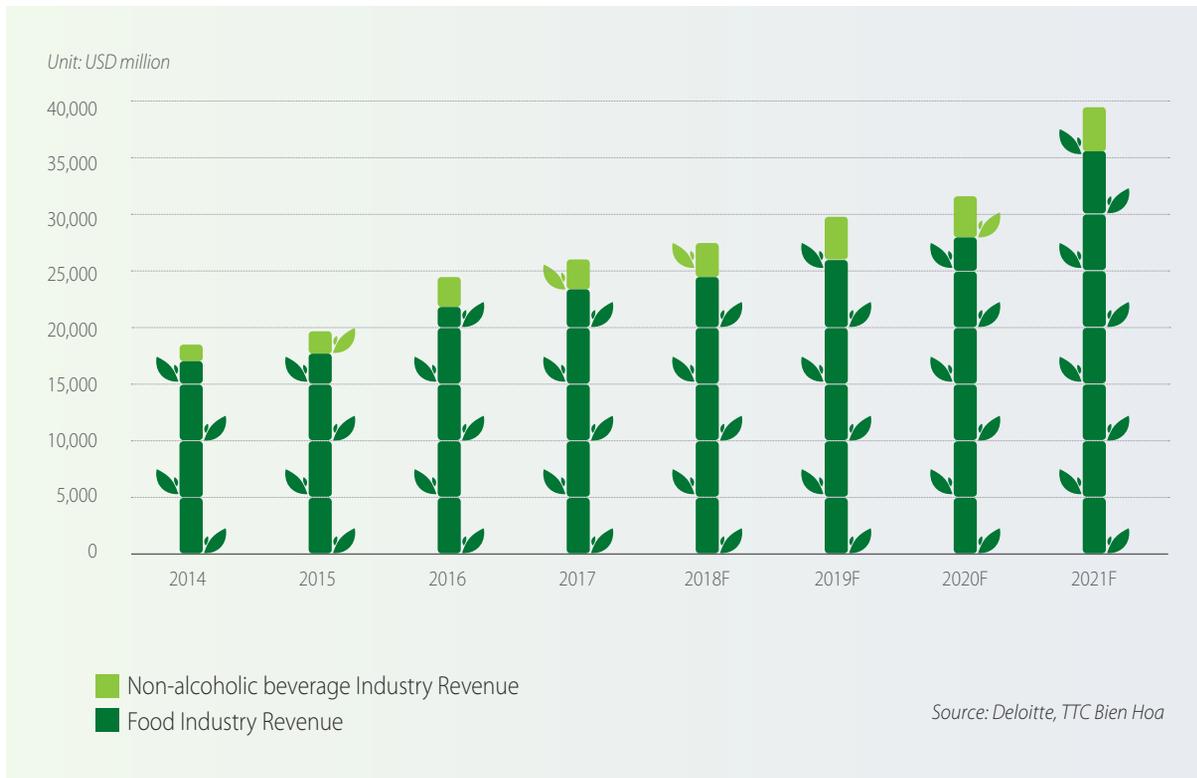
Products in the sugarcane value chain are quite diverse with a series of high added value ones developed from the sugarcane juice and bagasse, including By-products such as electricity generated from bagasse and Ethanol, which have many opportunities for growth thanks to the growing energy demand in Vietnam given shortage of petroleum products. Crude oil prices and petroleum products prices on the world market tended to increase in the first half of the year, while retail prices of petroleum products in the Country also rising from 7.5% to 17.9% as compared to the end of 2017. In addition, the Government has planned to subsidize for producing electricity from sugarcane bagasse, accordingly such electricity price is expected to achieve 7.5 cents/kwh from 5.8 cents/kwh.

Vietnam is also experiencing a period of "golden population structure" being most of the people at working age, with substantial demand of added-sugar products to supplement energy. Sugar consumption still has rooms to expand since Sugar consumption per capita in Vietnam was only 17.5 kg in 2017, much lower than ASEAN neighboring countries such as the Philippines of 23.5 kg, Indonesia of 24.6 kg, Thailand of 43.4 kg and Malaysia of 57.9 kg. According to PwC's forecast, the sugar consumption per capita in Vietnam will reach 26 kg by 2026, but is still very modest as compared to the studied countries.



The Vietnam Sugar Industry also has many opportunities thanks to the economic expansion, with GDP growth forecasted by prestigious organizations ranging from 6.5% to 7% in 2018 and therefore, CAGR in the Middle and Affluent Class (MAC) can reach 13% for the period 2012-2035. In addition, the young population structure with an average age of 31 years and the fastest urbanization in ASEAN region will be supporting factors for Vietnam Sugar Industry. It is expected that by 2035, Vietnam will have 54 million people living in urban areas accounting for 50% of the total population, and 21 million people in the age of 20 years - a potential labor supply for the economy. The urban population rate will surge to 60% in 2050 from

36% in 2017. These factors promote F&B product demands such as Confectionery, Beverages, Ice cream ... with Sugar as the important raw material. According to Deloitte, F&B Revenue will reach USD 40 billion in 2021 from USD 27 billion in 2017. In addition, the Vietnam Sugar Industry sees supply moving in an opposite direction with demand, when Sugar production volume tends to decrease from the 2013-2014 crop year albeit increasing demand. Vietnam is expected to need additional 1-1.5 million tons of Sugar in the next few years for individual and the food industry's consumption. We can now believe in a brighter prospect for the Sugar Industry as the Sugar prices was bottoming out at the all-time low level in 2015.



It is noteworthy that most of Sugar sold in domestic consumption channels is unlabeled and inconsistent in quality, and consumers are not able to track to prove the origin. In order for the Vietnam Sugar Industry to develop in a sustainable manner and compete with Thai Sugar, the Government determines to improve the handling of smuggling activities, price and quality control, impose taxes on liquid sugar. In addition, VSSA introduced a mechanism to encourage enterprises to diversify their products from sugarcane, by applying systematic solutions to reduce sugarcane prices and requiring shutdown for unsatisfied refinery factories.

Enterprises expects that the Government will soon approve the construction of Sugarcane Law, thereby attach more importance of the Sugarcane Industry in the list of national agricultural products in

order to enjoy preferential treatments as stipulated in Decree 98/2018/ND-CP on policies to encourage the cooperation and connection in production and consumption of agricultural products. The target is 80%-95% of sugarcane products, shrimp and basa catfish products; 15%-30% of commodity tea, rice, coffee, export fruit, safe vegetables... will be consumed in the cooperation chain by 2020. Another positive information is that

ATIGA enforcement is now extended for a further 2 years until 2020, bringing the opportunity for 110,000 sugarcane farmers, 380,000 industry laborers to well prepare for and adapt to the integration. The ATIGA extension is viewed appropriate while the Governments of the Regional Sugar power countries such as Thailand and the Philippines are heavily subsidizing their Sugar Industry as well as implementing trade protection measures.



ADVANCED CORPORATE GOVERNANCE FOUNDATION FOR BUSINESS ACTIVITIES

IMPROVE CG PRACTICES IN LINE WITH INTERNATIONAL STANDARDS

AS ONE OF THE FEW PIONEERS IN VIETNAM TO IMPLEMENT SUCH A NEW CG MODEL, THE BOD OFFICIALLY ESTABLISHED THE AUDIT COMMITTEE IN MAY 2018.

In FY 2017-2018, the Sugarcane Industry did not have many favorable support factors as others. The BOD had to work out prompt and appropriate solutions to ensure that the Company's operations should not be disordered, and maintain stable growth as well as commit to engagement with Stakeholders, especially Farmers, Local Communities, Environment and Society.

In the past year, the BOD cooperated with the professional and prestigious CG consultancy firm IFC-the World Bank to improve the governance system, apply the CG principles in line with international standards and best market practices, in alignment with the motto **"Sustainable development with Vietnamese sugarcane"**. In addition to the internal CG Framework agreed and promulgated in compliance with the latest CG regulations under Decree 71 and Circular 95, the BOD directed to complete the Codes of Conduct, Regulations on RPT to define and regulate communication standards within the Company and with Stakeholders, prevention of corruption, violation of professional ethics, protection of whistleblowers; as well as to ensure proper RPT on arm length basis, minimize transactions harming Shareholders and Investors' benefits.

As one of the few pioneers in Vietnam to implement such a new CG model, the BOD officially established the Audit Committee in May 2018 after removing the BOS model which failed to fully its role of protecting the rights of Shareholders and Investors. Independent monitoring functions are transferred to the BOD when the Audit Committee, with the participation of all Non-executive BOD Members including two Independent BOD Members, will report directly to the BOD. The BOD would like to streamline the apparatus as well as to centralize its role, and most importantly to reduce at least 5% Revenue lost by fraud according to a PwC research, a target which will be realized by the BOD in the near future.

Also in May 2018, the BOD officially set up the HR Committee with the participation of an Independent BOD Member and Head of the HR Committee is a Non-executive BOD Member in order to ensure that the personnel policies are made in right direction with the long-term development strategy. The HR Committee is responsible for implementing orientation programs for new BOD Members; developing policies to encourage BOD Members to participate in continuing and professional training; conducting annual performance evaluation for CEO and key Managerial level; performing annual assessment for the whole BOD and each BOD Member, BOD Committees with clearly-defined and transparent assessment process and criteria; and most crucially is to develop

the succession plan for the BOD, CEO and other key management personnel, ensuring continuous and sustainable HR.

Previously in April, the BOD also established the Strategy Committee with the participation of an Independent BOD Member, an Independent BOM Advisor and Head of the Strategy Committee is a Non-executive BOD Member. This Committee supports the BOD in strategic orientations for post-merger operations as well as business leapfrogging in the unfavorable industry conditions. With the participation of the Independent BOD Member with 45 years of experience in Global Retail and Sugarcane fields, the Strategy Committee is expected to help expand the Company's consumption channels, especially to maintain its export markets in the US, China, Singapore, Sri Lanka, Myanmar, Kenya and reach out to new markets with strict requirements on product quality and production process as well.



Strict Sugar quality assurance process

ADVANCED CORPORATE GOVERNANCE FOUNDATION FOR BUSINESS ACTIVITIES (continued)

In order to best utilize the capability of the BOD Committees just established in FY 2017-2018, to avoid formality and put operations into practice, the BOD is in the process of finalizing the Operation Regulations, Governance Structure, Operation Charter for each Committee in line with the ASEAN Scorecard, which aims at effective CG practices in the integration phase of the Sugarcane Industry. In addition to the Committees, some other Boards under the BOD such as Product Development Committee, M&A Promotion Committee and Debt Settlement Council were also deployed in April and May 2018 respectively to advise the BOD on specialized areas.

The Product Development Committee is responsible for developing and implementing each new product plan in line with the roadmap to improve the Sugar Industry's value chain, enhance the production capacity and competitiveness. The M&A Promotion Committee sets objectives, develops and implements M&A plans, seeks potential investors in line with the Company's development strategy, and selects financial advisory firms, financial institutions with sufficient capability, prestige, expertise to support the Company. The Debt Settlement Council analyzes and evaluates the current status of debt, urge the debt collection and propose specific debt settlement plan for each case, ensuring safe liquidity.

In addition, Deloitte Southeast Asia also became a strategic consultant with the "Strategy Review" project to restructure the Company's operations in order to improve the competitiveness and accelerate future growth. It is noteworthy that the dual adoption and conversion of IFRS from the VAS accounting system is underway and will be soon applied in FY 2018-2019, which is a proper preparation for the long-term strategic partnership with foreign shareholders and the development of stage. Among 2,090 companies listed on Vietnam stock market as of June 30th 2018, only about 10 companies voluntarily prepare FS in accordance with IFRS standards, making up a modest rate of about 0.5%, and TTC Bien Hoa is one of the few companies on the list. In order to effectively bring in more and more practical benefits for Shareholders, the BOD directed the bilingual information disclosure in accordance with ASEAN Scorecard in the effort to protect the benefits of not only domestic but also foreign Shareholders.

The BOD wants to ensure that the Company is well prepared to welcome foreign strategic investors in the coming year. Moreover, as a constituent of VN30, the Index consists of leading blue-chip stocks according to market capitalization and liquidity, and is the underlying index for ETF products and index derivatives in the future, TTC Bien Hoa strives to partially contribute to upgrade Vietnam's stock market from Frontier Market to Emerging Market in the time to come.



Mr. Nguyen Thanh Ngu - CEO (second from right) visited a Raw material area with farmers

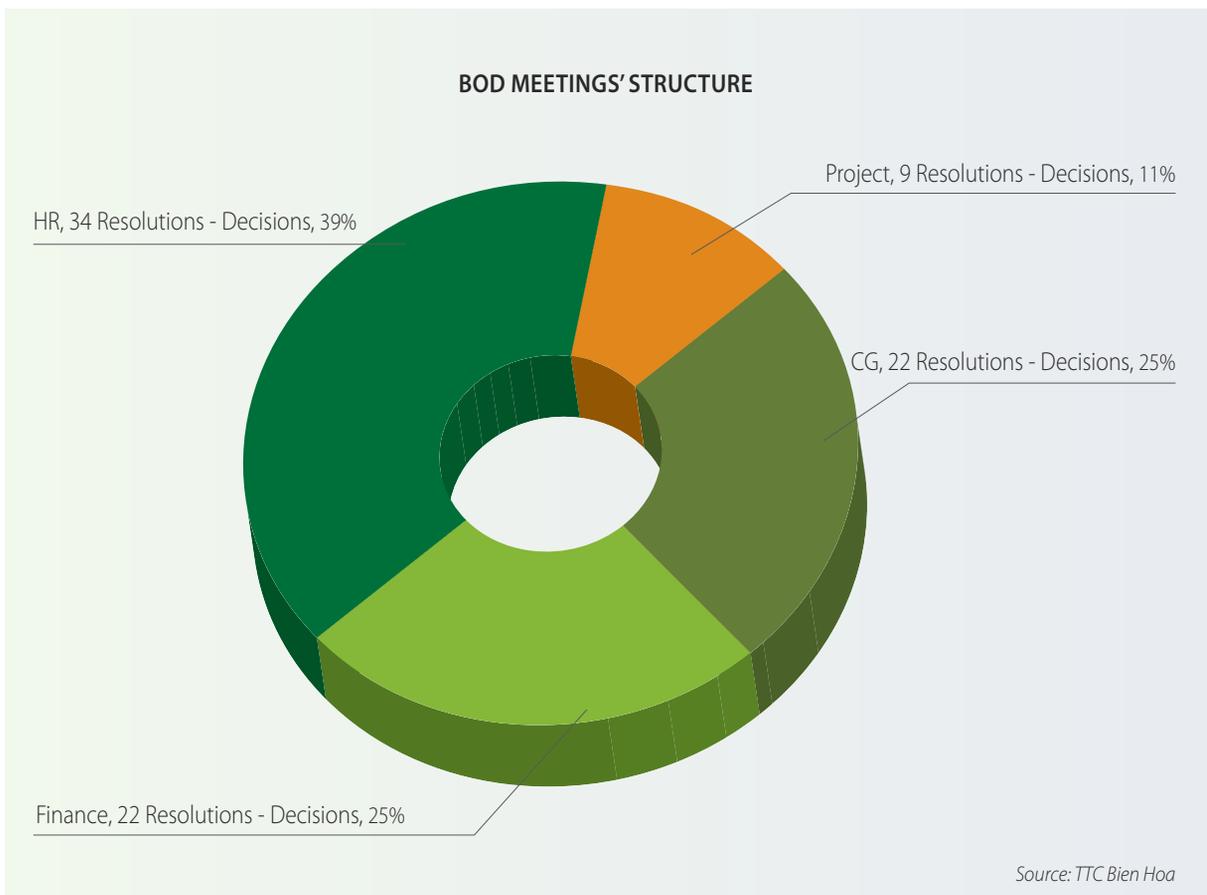


FROM ORIENTATIONS TO DECISIONS

The BOD had several meetings to ensure strict implementation of the Resolutions passed at the FY 2016-2017 GMS for the best interests of Shareholders, Investors and Stakeholders. From July 1st 2017 to June 30th 2018, the BOD conducted 50 meetings, issued a total of 87 documents including 34 Resolutions and 53 Decisions on strategic orientations for four key areas: CG (25%), Finance (25%), HR (39%) and Project (11%).

HR was the most prominent issue in the FY 2017-2018, accounting for 39% of the total decisions made, as the Company's post merger scale is several times larger. The BOD needs to have a dedicated and visionary team to help the Company achieve the target of 1.23 million tons of Sugar in the FY 2020-2021, and bring Vietnam Sugar brand reach out to the Region. Since the FY 2017 - 2018, the Company has officially applied the CG model in accordance with international standards, ensuring the five objectives proposed by ASEAN Scorecard: *Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board.*

Finance was also a key issue when the BOD had 22 financial decisions, accounting for 25%. In fact, BOD's decisions focus on shifting to long-term and safe capital restructure, ensuring stable financial resources for the strategy **"Sustainable development with Vietnamese sugarcane"**. Financial restructure to optimize capital structure can be done in different ways, including change the loan term, maturity duration; make new loans in various forms such as bank loans, issuance of bonds, convertible bonds; capitalize a part or the whole loan; issue convertible preferred shares...



Resolution No.	Time (month/year)	Content	Decision No.	Time (month/year)	Content
I. CG - 22 RESOLUTIONS/DECISIONS					
9 Resolutions			13 Decisions		
19,20,23,26/2017/NQ-HDQT	9,10,11/2017	AGM	30a,48,51/2017/QD-HDQT 1,5,6,14 /2018/QD-HDQT	7,12/2017 1,2,3/2018	Issue of regulations
38/2017/NQ-HDQT	12/2017	Policy on RPT	10,11/2018/QD-HDQT	2/2018	Ranking and title in the OC
24/2017/NQ-HDQT	11/2017	Activities of Subsidiaries	30b/2017/QD-HDQT	4,5/2018	Committees, Boards, Councils
01/2018/NQ-HDQT	1/2018		15,19,20/2018/QD-HDQT		
10,11/2018/NQ-HDQT	5/2018	BOD Committees			
II. FINANCE - 22 RESOLUTIONS/DECISIONS					
17 Resolutions			5 Decisions		
15,17,18,21,25,27,30,34,36,37/2017/NQ-HDQT 07/2018/NQ-HDQT	9,10,11,12/2017 4/2018	M&A activities	40,54/2017/QD-HDQT	T9,12/2017	Share transfer
32/2017/NQ-HDQT	12/2017	Termination of investment activities in Cambodia	42,43,50/2017/QD-HDQT	T11,12/2017	Capital increase and investment in Member Companies
33/2017/NQ-HDQT	12/2017	Select independent auditing firm			
4,5/2018/NQ-HDQT	3/2018	Capital transfer, treasury share			
6,9/2018/NQ-HDQT	4,5/2018	Bond issuance			
III. HR - 34 RESOLUTIONS/DECISIONS					
5 Resolutions			29 Decisions		
28,29/2017/NQ-HDQT	12/2017	Personnel appointment	33,34/2017/QD-HDQT	9/2017	Personnel relocation
35/2017/NQ-HDQT	12/2017	Authorization, assignment	25,26,37,41,45,52/2017/QD-HDQT	7,9,11,12/2017	Personnel dismissal
2,3/2018/NQ-HDQT	2/2018		02,09,16,18/2018/QD-HDQT	1,5/2018	
			27,28,29,30,31,35,36,32,46,47,53/2017/QD-HDQT	7,9,12/2017	Personnel appointment
			03,4,7,8,13,17/2018/QD-HDQT	1,2,5/2018	
IV. PROJECT - 9 RESOLUTIONS/DECISIONS					
3 Resolutions			6 Decisions		
14,16/2017/NQ-HDQT	7,9/2017	Project adjustment	39,39a/2017/QD-HDQT 21/2018/QD-HDQT	9/2017	Project approval in principle
22/2017/NQ-HDQT	11/2017	Project approval in principle	44,49/2017/QD-HDQT 12/2018/QD-HDQT	11,12/2017 2/2018	Establishment of branches, project management committee

Source: TTC Bien Hoa

In terms of strategic management, all BOD Members are Non-executive Members. Based on the BOD, BOS and Audit Committee's Charter, these Members do not receive salaries or bonuses. The total sole remuneration paid for these Members in the FY 2017-2018 were VND 3.1 billion, in line with each Member's service time in the year and does not exceed the remuneration of VND 6 billion as approved by the AGM. In the FY 2017-2018, the Company restructured the CG system and the BOS model was removed from November 20th 2017 and replaced by the Audit Committee in May 2018, therefore, the BOS remuneration is only VND 278 million. All the Audit Committee, HR Committee and Strategy Committee were newly established at end 2017-2018, hence all Members were not paid. In terms of management and development, the BOM and other Managerial levels received salaries and bonuses based on their contributions and achievements, totaling VND 5.3 billion. According to the the FY 2017-2018 FS audited by E&Y Vietnam, the total salary, bonus and remuneration of the BOD, BOM and other Managerial levels were recorded at VND 8.1 billion, surged by 32% compared to VND 6.1 billion of the previous year.

Non-auditing service expense of VND 7.6 billion is 3.3 times higher than the auditing service one of VND 2.3 billion representing the BOD's attention to CG practices based on ESG Sustainable Development Strategy comprising Environment, Society and Governance. The BOD assigned

Ms. Dang Huynh Uc My - Non-executive BOD Member to implement the CG Improvement Project with the support and semi-annual review from IFC.

After conducting an assessment, analysis and consultancy, IFC co-operated with the Company to conduct 2 training courses on CG for all senior Leaders in March and June 2018, for building an effective BOD, dealing with RPT and conflicts of interest, transparent information disclosure under the ASEAN Scorecard. Lecturers invited at the training courses including senior international experts in CG such as Deputy Director of the Central Institute for Economic Management (CIEM), IFC's ESG Expert, Deputy CEO of PwC VN, the sole Vietnam representative in the ASEAN Scorecard Project - an initiative of the ASEAN countries to implement the action plan of the ASEAN Capital Markets Forum (ACMF).

In addition, there are specialized training courses for senior executives, person in charge of information disclosure, the Company's secretary cum person in charge of CG, internal audit, which are organized by Government Agencies, professional training institutions, in order to promptly update the new regulations. Participation in these training courses is part of the roadmap to strengthen operational competency, enhance transparency to maximize the ability to mobilize appropriate funding for the strategic objectives as advised by Deloitte.



DURATION OF SERVICES, TRAINING COURSES OF THE BOD, BOS AND COMMITTEES

No.	Full name	Position	Actual income			Service time				
			Salary	Bonus	Remuneration (VND/mil)	BOD	BOS	Audit Committee	Strategy Committee	HR Committee
A BOD										
1	Mr. Pham Hong Duong	Chairman of the BOD Chairman of Strategy Committee Chairman of HR Committee	NA	NA	360	July 1 st 2017- June 30 th 2018	NA	NA	April 20 th 2018- June 30 th 2018	May 29 th 2018- June 30 th 2018
2	Ms. Nguyen Thi Hoa	Permanent Vice Chairwoman of the Board	NA	NA	360	July 1 st 2017- June 30 th 2018	NA	NA	NA	NA
3	Mr. Le Van Dinh	Vice Chairman of the Board	NA	NA	162	July 1 st 2017- November 20 th 2017	NA	NA	NA	NA
4	Ms. Dang Huynh Uc My	BOD Member	NA	NA	1,200	July 1 st 2017- June 30 th 2018	NA	NA	NA	NA
5	Ms. Nguyen Thuy Van	Vice Chairwoman of the Board Head of the BOS Head of Audit Committee	NA	NA	314	November 20 th 2017- June 30 th 2018	July 1 st 2017- November 20 th 2017	May 15 th 2018- June 30 th 2018	NA	NA
6	Mr. Henry Chung	Independent BOD Member Audit Committee's Member Permanent Vice Chairman of HR Committee	NA	NA	360	July 1 st 2017- June 30 th 2018	NA	May 15 th 2018- June 30 th 2018	NA	May 29 th 2018- June 30 th 2018
7	Mr. See Beow Tean	Independent BOD Member Audit Committee's Member Vice Chairman of Strategy Committee	NA	NA	180	November 20 th 2017- June 30 th 2018	NA	May 15 th 2018- June 30 th 2018	April 20 th 2018- June 30 th 2018	NA
B BOS										
1	Ms. Nguyen Thuy Van – Head of the BOS (Please refer to the above BOD section)									
2	Mr. Huynh Thanh Nhan	Controller	NA	NA	93	NA	July 1 st 2017- November 20 th 2017	NA	NA	NA
3	Ms. Pham Ngoc Thanh Mai	Controller	NA	NA	93	NA	July 1 st 2017- November 20 th 2017	NA	NA	NA
C AUDIT COMMITTEE										
1	Ms. Nguyen Thuy Van – Head of the Committee (Please refer to the above BOD section)									
2	Mr. See Beow Tean – Member of the Committee (Please refer to the above BOD section)									
3	Mr. Henry Chung – Member of the Committee (Please refer to the above BOD section)									
D STRATEGY COMMITTEE										
1	Mr. Pham Hong Duong – Committee's Chairman (Please refer to the above BOD section)									
2	Mr. See Beow Tean – Committee's Vice Chairman (Please refer to the above BOD section)									
3	Mr. Le Ngoc Thong	Committee's Vice Chairman	NA	NA	NA	NA	NA	NA	April 20 th 2018- June 30 th 2018	NA
E HR COMMITTEE										
1	Mr. Pham Hong Duong – Committee's Chairman (Please refer to the above BOD section)									
2	Mr. Henry Chung – Permanent Vice Chairman of the Committee (Please refer to the above BOD section)									
3	Mr. Huynh Ngoc Sinh	Member	NA	NA	NA	NA	NA	NA	NA	May 29 th 2018- June 30 th 2018

Reason	Meetings					Reason for absence	Course attended
	BOD	BOS	Audit Committee	Strategy Committee	HR Committee		
NA	21 42%	NA	NA	4 100%	Newly established	Overseas business trip	1. CG Training - IFC March 2018 2. CG Training - IFC June 2018 3. Long-term Training on Sugar Factory Management - Thailand
NA	50 100%	NA	NA	NA	NA	NA	1. CG Training - IFC March 2018 2. CG Training - IFC June 2018
Resigned from November 20 th 2017	20 40%	NA	NA	NA	NA	Resigned from November 20 th 2017	CG Training - SSC
NA	50 100%	NA	NA	NA	NA	NA	1. CG Training - SSC 2. CG Training - IFC March 2018 3. CG Training - IFC June 2018
Addition of BOD Member Change in CG model	19 38%	2 100%	1 100%	NA	NA	BOD Member from November 20 th 2017	1. CG Training - IFC March 2018 2. CG Training - IFC June 2018 3. Internal Audit Handbook - SSC 4. Update on new regulations and development trends in Internal Audit in Vietnam - SSC 5. Audit Committee Master Program – Vietnam Institute of Directors
Addition of Members to the Audit Committee, HR Committee	50 100%	NA	1 100%	NA	Newly established	NA	Overseas residence
Addition of Independent BOD Member Addition to the Audit Committee, Strategy Committee	30 60%	NA	1 100%	4 100%	NA	BOD Member from November 20 th 2017	Overseas residence
Change in CG model	NA	2 100%	NA	NA	NA	NA	The role of Internal Audit in listed companies - SSC
Change in CG model	NA	2 100%	NA	NA	NA	NA	Personal reasons
Change in CG model	NA	NA	NA	4 100%	NA	NA	No training during the service
Change in CG model	NA	NA	NA	NA	Newly established	NA	No training during the service

Source: TTC Bien Hoa

DURATION OF SERVICES, TRAINING COURSES OF THE BOM AND OTHER MANAGERIAL LEVELS

No.	Full name	Position	Income		Service duration	Reason for change	Training course
			Salary	Bonus			
A BOM							
1	Nguyen Thanh Ngu	CEO	90%	10%	July 1 st 2017-June 30 th 2018		
2	Tran Que Trang	Permanent Deputy CEO	81%	19%	July 1 st 2017-June 30 th 2018		CG Training - IFC March 2018
3	Duong Thi To Chau	Deputy CEO	89%	11%	July 1 st 2017-June 30 th 2018	Full year service	
4	Nguyen Quoc Viet	Deputy CEO	84%	16%	July 1 st 2017-June 30 th 2018		CG Training - IFC June 2018
5	Le Quang Hai	Deputy CEO	90%	10%	December 5 th 2017-June 30 th 2018		
6	Tran Quoc Thao	Deputy CEO	83%	17%	July 7 th 2017-January 22 nd 2018 February 13 th 2018-June 30 th 2018	Rearrangement	
7	Truong Thanh	Deputy CEO	100%	0%	January 22 nd 2017-June 30 th 2018	The appointment expired on July 21 st 2018	CG Training - IFC March 2018
B OTHER MANAGERIAL LEVELS							
1	Nguyen Thi Thuy Tien	CFO	100%	0%	July 1 st 2017-June 30 th 2018	Full year service	CG Training - IFC March 2018
2	Le Phat Tin	Chief Accountant	90%	10%	July 1 st 2017-June 30 th 2018		CG Training - IFC June 2018

Source: TTC Bien Hoa



FROM DECISIONS TO REALITY

Facing a lot of challenges in the integration process, BOD Members in their rights and duties have successfully completed the key tasks in the year in accordance with the BOD's Resolutions and Decisions, fulfilled all business targets, realized the M&A strategy, increased the capital and operation scale as well as implemented financial restructure.

No.	Person in charge	Main activities	Details
1	Mr. PHAM HONG DUONG Chairman of the Board	CG	» Change in operation structure, authorization, assignment in the post-merger period
	Ms. NGUYEN THI HOA Permanent Vice Chairwoman		» Addition of one Independent BOD Member to ensure compliance with the laws and best practices
	Ms. DANG HUYNH UC MY BOD Member		» Establishment of 3 Committees to increase the BOD effectiveness
2	Mr. PHAM HONG DUONG Chairman of the Board	Information Disclosure	» Appointment, dismissal of managerial employees in accordance with organizational hierarchy
	Ms. NGUYEN THI HOA Permanent Vice Chairwoman		» Reviewing, agreeing and promulgating the hierarchy and position according to the new model
	Ms. DANG HUYNH UC MY BOD Member		» Supervising the BOD and senior management's performance
3	Mr. PHAM HONG DUONG Chairman of the Board	M&A	» Strategic planning for the Company and the Member Companies for the medium and long term
	Ms. DANG HUYNH UC MY BOD Member		» Providing timely solutions to upheavals in the Sugar Industry
	Ms. DANG HUYNH UC MY BOD Member		» Supervising the implementation of objectives, development strategies and business plans
4	Mr. PHAM HONG DUONG Chairman of the Board	Project	» Ensuring the legal compliance, the implementation of AGM and BOD's Resolutions/Decisions
	Ms. NGUYEN THI HOA Permanent Vice Chairwoman		» Directing the implementation of information disclosure in accordance with the laws and higher standards: Circular 155, Circular 162, Decree 71, Circular 95, ASEAN Scorecard, Vietnamese - English bilingual disclosure, IIRC, GRI Sustainability Reporting Standards
	Mr. LE VAN DINH Vice Chairman		» The promulgation of the Regulation on Information Disclosure
5	Ms. NGUYEN THUY VAN BOD Member	Risk Management	» Ensuring that information disclosed in a transparent, timely and accurate manner
	Mr. HENRY CHUNG Independent BOD Member		» Improving the IR activities for the benefits of Shareholders and Stakeholders, Investors with equitable treatment
	Mr. SEE BEOW TEAN Independent BOD Member		» Monitoring and implementing M&A activities: HAGL Sugar (June 2017), BHS (September 2017), BTCO Import-Export (February 2018), Hai Vi (March 2018)
5	Ms. NGUYEN THUY VAN BOD Member	Risk Management	» Supporting the Member Company, especially making sure stable operation of the Merging Company
	Mr. HENRY CHUNG Independent BOD Member		» Orientation, supervision of the implementation of important projects to improve the factory's production capacity and adapt to the integration
	Mr. SEE BEOW TEAN Independent BOD Member		» Improving management process
5	Ms. NGUYEN THUY VAN BOD Member	Risk Management	» Implementing projects approved in principle in the previous years: Thermal power center, Microbial-fertilizer factory, Cane bagasse drying system, Mechanical equipment factory...
	Mr. HENRY CHUNG Independent BOD Member		» Orientation and approval of research and investment for new projects: Sugarcane bagasse drying system, Steam saving, Investment to increase refinery capacity, Solar power...
	Mr. SEE BEOW TEAN Independent BOD Member		» Deployment of risk management model with 3 defense lines:
5	Ms. NGUYEN THUY VAN BOD Member	Risk Management	» Departments directly involve in the production process
	Mr. HENRY CHUNG Independent BOD Member		» Departments play the role of consultancy and supervision to ensure timely detection of errors and improve processes: Legal Compliance, Internal Control, Quality Assurance
	Mr. SEE BEOW TEAN Independent BOD Member		» The Audit Committee and Internal Audit Department are not under the BOM, assessing the two previous defensive lines and potential risks independently and objectively
5	Ms. NGUYEN THUY VAN BOD Member	Risk Management	» Risk classification based on factors affecting business operations:
	Mr. HENRY CHUNG Independent BOD Member		» External risks: Economy, interest rates, exchange rates, legal policies, consumption trends, competitors
	Mr. SEE BEOW TEAN Independent BOD Member		» Internal risk: Raw materials, quality
5	Ms. NGUYEN THUY VAN BOD Member	Risk Management	» Actively identifying each specific risk group, preparing corrective and preventive measures, minimizing negative impacts of these risks.
	Mr. HENRY CHUNG Independent BOD Member		
	Mr. SEE BEOW TEAN Independent BOD Member		

EVALUATING THE FULFILLMENT OF RESPONSIBILITIES OF THE BOD COMMITTEES, INDEPENDENT BOD MEMBERS AND BOM

No.	Assessee	Detailed assessments
1	BOS	<ul style="list-style-type: none"> » In the first half of the year, the BOS completed well its duties in supervising the implementation of AGM's Resolutions, legal compliance, financial activities and operations of the management and governance units » The BOS supported and strengthened the Internal Control system; played a crucial role in reviewing, identifying and improving operation systems; helped strengthen the BOD and BOM's firm belief in the management and governance
2	Audit Committee	<ul style="list-style-type: none"> » With the service of qualified and experienced staffs in the formerly BOS, the Audit Committee carry out the roles effectively to supervise the BOD and BOM's operations » With expertise in accounting and auditing, the Audit Committee makes important contribution in supervising the preparation and issuance of FS as well as the selection of independent auditing companies, and ensure the full and accurate presentation of the Company's business activities » The Audit Committee closely cooperates with the Internal Control and Internal Audit jointly to make a solid foundation for the risk management process
3	Strategy Committee	<ul style="list-style-type: none"> » Immediately after establishment, the Strategy Committee cooperated with Deloitte Southeast Asia to review and adjust the Sugar Business Line strategy for the period 2017-2018 to 2020-2021 » The Strategy Committee deployed the general strategy for the whole business line, then allocated specific tasks to each backbone units for implementation. » This is an extremely important task in the context of various upheavals in domestic and international Sugar Industry; The ATIGA was extended for two more years but its direct impact on the Sugar Industry is predictable
4	HR Committee	<ul style="list-style-type: none"> » Without any official meeting from establishment at the end of the year, the HR Committee previously took part in developing and advising the Board on various issues related to high-level personnel » The HR Committee supported in preparation of appropriate personnel, competitive and reasonable compensation policies to retain talents creating a solid foundation to realize the strategy.
5	Independent BOD Member	<ul style="list-style-type: none"> » 2 foreign Independent BOD Members meet all the requirements to become Independent BOD Members in accordance with the current regulations. They also have intensive knowledge in the Industry as well as the international market experience » Independent BOD Members played an important role in providing professional advice, advising on management activities, ensuring efficiency and transparency » They support the BOD's decisions being made in an objective and independent manner, decision quality has been more and more improved, the rights and benefits of all Shareholders and Investors have been always guaranteed » In addition to the main duties, each Independent BOD Member actively participated in 2 out of 3 BOD Committees to assist the BOD in the HR and the Strategy matters.
6	BOM	<ul style="list-style-type: none"> » Through regular monthly, quarterly and extraordinary meetings, the BOD frankly questioned and discussed with the BOD on operation issues, implementation of the business strategy and targets approved by the AGM » The BOD highly appreciated the BOM's efforts in accomplishing the majority of objectives approved by the AGM, apart from the share dividend payment in the FY 2017-2018 as the market conditions may affect the share dilution » The FY 2017-2018 is still an unfavorable period for the Sugar Industry, however with proactive planning, forecasting and implementation of appropriate strategies and effective synergy from the merger with BHS, the BOM accomplished in excess of the FY 2017-2018 business targets, continuing to affirm the No. 1 position in the Vietnam Sugar Industry.

SWOT ANALYSIS - IDENTIFYING STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

S

1. Leader in market share, production capacity

- » 40% market share in the Country
- » Large raw material areas, accounting for 25% of the whole Country's raw material areas, almost near the Refinery Factories
- » Owned farms of 100% mechanized
- » 9 Factories with advanced technology, sugarcane crushing capacity of up to 37,500 TCD
- » 4 Factories capable of refinery from raw Sugar
- » 1 Factory operating all year round
- » 1 Factory with the largest capacity in the Country

2. Diversified products with self-contained value chain

- » 13 Sugar products with 47 trade marks, meeting all customer needs
- » Clean Sugar products, manufactured by European technology according to ISO 9001 and ISO 22000 standards
- » 4 By-products, contributing 7% of Revenue
- » Well established brand name, products on consumer's top of mind

3. Widespread business network, convenient distribution system

- » 4 Distribution channels
- » B2B and B2C with both substantial advantages
- » Exports at 6 big markets, ready to expand new markets
- » Convenient storage and distribution locations enable to supply domestic and export customers easily

4. Qualified staff

- » The Management with many years of experience in the Sugarcane Industry
- » Clear and detailed strategic directions
- » IFC and Deloitte in CG and strategic consultancy
- » Proactively satisfying international standards in CG, information disclosure and financial management

W

- » High refinery, transportation costs as compared to other countries in the Region and in the world, leading to high production costs
- » Science and technology not yet widely applied
- » Low Sugarcane and CCS quality
- » The Sugar Industry's value chain not yet fully utilized
- » Unexpected profit margin for By-products
- » High interest expenses due to post M&A expansion

O

- » The world Sugar prices are expected to rebound thanks to macroeconomic conditions, stable consumption output while production output have been decreasing
- » Demands for bio-fuel have been increased
- » When the ATIGA becomes effective, the Company has the opportunity to accessing the market of 650 million people in Southeast Asia, accessing to cheap raw Sugar without tax imposed on amount exceeding the quota of exemption
- » Vietnam has high economic growth, especially the rise of the MAC
- » Young population structure leads to high demand for energy
- » Sugar consumption per capita is low and forecasted to grow strongly
- » Energy demand is increasing given the shortage of petroleum product supply
- » The Government has plans to subsidize prices for electricity producer from Bagasses, which are expected to rise to 7.5 cents/KWh from 5.8 cents/KWh
- » The Government tightens its surveillance against smuggling, trade frauds, increased tariffs on liquid Sugar and quality control
- » The ATIGA is extended until 2020, for the Company to improve production capacity and lower production costs

T

- » Consistent domestic inventories
- » Complicated situation of Sugar smuggled to affect the Sugar prices
- » Thai Sugar, smuggled Sugar, liquid Sugar at low prices to put great pressure on domestic Sugar one
- » Low profitability as compared to other crops, significantly affecting the raw material supply
- » Climate change, unusually bad weather, drought, floods, causing low sugarcane quality and CCS. Not being loyal farmers with Sugarcane due to profitability



With the BOD's directions, in the FY 2017-2018, the BOM successfully fulfilled their almost roles and responsibilities of a leading Company in aspects. However, there are issues that need to be improved, as TTC Bien Hoa's objective is to outreach the Region and compete with Thai Sugar products on the world market. Although the leadership succession planning has been implemented, there is still no clear succession policy and detailed plans. With such a scale and position in the Industry, the number of BOD Members needs to be increased to meet the rising workload.

In addition, according to the ASEAN Scorecard, Head of the HR and Audit Committees should be Independent BOD Members and all Members of the Audit Committee must be Independent ones to ensure transparency and independence in all decisions. The addition of at least one Independent Member therefore needs to be considered. During the application of Internal Control - Integrated Framework published by COSO's National Commission on Fraudulent Financial Reporting, TTC Bien Hoa has not implemented the second component, i.e. there is no independent risk management to monitor and manage risks regularly.



TTC Bien Hoa's premium Organic Sugar products bring high added values to Customers

FY 2018-2019 DEVELOPMENT OBJECTIVES: GREEN - CLEAN - EFFECTIVE AND SUSTAINABLE DEVELOPMENT

IN THE FY 2018-2019, THE COMPANY CONTINUES TO TAKE BEST UTILIZATION OF SYNERGIC EFFECTS FROM THE M&A TRANSACTIONS WITH BHS, HAGL SUGAR; TO ACCELERATE THE RESTRUCTURING AND EXPAND THE OPERATION SCALE VIA VERTICAL MERGERS SO AS TO CONSTANTLY IMPROVE THE COMPETITIVENESS, WELL PREPARE THE INTERNAL STRENGTHS AND GET READY FOR INTEGRATION AND MARKET OPENING-UP.

The Company has been in the process of realizing the strategy for the period 2016-2021, concentrating on the key directions **“Green - Clean - Effective and Sustainable development”**. In preparation for a stage of both challenges and opportunities, in FY 2018-2019, the BOD will continue to hold quarterly meetings to discuss CG issues as well as implement the strategy to achieve 50% market share, 1.23 million tons of Sugar with a CAGR of 23%.

In the FY 2018-2019, the Company continues to take best utilization of synergic effects from the M&A transactions with BHS, HAGL Sugar; to accelerate the restructuring

and expand the operation scale via vertical mergers so as to constantly improve the competitiveness, well prepare the internal strengths and get ready for integration and market opening-up. The Company's development objectives will focus on three main groups: (1) Continue to lead the market, increase both the wide and in-depth coverage, (2) Enhance production capacity, constantly innovate the products as well as technology, thereby optimize production costs; (3) Promote modern agricultural practices, large-scale production, high technology application, aiming to become one of the leading companies in Vietnam in the fields of Agriculture and Food.



ISSUES EXPECTED TO BE DISCUSSED IN THE FY 2018-2019 BOD'S MEETINGS

No.	Tentative issues	Tentative meeting time
1	Strategy implementation	
2	Loan approval	
3	Approval of Regulations/Policies	Quarter I, II, III, IV FY 2018-2019
4	Staff appointment	
5	Approval of audited annual FS, semi-annual FS	Quarter I, III FY 2018-2019
6	GMS's documents	
7	Investment policy	Quarter I FY 2018-2019
8	Approval of FY 2017-2018 Annual Report	
9	Approval of financial budget and strategic plan	Quarter II, IV FY 2018-2019
10	FY 2017-2018 year-end performance, emulation and award evaluation	Quarter IV FY 2018-2019

With the belief of the Sugar Industry's recovery, TTC Bien Hoa's medium and long-term strategic direction for period 2017-2018 to 2020-2021 is to focus on its key business orientations **"Green - Clean - Effective and Sustainable Development"**. In FY 2018-2019, the BOD keeps improving the advanced CG model according to international standards. In particular, the Company focused on R&D activities in order to diversify the product portfolio, focus on its huge product quality, expand the distribution system to increase market share. FY 2020-2021 consumption volume target is 1.23 million tons of Sugar, with a CAGR of 23%, maintaining the leading position in B2B, B2C and Export.



Premium Rock Sugar, a product in TTC Bien Hoa's diversified Sugar product portfolio

OPERATIONAL ORIENTATION FOR FY 2018-2019

FOR THE GOAL OF SUSTAINABLE DEVELOPMENT, TO BECOME ONE OF THE LEADING AGRICULTURAL COMPANIES IN VIETNAM

- 1 To continue to lead the domestic Sugar market in terms of sales volume, aiming to achieve a consumption volume of more than 846,000 tons.
- 2 To strive to shift from the supply of a consumer goods to healthy products for customers, strengthen consumer loyalty by diversifying product portfolio, especially **"Green - Clean - Healthy"** products such as Organic Sugar, Diet Sugar, Premium Rock Sugar...
- 3 To increase the handling of illegal Sugar smuggling activities, seek to replace with suitable Sugar products.
- 4 To concentrate on scientific and technological research applied in agriculture, promote centralized farming such as underground plowing, irrigation, efficient mechanization, limited cultivation, field design...
- 5 To effectively manage refinery costs, well perform preventive maintenance.
- 6 To develop distribution system, optimize transportation costs, develop professional sales staff, to actively accompanying customers.
- 7 To concentrate on the succession training, create favorable conditions for talent retention and development.
- 8 To build financial structure in accordance with IFRS, international standards, continue to implement IT projects such as Financial Risk Management (FRM), Customer Relationship Management (CRM), Distribution Management System (DMS), Enterprise Resources Planning (ERP), Business Intelligence (BI)...

STRATEGIC ORIENTATIONS FOR MEDIUM AND LONG TERM DEVELOPMENT



AGRICULTURE

TTC Bien Hoa aims to be the Country leader in terms of Raw material area, the pioneer to apply advanced technology in agricultural activities

- » The Agricultural Line needs to move strongly from small-scale to large-scale production, apply advanced science and technology, invest in mechanization and field design.
- » Concentrating on minimizing weather risks, responding to climate change, providing suitable substances for the soil and applying organic farming, precision farming.
- » Focusing on R and D as well as high-yield cane varieties, applying effective cultivation techniques to increase sugarcane yield and quality. The target yield for contracted sugarcane farms is 100 tons/ha.
- » Maintaining sufficient raw material areas to meet the production demands, especially to promote organic sugarcane planting, aiming at an area of 2,500 ha by 2021.



BUSINESS

TTC Bien Hoa aims to become a large-scale Company with international presence, operate in Production - Import - Export with the target volume of 1.23 million tons by FY 2020-2021.

- » MNC Channel:
 - ❖ Strengthening strategic cooperation with loyal customers.
 - ❖ Promoting in-depth product solutions to jointly reduce costs, promote sustainable development.
- » SME and B2C Channels:
 - ❖ High potential for growth thanks to strong industry trends and rising consumer demand. There are many opportunities in niche markets.
 - ❖ Taking advantages of Bien Hoa Sugar brand reputation well-established in consumer's minds to promote product coverage across the Country, including mountainous and remote areas. The Company must pay attention to promote brand awareness to create customer loyalty.



SUPPLY CHAIN

TTC Bien Hoa aims to expand across Indochina Region, producing products in accordance with international standards

- » Building up world-class production systems and processes, thereby reducing production costs to the same level of the regional peers.
- » Keeping on improving production lines, R and D for new products to satisfy the diverse needs of consumers, meeting the specific requirements of each consumption channel.
- » Providing high quality and diverse Sugar products, not only to meet strictest quality standards but also constantly reach higher environmental and social standards.
- » Improving logistics system, optimizing warehouse management software to reduce inventory costs and reduce delivery time.

TTC BIEN HOA HAS BEEN GRADUALLY TRANSFORMING ITSELF, TAKING THE INTEGRATION OPPORTUNITIES, ACTIVELY EMBRACING CHALLENGES AND CONSTANTLY IMPROVING THE COMPETITIVE CAPACITY FOR SUSTAINABLE DEVELOPMENT, AIMING TO BECOME THE PIONEER IN VIETNAM'S AGRICULTURE AND MAINTAIN THE LEADING POSITION IN INDOCHINA'S SUGAR INDUSTRY.



INTRODUCTION OF INDEPENDENT BOD MEMBERS

Full name	Position	Notes
Mr. See Beow Tean	Independent BOD Member cum Member of the Audit Committee, Vice Chairman of the Strategy Committee	Please see the Introduction of the BOD on page 56
Mr. Henry Chung	Independent BOD Member cum Member of the Audit Committee, Permanent Vice Chairman of the HR Committee	Please see the Introduction of the BOD on page 56

The FY 2016-2017 AGM taking place on November 20th 2017 appointed Mr. See Beow Tean, born in 1953, Malaysian nationality, as an Independent BOD Member. The number of Independent BOD Member were 2/6, accounting for more than 33% of BOD Members, in conformity with CG standards stipulated in Decree 71/2017/ND-CP dated June 6th 2017. All criteria required for Independent BOD Member were applied by the Company in accordance with the applicable laws of Vietnam. As an Independent BOD Member, Mr. Henry Chung and Mr. See Beow Tean both participated into the Audit Committee and were respectively Permanent Vice Chairman of the HR Committee and Vice Chairman of the Strategy Committee. The BOD Committees establishment in the FY 2017-2018 with the clearly defined Charter helped the Independent BOD Members to clarify their rights and duties, best assisting the BOD in monitoring the Company's operations independently, protecting the benefits of Shareholders and Investors in accordance with the latest CG standards - both ASEAN Scorecard and OECD principles.



Sugar processing tanks at TTC Sugar Factory

MAIN ACTIVITIES OF INDEPENDENT BOD MEMBERS IN THE FY 2017-2018

With the role of questioning, supervising and advising on CG activities, Non-executive Independent BOD Members contributed to harmonize the interests of Shareholders and Investors, especially to protect the rights and benefits of minority Shareholders, who always have asymmetric information on the Company's performance and outlook. TTC Bien Hoa's Independent BOD Members completed the tasks assigned by the BOD through a series of activities, typically:

- » Assisted the BOD to make CG more effective and transparent by improving issues related to modern CG standards; supervised the information disclosure according to best practices; reviewed FS to ensure the truthfulness and reasonableness; strengthened internal control, internal audit to improve the risk management activities; properly evaluated the role of Independent Auditors; supervised and provided opinions on conflicts of interest and RPT;
- » Advertised on personnel issues for the BOD, comprising (1) HR criteria applied to all staff levels in the Company, especially used for assessing the performance of the BOD Members, CEO and Managerial levels of primary, intermediate and high levels; (2) Orientation and development of management succession sources; (3) Formulating regulations, evaluating the scale and structure of salary, bonus, remuneration and other remuneration policies for the BOD Members, CEO and Managerial levels;
- » Advised on strategic direction issues for the Board, including: (1) Approving vision, mission and long-term strategic objectives; (2) Supervising the development and implementation of strategies; (3) Taking charge of sustainable development strategy and community and social responsibility.

EVALUATION ON THE BOD AND BOM'S PERFORMANCE IN FY 2017-2018

In FY 2017-2018, the BOD held responsibly regular meetings to make directional decisions and guided the BOM to carry out business activities in line with the Company's strategy. The BOD issued Resolutions and Decisions within their responsibilities and authorities; in accordance with the provisions of the Enterprise Law, the Charter and the CG Framework, in line with business practices, meet the CG requirements and development needs. This was a challenging year for the Sugar Industry, with integration pressures and coincided contraction cycle, and timely BOD meetings made decisions to:

- » Review and timely adjust the Company's development strategy in the period from 2017-2018 to 2020-2021;
- » Approve the business and budget plans for FY 2017-2018;
- » Improve the post M&A organizational structure according to IFC consultancy;
- » Approve the investment projects and strategic R&D projects;
- » Made decisions on investment policy for sugarcane farmers.

In addition, the BOM worked out flexible operation solutions to the continuously changing market, in alignment with BOD's strategic directions, typically:

- » Completed the procedures to merge BHS with TTC Bien Hoa;
- » Implemented investment projects to optimize production costs, such as Projects of Sugarcane bagasse drying, Solar energy, Steam consumption saving...;
- » Continued to diversify product portfolio with dynamic launching of new products to the market;
- » Deployed promotion programs, communication campaigns on clean Sugar, Organic Sugar products... to boost sales and meet diversified customer demands;
- » Improved the staff assignment and internal regulation system to ensure smooth operation.

According to assessment of Independent BOD Members, in FY 2017-2018, the Company's Management successfully accomplished Revenue and Profit targets assigned by the AGM.

FY 2018-2019 OPERATION PLAN

- » Mr. Henry Chung and Mr. See Beow Tean are expected to continue their BOD participation as Independent Members. In the coming year, Mr. See Beow Tean, with many years of experience in the consumer goods field, will continuously update the domestic and foreign markets, promptly advise and recommend necessary response; and help monitor the strategy implementation, aiming to bring TTC Bien Hoa to develop sustainably and reach out to the regional markets.
- » As Permanent Deputy Head of the HR Committee, Mr. Henry Chung will continuously improve the HR assessment criterion as well as propose salary, bonus and remuneration packages to attract and retain talents. He and the HR Committee will closely assess the performance of the BOD, CEO and Managerial levels in order to timely adjust the personnel strategy and improve operational efficiency, positively assist in realizing the 50% market share target in the FY 2020-2021.
- » The Independent BOD Members will continue to act as supervisors, reducing the risks of power abuse, contributing to protect the legitimate benefits of Shareholders, particularly minority Shareholders, given that 42.8% stake as of June 30th 2018 held by Domestic Shareholders and 7.33% owned by Foreign Shareholders.
- » In addition, a combination of Non-executive Independent BOD Members and other Non-executive BOD Members will ensure that they make unbiased decisions, avoid conflicts of interests, balance the power in the BOD to harmonize the interests of shareholder groups and other Stakeholders. This will help improve the Company's reputation, win customers' trust, attract and retain talents... to minimize any damages in the context TTC Bien Hoa continuing to affirm the leading position in Vietnam Sugar Industry.

INTRODUCTION OF THE AUDIT COMMITTEE

Full name	Position	Notes
Ms. Nguyen Thuy Van	Chairwoman of Audit Committee cum BOD Member	Please refer to Introduction of the BOD on page 55
Mr. See Beow Tean	Audit Committee Member cum Independent BOD Member	Please refer to Introduction of the BOD on page 56
Mr. Henry Chung	Audit Committee Member cum Independent BOD Member	Please refer to Introduction of the BOD on page 56

ACTIVITIES OF THE AUDIT COMMITTEE

BASED ON THE NEWLY APPLIED CG MODEL IN ACCORDANCE WITH INTERNATIONAL STANDARDS AND BEST PRACTICES, THE AUDIT COMMITTEE WAS ESTABLISHED AND OPERATED DIRECTLY UNDER THE BOD TO REPLACE THE FORMER BOS, EFFECTIVE FROM MAY 15th 2018.

The Committee consists of 3 Members, of whom 2/3 are Independent BOD Members, to make sure the supervision and control duties carried out transparently and independently of the Company's management. This new model is operated with BOD and Audit Committee's efforts to best protect the interests of Shareholders, Investors and to serve TTC Bien Hoa's sustainable development strategy.

In the FY ended June 30th 2018, the Audit Committee held 1 face-to-face meeting in May 2018 with the participation of all 3 Members, and several online meetings as well as the collection of Member's opinions via emails. Although the Audit Committee was established near the FY end, all the Members rapidly kept up with the former BOS's work, conducted a comprehensive



review and evaluated the Company's performance to report to the BOD. The Audit Committee's supervision activities in the FY can be summarized as follows:

FY 2017-2018 OPERATION RESULTS

Monitoring BOD and BOM's activities

Reviewing the former BOS's inspection and evaluation on the BOD and BOM's performance, the Audit Committee notes the followings:

- » The Company's activities were in line with BRC, Charter and comply with the Laws, State management regimes as well as financial and accounting standards;
- » The BOD and BOM's activities were in accordance with the Laws and the Company's Charter;
- » The BOD and BOM implemented all production and business directions based on the GMS's Resolutions;
- » The BOM executed all guidelines in accordance with the BOD's Regulations.

Monitoring FS

The Audit Committee reviewed Quarterly, Semi-annual and Annual FS before the BOM submitted them to the BOD and AGM, or disclosed according to the Laws. The monitoring results showed that:

- » Quarterly, Semi-annual and Annual FS were prepared and presented in accordance with the accounting standards and regimes and the current provisions of Laws;
- » There were no changes in the accounting regime, accounting standards, tax policies that had material impacts on financial status and FS disclosed during the year;
- » There was no unusual recognition of RPT (purchase and sale of goods, capital contribution, dividend payment ...).

Monitoring Internal Control System

Quarterly, the Audit Committee supervised the Internal Control system based on Internal Audit and Independent Audit's reports. The monitoring results showed that the Company had an effective Internal Control system:

- » The regulations were very well complied;
- » Business and technical processes were issued, updated and managed by the specialized team. It was noted in the Internal Audit system operation; all employees were fully aware and responsibly evaluate incomplete points to make positive contributions in order to strengthen the system;
- » The Company has been deploying the online process management system for review and approval, to replace the traditional one and reduce lag time, make it easier for document preparation, review, approval, searching and minimize errors.

Monitoring Internal Audit Activities

Internal Audit belongs to and subject to independent supervision from the Audit Committee through approving annual audit plan, reviewing Regulations on internal audit organization and methodology. In the Audit Committee's opinion, the internal audit function was working effectively, bringing significant added value to the Company, specifically:

- » Based on the Internal Audit team under the former BOS, Internal Audit's personnel was quite knowledgeable of all aspects of the Company's activities and hugely support the Audit Committee;
- » Collaboration between the Audit Committee and the BOM to carry out the management and internal audit duties, promoted the efficiency, not only to comply but also to support in warning and risk management before, during and after the transactions;

FY 2018-2019 OPERATION PLAN

IN FY 2018-2019, THE AUDIT COMMITTEE CONTINUES TO MAINTAIN WELL-PERFORMED ACTIVITIES IN THE PAST, AND IMPROVE THE OPERATIONS, SPECIFICALLY:

- » Reviewing FS based on materiality, completeness and consistency;
- » Continuing to supervise effectiveness of the Internal Control system so as to promptly detect defective processes and move from compliance monitoring to risk management to support the Company in timely identifying potential risks and newly arising risks in order to strictly manage the key risks with critical influence;
- » Being contrast to maintain effectiveness of the Internal Audit, overlooking the BOM's feedbacks on findings and recommendations related to inadequacies in regulatory documents and issues in the Company's activities;
- » Ensuring the Internal Audit's important role, making Internal Audit as the "3rd line of defense" of assurance service and independent, objective consultancy in order to evaluate operation effectiveness of the Internal Control system and corporate governance model according to the newly applied standards.

- » The compliance of procedures was strictly followed at the audited units. Moving from compliance audit to supporting in risk warnings had good results and would be a prerequisite for moving towards risk management in the following year;
- » The Internal Audit's roles were recognized and improved with positive feedbacks from the audited units.

Monitoring Risk management activities

Risk management is considered as an important task in effective governance and sustainable development. As a result, the Company's risk management under the Audit Committee's supervision focused on the following key tasks:

- » Annually evaluated risk management documentation;
- » Supported business units to implement risk management as well as measures to mitigate risks;
- » Evaluated risk management processes implemented by the BOD and BOM, and contributing to improve the effectiveness;
- » Timely identified significant risks may occur in key activities and projects; in order to work out timely and appropriate risk mitigation measures, assist in managing the projects in a scientific, timely, within-the-budget and compliant manner.

Monitoring Independent auditing service

The monitoring results showed that the Independent Auditors' proposal and implementation for FY 2017-2018 FS were in accordance with the Company's requirements in terms of scope of work, objects, methods and time as well as quality assurance requirements, independence, non-conflict of interests. From the discussions with Independent Auditing firms, the Audit Committee will submit to the AGM to vote on selection of Independent Auditors for FY 2018-2019.

Given the bigger influence, complexity and importance of decisions made by the BOD, the highest level of accuracy and rationality is required in all decisions, especially the Company's post-merger operations reaching such a large scale; the BOD decided to set up Committees to effectively deal with issues related to Strategy, Audit and HR. With the participation of the majority of the BOD Members, especially the Independent Members, they will specialize in each area, effectively supervise and monitor the Management's performance as well as improve the objectivity and independence in their decisions.

Taking initiative in responding quickly to the latest corporate governance standards, in the strategic direction to reach out to the Regional, the Company established the Committees including Audit, Strategy and HR Committee in FY 2017-2018.

No.	Name	Title	Position	Voting shares
I Strategy Committee				0.318%
1	Mr. Pham Hong Duong	Chairman of the BOD	Chairman of the Committee	0.28%
2	Mr. See Beow Tean	Independent BOD Member	Vice Chairman of the Committee	0%
3	Mr. Le Ngoc Thong	BOM Advisor	Vice Chairman of the Committee	0.038%
II Audit Committee				0.3%
1	Ms. Nguyen Thuy Van	BOD Member	Chairwoman of the Committee	0.23%
2	Mr. Henry Chung	Independent BOD Member	Member	0.07%
3	Mr. See Beow Tean	Independent BOD Member	Member	0%
III HR Committee				0.372%
1	Mr. Pham Hong Duong	Chairman of BOD	Chairman of the Committee	0.28%
2	Mr. Henry Chung	Independent BOD Member	Permanent Vice Chairman of the Committee	0.07%
3	Mr. Huynh Ngoc Sinh	HR Manager	Member	0.022%
Total				0.99%

	Strategy Committee	HR Committee
Establishment	<ul style="list-style-type: none"> » April 20th 2018 » Decision No. 15/2018/QĐ-HDQT approved the establishment of Strategy Committee and its Organization and Management 	<ul style="list-style-type: none"> » May 29th 2018 » Resolution No. 11/2018/BB-HDQT approved the establishment of HR Committee
Rights and duties	<ul style="list-style-type: none"> » Approving visions, missions and long-term objectives » Monitoring the formation, deployment and implementation of strategies » Being in charge of sustainable and responsible development orientations » Being in charge of relations with Related parties » Being in charge of integrated reporting 	<ul style="list-style-type: none"> » Proposing criteria and process for assessing the quality, capacity of Members of the BOD, BOM and Managerial levels » Advising the BOD on appointment, dismissing, signing and termination of contracts with Members of the BOD, BOM and Managerial levels » Advising and propose solutions for the BOD to consider and handle misconduct of Members of the BOD, BOM and Managerial levels » Advising the BOD on policies, regulations related to HR, compensation for Members of the BOD, BOM, Managerial levels and the entire Company in the BOD authority » Advising the BOD on the personnel structure of Member Companies
Activities in FY 2017-2018	<ul style="list-style-type: none"> » Coordinating with consultancy company, named Deloitte Consulting Vietnam Co., Ltd, to review and adjust the strategy for the Sugar Business Line for the period 2017-2018 to 2020-2021 » Strategy review was conducted from May 15th 2018 to June 20th 2018 	<ul style="list-style-type: none"> » Participating in developing Salary regimes, Emulation and reward regimes, Codes of Conduct » Giving advices to the BOD related to more than 22 appointment decisions and 2 dismissal decisions for senior Managerial levels
Meetings in FY 2017-2018	<ul style="list-style-type: none"> » May 15th 2018: Meeting for deploying the "Strategy Review" Project » June 4th 2018: Meeting for strategy discussions » June 18th 2018: Meeting for strategy discussions » July 15th 2018: Meeting for consent of strategy for Period 2017-2018 to 2020-2021 » Results from meetings: Agreeing on the development strategy for Sugar Business Line up to FY 2020-2021 	As the HR Committee was newly established at the end of FY 2017-2018, there was no official meeting, but it has still strived to fulfill all related responsibilities according to regulations on organization and operation of HR Committee
Plans for FY 2018-2019	<ul style="list-style-type: none"> » Continuing to implement the detailed development strategies and activities of each functional division (sales, finance, supply chain...) as approved » Monitoring the strategy implementation in the whole business line 	<ul style="list-style-type: none"> » Issuing formally criteria and process for assessing the quality and capacity of Members of the BOD, BOM and Managerial levels » Advising on the issuance and periodical review of internal regulations, including Codes of Conduct, salary, emulation, training, collective labor agreement, labor regulations and other operational procedures related to HR field » Consulting to the BOD on the appointment, dismissing, signing and termination of contracts with Members of the BOD, BOM and Managerial levels

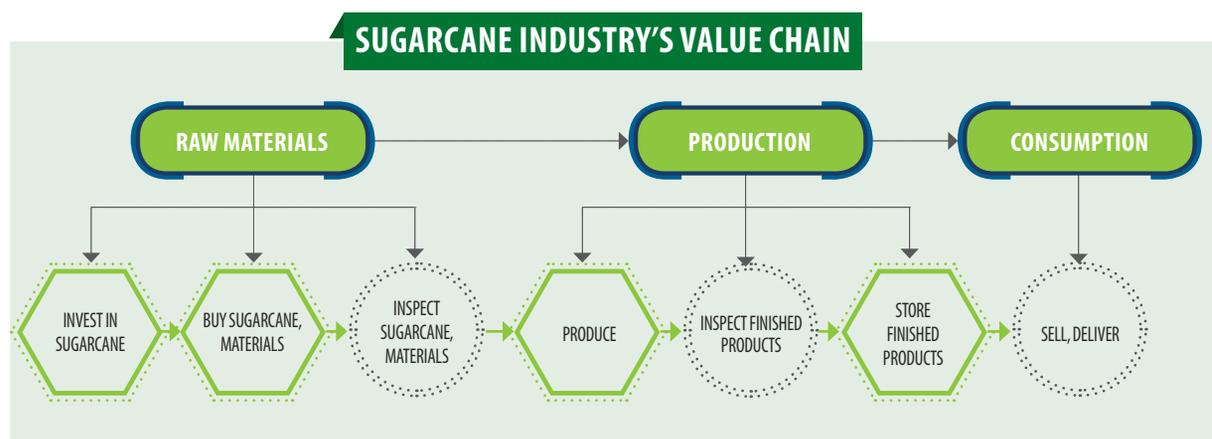


On the journey to become the leading Sugar Company in Indochina and reach out to the South East Asia Region, TTC Bien Hoa, as the Industry leading Company listed on HOSE with a market capitalization of nearly VND 7,700 billion, is fully aware of the importance of the rule of law. Legal compliance is always broadly understood by the Company, not only in compliance with the Company’s internal regulations, professional ethics, Codes of Conduct, or only Vietnamese laws, but also with international treaties to which Vietnam is a Member. All the mentioned factors will synergize with each other for the sustainable development objectives in the Company’s development orientations.

In fact, the Company always considers legal compliance as a core matter, as this is the foundation to support the Company in:



In the past years, the BOD has directed the development and issuance of tools and policies to implement and monitor the compliance. Since 2014, the Company has developed and issued the “*Sugarcane Industry Law Manual*” with regulations, practical experience explained and guided in detail for each stage in the Sugarcane Industry’s value chain.



RAW MATERIALS

- » In the development and expansion of the raw materials, the Company always attaches importance to environmental and social impact assessment and compliance with environmental protection regulations, land regulations on establishing land use rights; fully and timely performs the financial obligations and obligations of the land users.
- » In the collaboration with farmers to invest in sugarcane planting and purchasing, the Company always respects the rights of farmers by complying with the contract provisions and the laws relating to the transaction.
- » In the procurement of raw sugarcane, the Company complies with the requirements of National Technical Regulations QCVN 01-98: 2012/BNNPTNT issued in accordance with Circular No. 29/2012/TT-BNNPTNT dated July 3rd 2012 of the Ministry of Agriculture and Rural Development.

TYPICAL LEGAL REGULATIONS

No.	Regulations	Details	Issued on
1	Circular 29/2012/TT-BNNPTNT	National technical standards of sugarcane quality	July 3 rd 2012
2	Decision 68/2013/QĐ-TTg	Support policy to reduce losses in agriculture	November 14 th 2013
3	Land Law 2013	Land Law	November 29 th 2013
4	Circular 08/2014/TT-BNNPTNT	Guiding the implementation of Decision 68/2013/QĐ-TTg on support policies to reduce losses in agriculture	March 20 th 2014
5	Decree 43/2014/ND-CP	Detailing the implementation of a number of articles of the Land Law (amended and supplemented by Decree No. 01/2017/ND-CP dated 06/01/2017)	May 15 th 2014
6	Investment Law 2014	Investment Law	November 26 th 2014
7	Decree 118/2015/ND-CP	Guiding the Investment Law 2014	November 12 th 2015
8	Circular 83/2016/TT-BTC	Guidelines for implementation of investment incentives stipulated in the Investment Law 2014 and Decree 118/2015/ND-CP	June 17 th 2016
9	Decree 57/2018/ND-CP	Mechanisms and policies to encourage enterprises to invest in agriculture and rural areas	April 17 th 2018
10	Decree 98/2018/ND-CP	Policies on encouraging the development and cooperation in the production and consumption of agricultural products	July 5 th 2018



PRODUCTION

During the production process, the Company also complies with the procedures and is approved for all necessary licenses and requirements for the production and business activities such as Certificate of Food safety and hygiene, environment; complies with regulations on machinery and equipment safety, labor safety...

TYPICAL LEGAL REGULATIONS

1 Conditions for production facilities

No.	Regulations	Details	Issued on
1	Law on Food Safety 2010	Food safety	June 17 th 2010
2	Joint Circular 13/2014/TTLT/BYT-BN-NPTNT-BCT	Guiding the assignment and coordination in the State management on food safety	April 9 th 2014
3	Decree 15/2018/ND-CP	Detailing a number of articles of the Law on Food Safety	February 2 nd 2018

2 Labor safety, machinery and equipment safety

No.	Regulations	Details	Issued on
1	Law on Standards and Technical Regulations 2006	Law on Standards and Technical Regulations	July 1 st 2007
2	Decree 127/2007/ND-CP	Guiding the Law on Standards and Technical Regulations (amended and supplemented by Decree No. 78/2018/ND-CP dated May 16 th 2018)	August 1 st 2007
3	Labor Code 2012	Labor	June 18 th 2012
4	Decree 45/2013/ND-CP	Detailing a number of articles of the Labor Code on working time, rest time and labor safety and sanitation (amended and supplemented by Decree No. 44/2016/ND-CP dated May 15 th 2016)	May 10 th 2013
5	Law on Occupational Safety and Health 2015	Occupational Safety and Health	June 25 th 2015
6	Decree 44/2016/ND-CP	Detailing a number of articles of the Law on Occupational Safety and Health on technical inspection of occupational safety, health safety and hygiene training and work environmental monitoring	May 15 th 2016
7	Circular 53/2016/TT-BLĐTBXH	Issuing a list of machines, equipment and supplies subject to strict labor safety requirements	December 28 th 2016
8	Circular 54/2016/TT-BLĐTBXH	Issuing 30 processes of technical safety inspection for machines, equipment and supplies with strict requirements on labor safety	December 28 th 2016
9	Circular 16/2017/TT-BLĐTBXH	Guiding the technical inspection of labor safety for machinery, equipment and supplies subject to strict labor safety requirements promulgated by the Minister of Labor, War Invalids and Social Affairs	June 8 th 2017

3 Environment

No.	Regulations	Details	Issued on
1	Decree 80/2014/ND-CP	Drainage and sewage treatment	August 6 th 2014
2	Law on Environmental Protection 2014	Environmental protection	January 1 st 2015
3	Decree 19/2015/ND-CP	Guide to Environmental Protection Law	February 14 th 2015
4	Decree 38/2015/ND-CP	Waste and scrap management	April 24 th 2015
5	Decree 155/2016/ND-CP	Regulations on penalty for administrative violations in environmental protection	November 18 th 2016



CONSUMPTION

- » For domestic sales, the Company complies with regulations on food hygiene and safety declaration; labeling, transportation and delivery; restriction of competition, transfer pricing, intellectual property, taxation, accounting.
- » For foreign trade activities, the Company complies with regulations on import and export, international treaties and trade practices.

TYPICAL LEGAL REGULATIONS

1 Product announcement

No.	Regulations	Details	Issued on
1	Law on Food Safety 2010	Food safety	June 17 th 2010
2	Decree 15/2018/ND-CP	Detailing the implementation of a number of articles of the Law on Food Safety	February 2 nd 2018

2 Product labeling

No.	Regulations	Details	Issued on
1	Joint Circular 34/2014/TTLT-BYT-BN-NPTNT-BCT	Guidance on the labeling of foodstuffs, food additives and packed food processing aids	October 27 th 2014
2	Decree 43/2017/ND-CP	Regulations on goods labeling	April 14 th 2017
3	Decree 109/2018/ND-CP	Regulations on organic agriculture	August 29 th 2018

3 Goods buying, selling, transportation

No.	Regulations	Details	Issued on
1	Commercial Law 2005	Commerce	June 14 th 2005
2	Law on Food Safety 2010	Food safety	June 17 th 2010
3	Decree 109/2013/ND-CP	Provisions on penalty for administrative violations in the field of management of prices, charges, fees and invoices	September 24 th 2013
4	Circular 166/2013/TT-BTC	Detailed provisions on penalty for tax administrative violations	November 15 th 2013
5	Decree 49/2016/ND-CP	Amending and supplementing a number of articles of Decree No. 109/2013/ND-CP dated September 24 th 2013 stipulating the penalty for administrative violations in the field of management of prices, charges, fees and invoices	May 27 th 2016
6	Foreign Trade Management Law	Foreign trade management	June 12 th 2017
7	Decree 69/2018/ND-CP	Detailing a number of articles of the Foreign Trade Management Law	May 15 th 2018
8	Circular 12/2018/TT-BCT	Detailing a number of articles of the Foreign Trade Management Law and Decree No. 69/2018/ND-CP	June 15 th 2018

4 Market share, competition

No.	Regulations	Details	Issued on
1	Competition Law 2004	Competition Law	December 3 rd 2004
2	Decree 116/2005/ND-CP	Guides to Competition Law	September 15 th 2005
3	Decree 39/2018/ND-CP	Detailing a number of articles of the Law on Supporting SMEs	March 11 th 2018

5 Consumer protection

No.	Regulations	Details	Issued on
1	Law on Consumer Protection	Consumer Protection	November 17 th 2010
2	Decree 99/2011/ND-CP	Detailing and guiding the implementation of the Law on Consumer Protection	October 27 th 2011
3	Decree 185/2013/ND-CP	Provisions on penalty for administrative violations in commercial activities, production and trading of fake goods, banned goods and consumer protection	November 15 th 2013
4	Decree 124/2015/ND-CP	Amending and supplementing a number of articles of Decree No. 185/2013/ND-CP dated November 15 th 2013 regulating the penalty for administrative violations in commercial activities, production and trading of fake goods, banned goods and consumer protection	November 19 th 2015

In addition, as an Industry's leading listed Company, TTC Bien Hoa always complies with legal regulations related to stock market, CG and information disclosure, specifically:

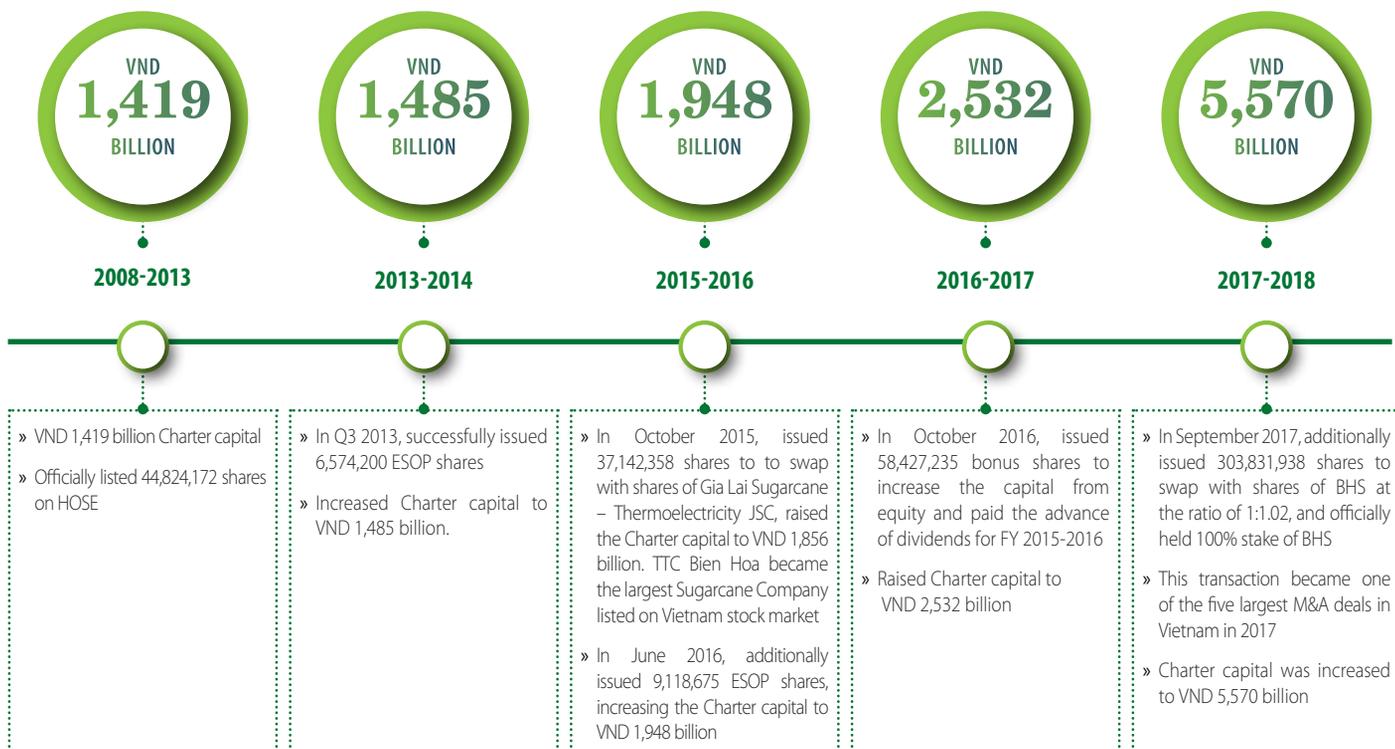
- » Regarding the regulations on securities, the Company issued internal regulations on information disclosure in accordance with Circular 155/2015/TT-BTC; HOSE Regulation on information disclosure; Regulations on transactions with related parties in accordance with the Enterprise Law and Securities Law. The FY 2017-2018 was also the first year the Company applied the information disclosure standards under ASEAN Scorecard. This is an initiative of the ASEAN countries to implement the action plan of ASEAN Capital Markets Forum (ACMF) to develop an integrated capital market in the region.
- » With regard to CG, in order to strengthen the CG model in line with international standards and good practices with IFC - the World Bank's consultancy, the Company developed and issued Internal regulations on CG in accordance with stipulations in Circular 95/2017/TT-BTC; OECD Principles of CG to meet the five major CG criteria of (1) *Rights of Shareholders*, (2) *Equitable Treatment of Shareholders*, (3) *Role of Stakeholders*, (4) *Disclosure and Transparency*, and (5) *Responsibilities of the Board*.

In addition to compliance with the laws, the Company also specified legal provisions into the Company's internal management documents system; as well as clear instructions on how to carry out the business processes of the Subsidiaries; created a clear framework for employees to comply with, fulfilled the duties assigned, and set up a documentation basis for inspection, supervision and timely handling of violation as well.



In the process of forming, executing, terminating the transactions with suppliers and customers, the Company announced clearly the complete legal provisions to be complied with, the related internal regulations and requires suppliers and customers to cooperate with the Company for compliance purposes. For instance, the Company's sample purchasing contract had the provision on unfair competition and clearly defines penalty for violation, creating a basis for the parties involved understand and comply with.

GIVEN THE CONSTANTLY CHANGING ECONOMY AND POLICIES AND REGULATIONS, THE COMPANY WILL CONTINUE TO ENSURE TIMELY LEGAL UPDATE AND COMPLIANCE WITH THE LAWS, IMPROVE THE INTERNAL REGULATION SYSTEM, PROMOTE COMPREHENSIVE AND SYNCHRONOUS IMPLEMENTATION FOR THE ENTIRE EMPLOYEES TO ENHANCE THE INITIATIVE IN LEGAL COMPLIANCE.



Source: TTC Bien Hoa

FY 2017-2018 recorded outstanding milestones in M&A activities, especially the merger with BHS by additional issue of 303,831,938 common shares to swap with 297,874,449 outstanding shares of BHS in September 2017. The swap ratio was 1:1.02, which meant 1 BHS share was swapped for 1.02 SBT share issued for merger purpose. As the result, the Company's Charter capital was sharply increased by 120% as compared to the early year, to reach VND 5,570 billion, equivalent to

557,018,673 shares. In addition to the benefits scale expansion, this merger also plays a very important role in the strategic orientations to raise the domestic market share to 50% in FY 2020-2021. The Company will take utilization of BHS's large retail system to expand the market in all consumption Channels, accelerate Revenue growth and corresponding Profit, improve profitability; and most importantly affirm the Company's leadership position in Sugarcane industry.

CHANGES IN TTC BIEN HOA'S SHAREHOLDER STRUCTURE IN FY 2017-2018

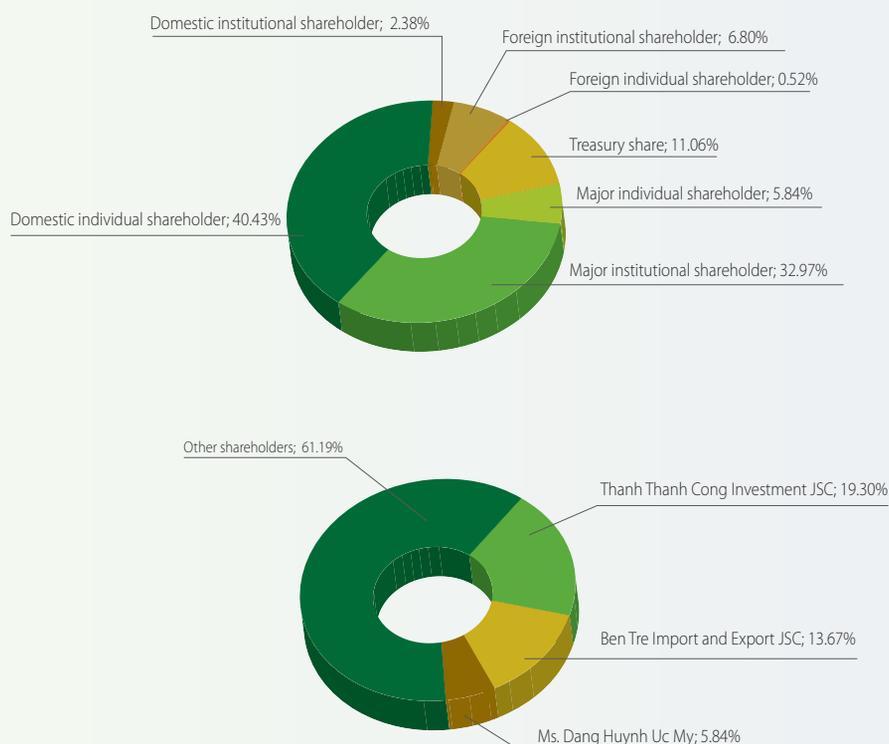
As at the end of FY 2017-2018 on June 30th 2018, TTC Bien Hoa had 3 major Shareholders held more than 5% stake, accounted for 38.81% of Charter capital. There were one individual, Ms. Dang Huynh Uc My - BOD Member with 32,523,424 shares equivalent to 5.84% and two organizations including Thanh Thanh Cong Investment JSC with 107,511,290 shares equivalent to 19.30% and Ben Tre Import Export JSC with 76,124,566 shares equivalent to 13.67%. Besides, 3 individuals and 1 organization were owned from 1% to 5% stake with total of 34,617,463 shares, accounting for 6.21% of Charter capital. Last but not least, 12,084 shareholders were held less than 1 % stake with total of 244,641,030 shares, equivalent to 43.92% of Charter capital.

In May 2018, the Company completed repurchase of 61,600,900 treasury shares, equivalent to 11.06% of the outstanding shares, being considered as the largest ever buyback on the stock market. This was an important move in efforts to protect interests of Investors and Shareholders, limit dilution risk for existing shareholders as well as contribute to increase the value of Shareholders in the future. With this buyback, TTC Bien Hoa's Management showed their optimistic view about the Company's development prospects, growth story and potentials in the long term.

TTC BIEN HOA'S SHAREHOLDER STRUCTURE AS AT JUNE 30th 2018

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	216,159,280	38.81%	1	2
1	Domestic	216,159,280	38.81%	1	2
2	Foreign	-	-	-	-
II	Shareholders holding 1% - 5% of Share capital	34,617,463	6.21%	3	1
1	Domestic	24,727,718	4.44%	3	-
2	Foreign	9,889,745	1.77%	-	1
III	Shareholders holding under 1% of Share capital	244,641,030	43.92%	11,960	124
1	Domestic	213,716,221	38.37%	11,660	85
2	Foreign	30,924,809	5.55%	300	39
IV	Treasury shares	61,600,900	11.06%	-	1
TOTAL		557,018,673	100%	11,964	128

TTC BIEN HOA'S SHAREHOLDER STRUCTURE AS AT JUNE 30th 2018



Source: TTC Bien Hoa, June 30th 2018

SBT SHARE TRANSACTIONS OF INTERNAL PERSONS AND THEIR RELATED PARTIES IN PERIOD JULY 1st 2017 - JUNE 30th 2018

No.	Internal persons and Related parties	Position	Ownership as at July 1 st 2017 (*)		Ownership as at June 30 th 2018 (**)		Reason for increase, decrease	Appoint/Dismiss
			Shares	Ratio	Shares	Ratio		
1	Pham Hong Duong	Chairman of BOD	1,592,119	0.63%	1,585,469	0.28%	- Selling shares - Receiving BHS swapped shares	Appointed in February 2015
2	Nguyen Thi Hoa	Permanent Vice Chairwoman	0	0%	1,174,162	0.21%	Receiving BHS swapped shares	Appointed in November 2016
3	Dang Huynh Uc My	BOD Member	6,944,368	2.74%	32,523,424	5.84%	Net buying	Appointed in March 2015
4	Nguyen Thuy Van	BOD Member	1,350,520	0.53%	1,303,920	0.23%	Net selling	Appointed in November 2017
5	Henry Chung	BOD Member	0	0%	375,125	0.07%	Receiving BHS swapped shares	Appointed in October 2016
6	Tran Que Trang	Permanent Deputy CEO	0	0%	1,225,550	0.22%	Receiving BHS swapped shares	Appointed in November 2016
7	Duong Thi To Chau	Deputy CEO	87,500	0.03%	84,335	0.015%	- Selling shares - Receiving BHS swapped shares	Appointed in March 2016
8	Nguyen Quoc Viet	Deputy CEO	578,604	0.23%	661,604	0.11%	Net buying	Appointed in July 2017
9	Le Quang Hai	Deputy CEO	0	0%	598,391	0.11%	Receiving BHS swapped shares	Appointed in December 2017
10	Tran Quoc Thao	Deputy CEO	0	0%	179,938	0.03%	Receiving BHS swapped shares	Appointed in February 2018
11	Nguyen Thanh Khiem	Director of Production Technique Division	0	0%	244,922	0.04%	Receiving BHS swapped shares	Appointed in February 2018
12	Le Duc Ton	Acting Branch Director	103,206	0.04%	267,281	0.05%	- Selling shares - Receiving BHS swapped shares	Appointed in February 2018
13	Huynh Van Phap	Sales Director	61,600	0.02%	182,126	0.03%	- Selling shares - Receiving BHS swapped shares	Appointed in December 2017
14	Ho Nguyen Duy Khuong	Director of Supporting Division	87,750	0.03%	44,000	0.008%	Net selling	Dismissed in July 2017
15	Nguyen Viet Hung	Raw material area Director Zone2	103,100	0.04%	53,100	0.01%	Net selling	Appointed in July 2017
16	Nguyen Hung Viet	Technical Director	72,500	0.03%	36,250	0.007%	Net selling	Appointed in December 2017
17	Nguyen Thi Thuy Tien	Branch's Deputy Director	103,200	0.04%	100,446	0.02%	- Selling shares - Receiving BHS swapped shares	Appointed in April 2018
18	Le Phat Tin	Chief Accountant	73,100	0.03%	36,550	0.007%	Net selling	Appointed in March 2015
19	Huynh Thanh Nhan	Member of Internal Audit Department	21,500	0.008%	21,256	0.004%	- Selling shares - Receiving BHS swapped shares	Appointed in December 2017
20	Nguyen Thi Minh Hanh	Related party of Ms. Ho Nguyen Duy Khuong	0	0%	0	0%	- Increasing of 51,000 shares thanks to the swap of BHS shares - Selling out these shares	Remains a Related party
21	Nguyen Thi My Tien	Related party of Ms. Nguyen Thi Thuy Tien	93,200	0.04%	46,661	0.008%	Net selling	Remains a Related party
22	Vo Thi Bich Hanh	Related party of Mr. Le Phat Tin	38,700	0.015%	19,350	0.003%	Net selling	Remains a Related party
Total			11,310,967	4.453%	40,763,860	7.302%		

Source: TTC Bien Hoa

SBT SHARE TRANSACTIONS OF MAJOR SHAREHOLDERS IN PERIOD JULY 1st 2017 - JUNE 30th 2018

No.	Person performing transaction	Type of Shareholder	Ownership as at July 1 st 2017 (*)		Ownership as at June 30 th 2018 (**)		Reason for increase or decrease	Status
			Shares	Ratio	Shares	Ratio		
1	Thanh Thanh Cong Investment JSC	Major shareholder	59,729,015	23.59%	107,511,290	19.30%	Net buying	Major shareholder
2	Ben Tre Import and Export JSC	Major shareholder	0	0%	76,124,566	13.67%	Receiving shares from Global Mind VN JSC thanks to the merger	Major shareholder
3	Ms. Dang Huynh Uc My	Major shareholder	6,944,368	2.74%	32,523,424	5.84%	Net buying	Major shareholder
4	Global Mind VN JSC	Major shareholder	43,764,728	17.29%	0	0%	Transferring shares due to merger between Global Mind VN JSC with Ben Tre Import and Export JSC	No longer a major shareholder since January 2018
Total			110,438,111	43.62%	216,159,280	38.81%		

Source: TTC Bien Hoa

(*) Total number of shares as at July 1st 2017 was 253,188,268 shares

(**) Total number of shares as at June 30th 2018 was 557,018,673 shares

**LIFTING FOREIGN OWNERSHIP LIMIT TO 100%,
WELCOMING FOREIGN STRATEGIC INVESTORS**

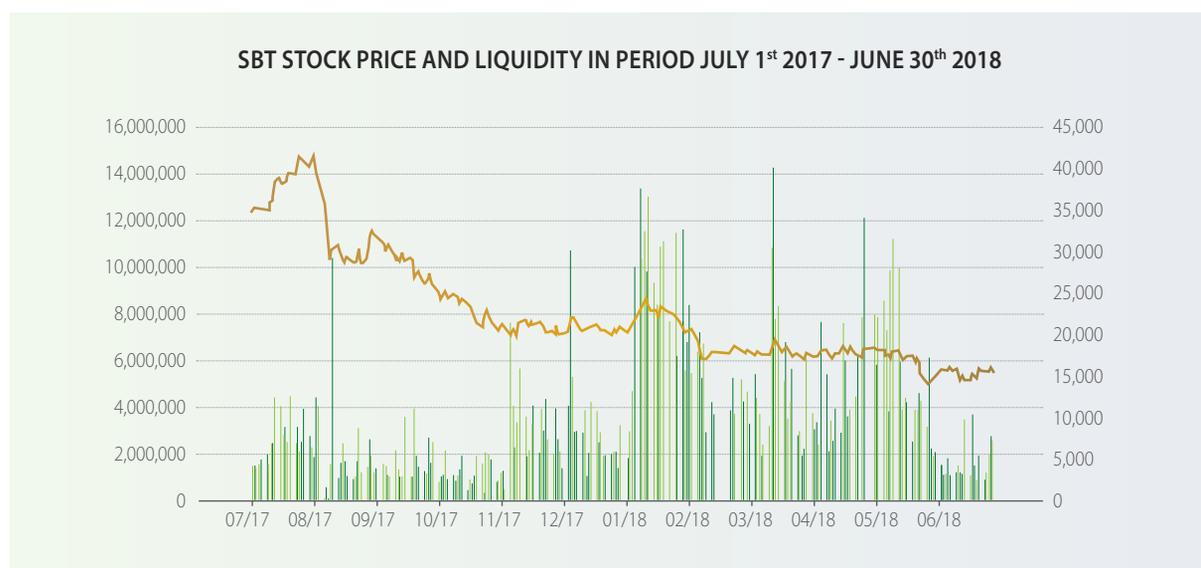
Currently, the ownership ratios of domestic and foreign Shareholders were 92.68% and 7.32% respectively. In May 2018, SSC approved the increase of the Company's FOL to 100% from 49%. TTC Bien Hoa officially became the third company in consumer goods industry after Vietnam Dairy Products JSC (VNM) and Vinh Hoan Corporation (VHC), and the 20th listed company at that time which were allowed to raise the FOL to 100%. Raising FOL to the maximum level has been a necessary step in TTC Bien Hoa's development roadmap to access international capital market, helping international Investors more easily to access investment opportunities in SBT stock, and especially contributing to confirm benefits of existing Shareholders. Seeking foreign strategic Investors not only diversifies capital mobilization methods to improve liquidity, capital structure and profitability, but also is to expand export markets in order to diversify consumption markets, creating a solid foundation as well as strengthening long-term growth prospects.

Raising FOL and seeking strategic Investors are considered as a new motive for the BOD to improve CG and create solid foundation for sustainable development. The Company's Management is aware of competitive, dynamic and constantly changing business environment, thus modern governance model according to international best practice needing to be applied, of which the

first stage is to organize the Audit Committee under the BOD to replace the BOS for better governance. Deloitte, one of the world leading Auditing Company, is the strategic consultant for TTC Bien Hoa's business activities. In addition, IFC is cooperating to improve the CG in line with international standards.



AFTER THE MERGER, SBT'S ADJUSTED PRICE STILL MAINTAINED GOOD LIQUIDITY IN FY 2017-2018



Source: TTC Bien Hoa, June 30th, 2018

SBT was one of most liquid stocks with 52 week average trading volume of over 4 million shares and trading value of VND 89 billion/session. Meanwhile, the trading volume of other peers only reached 103 thousand shares and trading value of VND 4 billion, 39 and 23 times respectively lower than SBT.

In the period July 1st 2017 - June 30th 2018, SBT stock prices fell into a downtrend; however, this was the general trend of Sugar stocks given the world Sugar prices having unfavorable movement. In addition, this was the period when domestic stock market had turbulences due to unpredictable macro factors.

As at June 30th 2018, TTC Bien Hoa's capitalization was recognized at VND 7,679 billion, equivalent to over USD 335 million, accounting for 0.26% of HOSE's market capitalization and being the second largest capitalization in the Sugar Industry, led by Quang Ngai Sugar JSC (QNS) with VND 10,632 billion of capitalization, equivalent to USD

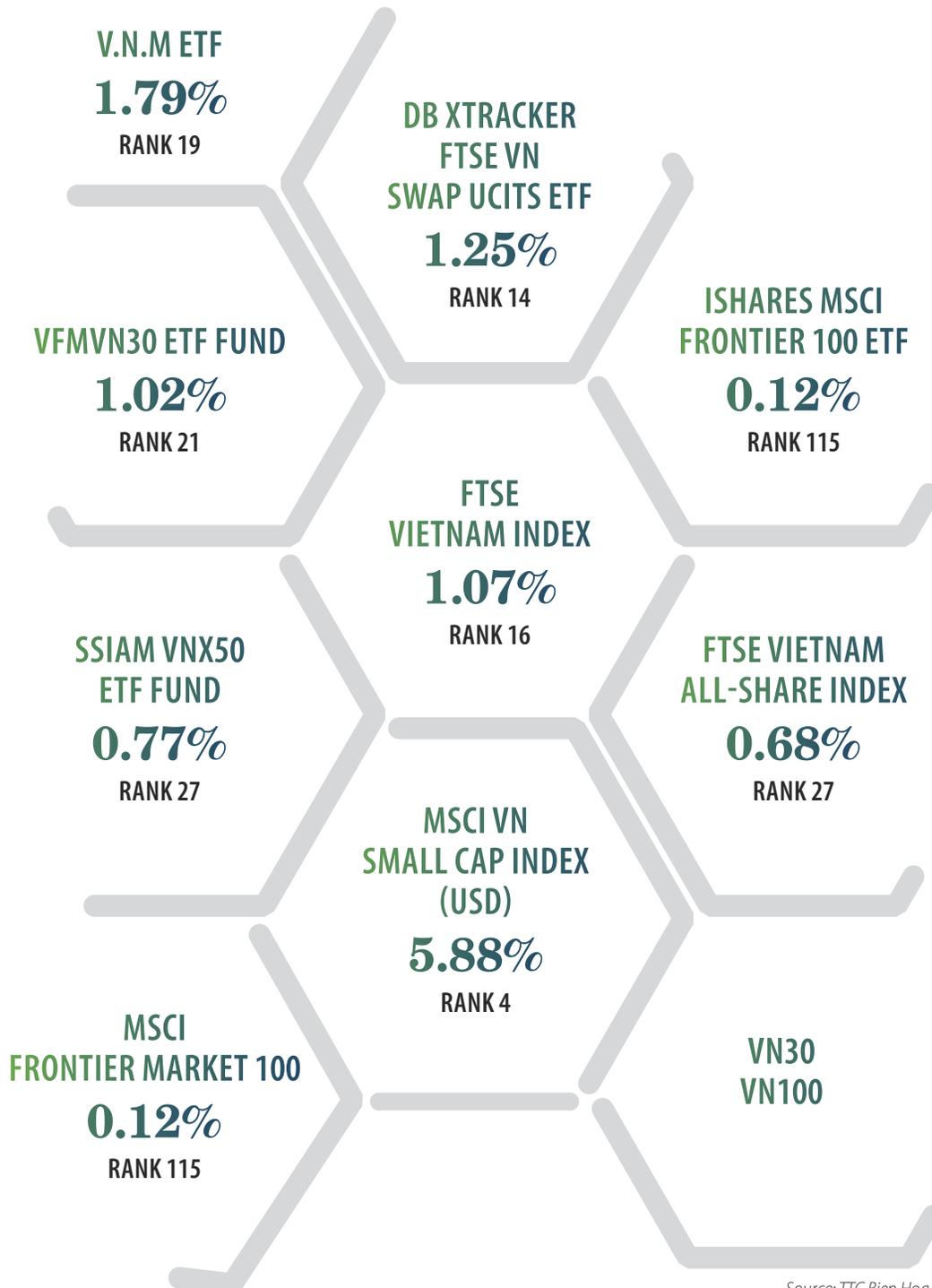
464 million. However, QNS's Revenue structure mainly came from Soy milk products, accounted for around 50%, and Sugar products only made up 25%; meanwhile, 85% of TTC Bien Hoa's

Revenue were coming from Sugar products. In this regard, it can be said that TTC Bien Hoa is the leading company in Vietnam Sugar industry in terms of market capitalization.

No.	Item	Value	Unit
1	Stock price	15,500	VND
2	Capitalization	7,679	VND Billion
		335	USD Million
3	52 weeks		
	High	41,650	VND
	Low	14,250	VND
	Average volume	4,147,759	Shares
	Average value	89	VND Billion
4	Total number of listed shares	557,018,673	Shares
	Total number of outstanding shares	495,417,773	Shares
	Treasury shares	61,600,900	Shares
5	FOL	100	%
	Ownership rate of Foreign shareholders	7.32	%
6	Free float ratio	60	%
7	EPS	974	VND
8	P/E	15.91	Time
9	P/B	1.26	Time

Source: TTC Bien Hoa, June 30th 2018

A positive point in FY 2017-2018 was that SBT was the only Sugar stock included into VN30 – Index comprising of 30 HOSE listed companies having the largest capitalization and liquidity, and satisfying Index criterion. Although Vietnam stock market was not positive in 2018, especially in the first few months, SBT was still included into the underlying portfolio of many ETFs and other prestigious market Indexes. As at June 30th, 2018, SBT was a constituent of VFMVN30 EFT Fund’s underlying portfolio, a domestic ETF Fund replicating VN30 performance, with a total of 2.85 million shares. In addition, SBT has been a constituent of other major Indexes such as V.N.M ETF with nearly 12.65 million shares, DB XTRACKER FTSE VIETNAM SWAP UCITS ETF with 5.96 million shares, and iShares MSCI Frontier 100 ETF with 988 thousand shares...



Source: TTC Bien Hoa, June 30th 2018

ESTABLISHING PROFESSIONAL IR DEPARTMENT - FOR COMPREHENSIVE DEMANDS OF INVESTMENT PARTNERS

In April 2018, IR Department was officially established, marking an important step towards building a sustainable relationship between the Company with Shareholders, affirming the commitments to accompany and protect benefits of capital market's Stakeholders. On the progress to standardize IR activities, the Company has gradually implemented information disclosure higher than compliance requirements under the Vietnam laws, specifically stipulations in Circular No.155, Circular No. 162, Decree No. 71, Circular No. 95, as well as towards international standards and good practices such as ASEAN Scorecard and OECD principles.

Information disclosure in bilingual languages aims to inform punctually to Stakeholders, especially foreign organizations, about activities and orientations, also contribute to upgrade Vietnam stock market. Information provided in a punctual and transparent manner will contribute to ensure rights of Shareholders, fair treatment to Shareholders and benefits of Stakeholders, as well as enhance SBT stock brand reputation in domestic and foreign stock market.

HIGHLIGHTS IN IR AND CAPITAL MARKET ACTIVITIES IN FY 2017-2018

MONTH	EVENT
July 2017	<ul style="list-style-type: none"> » Successfully issuing VND 1,100 billion bond package » Investment in Sugarcane industrial complex and raw material area in Attapeu (Laos) » Promoting investment across Indochina Region, especially in high-value Organic Sugar products
September 2017	<ul style="list-style-type: none"> » Completing the merger with BHS » One of the typical M&A deals in Vietnam in 2017 » After the merger, gaining the market share of 40% and Charter capital of VND 5,570 billion, surged by 120% over the beginning of the year.
November 2017	<ul style="list-style-type: none"> » The Management's key reports on production and business activities, development orientations for FY 2017-2018... by GMS » Changing in CG in accordance with best practices and towards international standards
March 2018	<ul style="list-style-type: none"> » Announcing to acquire TTC Bien Hoa - Dong Nai Sugar One Member Limited Liability Company and Loc Tho JSC's capital contribution at Hai Vi Co., Ltd to implement the raw material strategy » Continuing the M&A strategy in order to expand operation scale, customer network and increase market share » Collaborating with IFC to organize "Corporate Governance" seminar » Demonstrating the determination to improve corporate governance model for sustainable development » Organizing "Analyst Meeting" with participation of analysts from securities companies and investment funds » Disclosing information in a professional, transparent and punctual manner for Investment partners
April 2018	<ul style="list-style-type: none"> » Approving Resolution on issuance of VND 450 billion bond package. After the issuance, capital structure was still maintained in the safe area, and met indicator's requirements from commercial banks » Buying treasury shares by equity surplus funding, order matching at market price to protect benefits of Shareholders and Investors, representing the Management's responsibility for the Company and Stakeholders » Disclosing FS and FS explanation for Q3 FY 2017-2018 with accumulated Net revenue, Gross profit, and PAT growing by 154%, 127% and 54% respectively over the same period, as a result of the merger with BHS
May 2018	<ul style="list-style-type: none"> » Issuing successfully last bond package in FY 2017-2018 with value of VND 100 billion. Total proceeds from FY 2017-2018 bond issuance were VND 1,614 billion, equivalent to USD 72 million » Joining in C-SUITE Vietnam Investor Forum 2018 jointly organized by SSI and Citigroup with the participation of investors from Thailand, Singapore, Hong Kong: Phillip Capital, Chaopraya Investment, Seatown Holdings, Trinity Securities... » Being approved to raise the FOL to 100% from 49% to approach international capital markets to seek foreign strategic Investors » Participating in the training course on information disclosure according to higher international standards - ASEAN Scorecard to improve SBT stock brand reputation on Vietnam stock market » Completing repurchase of 61.6 million treasury shares which reaches above 11% of Charter capital
June 2018	<ul style="list-style-type: none"> » Organizing the 2nd "Corporate Governance" seminar with IFC consultancy and especially lecture being the only Vietnamese representative in ASEAN Scorecard Project » Releasing Q4 FY 2017-2018 Investor Bulletin for the first time, in Vietnamese and English languages » Strengthening and improving information disclose in diversified, regular, continuous manners for both domestic and foreign Shareholders, Investors » Collaborating with SSI to organize "VIP Shareholders, Potential Investors and Analysts Meeting", in the series of 2018 IR activities "The sweet outcome"

In fact, stock prices should fully reflect the Company's intrinsic value through the long-term development strategies as well as stable growth over the years. From the beginning of 2018 to June 30th, 2018, many securities companies made commentary on SBT stock value and development prospects in the context of unfavorable sugarcane industry. **Hold** and **Buy** recommendations for SBT accounted for the majority in FPTs, Mirae Asset, SSI, Morningstar, HSC's research reports, with the highest target price of 33% higher than the market price at corresponding time.

HSC, one of the leading securities companies in market, also issued Research Report on SBT in June 2018. This was a difficult time when SBT price fell to almost the lowest level in history at VND 13,300 at the end of May. However, HSC still had a relatively optimistic view on the Company's business performance and believed in stock price upturn in the future. Such optimistic analysis and assessment were a subjective factor positively affecting Shareholders and Investors' sentiment, bringing in more confidence in the Company's performance and SBT share price recovery in FY 2018-2019.



"Analyst Meeting" organized in March 2018

ANALYSIS FROM SECURITIES COMPANIES

No.	Securities company	Investment recommendation	Report date	Market price (VND)	Target price (VND)	Increase/Decrease compared to Market price (%)	Detailed analysis
1	FPTS	Buy	January 11 th 2018	24,350	30,000	23	<ul style="list-style-type: none"> - The Company had significant changes in production capacity, made efforts to reduce production costs by improving sugarcane quality and enhance production efficiency by mechanization. - At the same time, the Company increased sharply refinery from raw Sugar, and expanded domestic and foreign markets.
2	Mirae Asset	Buy	May 14 th 2018	18,045	24,000	33	<ul style="list-style-type: none"> - Mirae Asset emphasized core business factors such as dominant market share, large raw material areas as well as synergy from the merger with BHS such as cutting down transportation costs and optimizing storage system. - They highly appreciated share repurchase and internal persons and related parties' buying transactions.
3	SSI	NA	May 31 st 2018	Earnings flash			<ul style="list-style-type: none"> - Although the domestic Sugar prices fell, SBT's Sugar prices were still maintained by merging with BHS. - This Member Company focused on retail rather than wholesale, contributing to keep the average price of whole Company.
4	Morningstar Inc	NA	June 4 th 2018	15,800	21,666	37	<ul style="list-style-type: none"> - A well-known Investment Research firm specializing in providing market data and analysis commented that SBT share price tended to increase in the long term. - SBT share is valued much lower than the Company's intrinsic value.
5	HSC	Hold	June 15 th 2018	14,532	17,439	20	<ul style="list-style-type: none"> - HSC was optimistic about the Company's outlook thanks to merger synergy with competitive advantages, low costs and ability to maintain market share even with ATIGA enforcement; while other sugar companies may face many difficulties in this integration process. - FY 2018-2019, PAT was expected to reach VND 692 billion, rose by 21%.

Source: FPTs, Mirae Asset, SSI, Morningstar, HSC

ENSURING DIVIDEND POLICY FOR SHAREHOLDERS AND INVESTORS

Looking back on dividend payment, the Company has secured the real benefits for all Shareholders as consecutive implementation of cash dividend policies from 2008 with the lowest rate of 5% in 2013 and 2014, the highest rate of 20% in 2012. Since 2016, the dividend strategy has been changed when the BOD decided to change to share dividend payment in order to retain cash flows for stable and sustainable production and business activities, in the context of growing operation scale and market share.

FY 2016-2017 AGM's Resolution No.02/2017/ND-DHDCD dated November 20th 2017 approving the dividend payment of 6% of par value on Charter capital, expected to be implemented in the period July 1st 2017 - June 30th 2018. However, due to unfavorable conditions of Vietnam stock market and other factors negatively influencing the Sugar industry, the Company rescheduled the dividend payment to FY 2018-2019 in order to minimize dilution risks for stock prices. The dividend payment is expected to implement and complete in 2018.

No.	Year	Date/Month	In cash	By share
1	2008	April 25 th	12%	None
2		December 4 th	5%	None
3	2010	May 17 th	13%	None
4		December 23 rd	10%	None
5	2011	May 10 th	8%	None
6		November 10 th	10%	None
7	2012	May 9 th	20%	None
8		November 15 th	15%	None
9	2013	May 17 th	10%	None
10		December 20 th	5%	None
11	2014	June 11 th	5%	None
12	2015	December 18 th	7%	None
13	2016	October 11 th	None	- Share dividend, ratio of 100:6 - Bonus share, ratio of 100:24
14		September 6 th		Issuing 303,830,405 shares to swap with BHS shares
15	2017	November 20 th	None	- Share dividend at 6% - Expected to be paid in 2018

Source: TTC Bien Hoa



Mr. Pham Hong Duong - Chairman of the BOD shared investment opportunities about SBT shares

DIVERSIFYING CAPITAL MOBILIZATION CHANNELS - BONDS ISSUED DURING FY 2017-2018

Bond issuance helps TTC Bien Hoa stabilize cash flows, improve capital efficiency and restructure the financial structure, in addition to the objective to raise capital size, supplement working capital for business activity expansion. Supplementary working capital played an important role in supporting the Company to expand production scale, enhance operational efficiency at the plants, thereby optimize production costs and promote

the economies of scale. In fact, increase in production volume helped reduce fixed costs, depreciation cost...; hence boosted consumption volume, expanded market share, promoted more presence in small and medium-size segments in niche markets, target markets such as the Southwest, the North, and export to the most difficult markets. In FY 2017-2018, TTC Bien Hoa issued 4 new bond packages with a total value of VND 1,614 billion.

No.	Bond name	Value (Billion VND)	Bond holder	Time of issue	Maturity	Term (year)	Coupon rate	Purpose	Principal payment method
1	Thanh Thanh Cong Tay Ninh JSC Bond 2017	425.6	BIDV	July 2017	July 2023	6	Floating + Margin of 3.2%	Investing in projects in Attapeu (Laos)	- Principal will be repaid periodically from 2019 - Repayment on maturity
2	Bien Hoa Sugar JSC Bond 2017	638.4	BIDV	July 2017	July 2023	6	Floating + Margin of 3.2%		
3	TTC - Bien Hoa JSC Bond 2018	450	Maritime Bank	April 2018	April 2019	1	10.5%/year, fixed	Supplement working capital	One-time repayment on maturity
4		100	PTI	May 2018	May 2019	1	11.0%/year, fixed		

Source: TTC Bien Hoa



Mr. Pham Hong Duong - Chairman of the BOD exchanged information with Senior management

MAINTAINING GOOD RELATIONSHIP WITH DOMESTIC AND FOREIGN FINANCIAL INSTITUTIONS

Diversifying financial resources, flexibly meeting production and business demands, the Company continued to improve the governance, enhance resource utilization efficiency in order to maintain good relationship with domestic and foreign Financial institutions, especially famous foreign banks operating in Vietnam. Currently, the Company has credit relationship with 26 Financial institutions, in which 17 domestic banks accounted for 84% and 9 foreign banks accounted for 16% of total outstanding loans as at June 30th 2018, equivalent to VND 10,244 billion.

No.	Type of bank	Bank name	Outstanding loan as at June 30 th 2018 (VND Billion)	Proportion (%)
1		BIDV	2,222	21.68
2		Vietinbank	1,157	11.28
3		Vietcombank	1,088	10.62
4		Maritime Bank	947	9.25
5		OCB	567	5.54
6		VP Bank	522	5.1
7		VIB	475	4.64
8		Tien Phong Bank	450	4.39
9	Domestic	Bao Viet Bank	350	3.42
10		Techcombank	260	2.53
11		MB Bank	243	2.36
12		SHB	100	0.98
13		PTI	100	0.98
14		HDBank	52	0.5
15		Agribank	18	0.18
16		VDB	11	0.11
17		VNFF	3	0.03
Total outstanding loans of Domestic banks			8,565	83.59

Source: TTC Bien Hoa

No.	Type of bank	Bank name	Outstanding loan as at June 30 th 2018 (VND Billion)	Proportion (%)
18		ANZ	605	5.91
19		Maybank	298	2.91
20		BPCE IOM	262	2.56
21		HSBC	150	1.47
22	Foreign	UOB	136	1.33
23		Sinopac	66	0.65
24		Laos Viet Bank	61	0.6
25		Shinhan Bank	60	0.58
26		DBS	41	0.4
Total outstanding loans of Foreign banks			1,679	16.41

Source: TTC Bien Hoa



One of signing ceremonies of Bond issuance by TTC Bien Hoa in FY 2017-2018

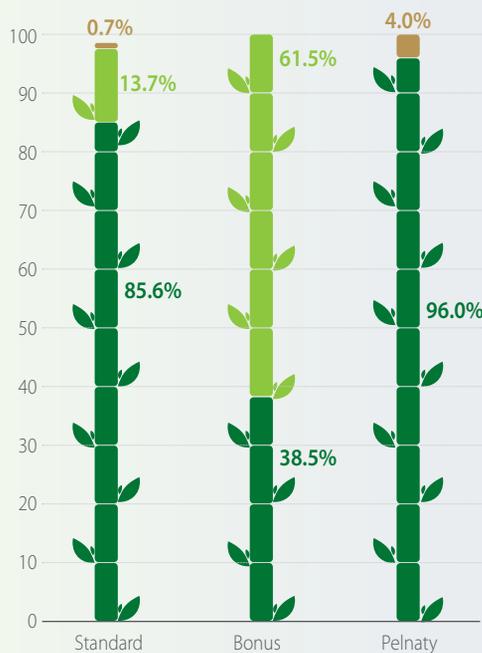
ANALYSIS OF CORPORATE GOVERNANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD

ASEAN CG Scorecards are questionnaires based on OECD's CG principles and CG legal frameworks in Malaysia, Singapore, Thailand, Indonesia, the Philippines and Vietnam. In 2017, the Scorecard was improved significantly in respect of CG assessment of ASEAN listed companies, to emphasize the role of Stakeholders; increase the weightage for CG important parts such as structure and independence of BOD, BOD committees, practice of holding AGM, disclosing AGM minutes, anti-corruption and CG violation reporting policies.

The Scorecard has a total of 184 items to cover the following five areas: Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board. There are 146 items assessing CG practice based on the Standard Scorecard, accounting for 79%. In addition, the Scorecard also has 38 Best practice Scorecards, including 13 Bonus items, accounting for 7%, and 25 Penalty items which should not be violated, accounting for 14%.

TTC Bien Hoa's CG quality is well reflected in achieving 86%, 39% and 96% of CG good practices (from 70% to 100% of requirements) as required in the Standard, Bonus and Penalty items, equivalent to a total score of 84% of ASEAN CG principles. Most of the unachieved Scorecards can be improved in the short term (less than 1 year), accounting for 15.3%, and only 1% of unachieved Scorecards will be improved in the medium and long term (from 1 to 5 years). This result demonstrates the Company's efforts in moving towards higher standards and CG best practices, bridging the gap with developed countries, building up the premises for regional integration of TTC Bien Hoa in particular as well as Vietnam stock market in general.

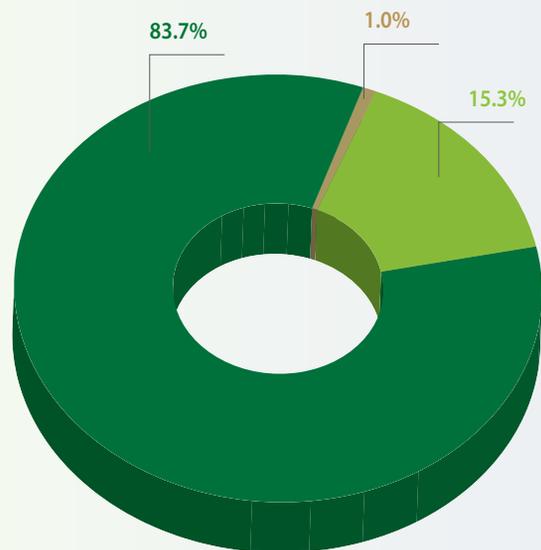
ASSESSMENT TTC BIEN HOA'S CG BASED ON STANDARD - BONUS - PENALTY QUESTIONS



- To improve in medium & long term (1-5 years)
- To improve in short term (<1 year)
- Well implemented (70% - 100%)

Source: TTC Bien Hoa

ASSESSMENT TTC BIEN HOA'S CG BASED ON IMPLEMENTATION RESULTS



- Well implemented, 154 points, accounting for 83.7%
- To improve in short term, 28 points, accounting for 15.3%
- To improve in medium & long term, 2 points, accounting for 1%

Source: TTC Bien Hoa

Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
A. RIGHTS OF SHAREHOLDERS				
A.1.1		✓		<p>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? In case the Company has offered Scrip dividends, did the Company paid the dividends within 60 days?</p> <p>- FY 2016-2017 AGM: Approved dividend payout ratio of 6% to Shareholders</p> <p>- Due to unfavorable market conditions, dividend is expected to be paid in 2018</p>
A.2.1	100%			<p>Do Shareholders have the right to participate in amendments to the Company's constitution?</p> <p>- Charter-Article 14.2: Supplements and amendments to the Company's Charter are approved by AGM</p> <p>- CG Framework-Article 35.3: Amendments, supplements, replacements, cancellations or annulments of this CG Framework shall be considered by the BOD and require the AGM's approval</p>
A.2.2	100%			<p>The authorization of additional shares?</p> <p>- Charter-Article 5.1: AGM approves the issuance of additional shares</p>
A.2.3	100%			<p>The transfer of all or substantially all assets, which in effect results in the sale of the Company?</p> <p>- Charter-Article 14.2: Sale of assets valued at 70% or more of the total assets must be approved by the AGM</p>
A.3.1	100%			<p>Do Shareholders have the opportunity to approve remuneration or any increases in remuneration for the non-executive directors/commissioners?</p> <p>- Charter-Article 14.2: Remuneration for BOD members requires the AGM's approval</p> <p>- FY 2016-2017 AGM: Resolution No. 2/2017-Article 2.15, the AGM approved remuneration for the BOD</p>
A.3.2	100%			<p>Does the Company provide non-controlling Shareholders a right to nominate candidates for BOD/commissioners?</p> <p>- Charter-Article 24.2: Shareholders or groups of Shareholders holding from 10% to less than 20% of the total voting shares in at least 6 consecutive months have the right to nominate maximum 1 candidate</p> <p>- CG Framework-Article 14.1.a: Shareholders or groups of Shareholders who meet the conditions stipulated in the Charter and the Laws have the right to aggregate the voting shares of each person to nominate candidates</p>
A.3.3	100%			<p>Does the Company allow Shareholders to elect directors/commissioners individually?</p> <p>- Charter-Article 20.3: BOD member election is conducted according to proportion of ownership or cumulative voting</p> <p>- FY 2016-2017 AGM: BOD Member Election Rules Article 6 Section 1: The voting ballot shall be filled in with full name of each BOD member</p>
A.3.4	100%			<p>Does the Company disclose the voting procedures used before the start of meeting?</p> <p>FY 2016-2017 AGM:</p> <p>- AGM's Policies & Procedures-Article 9.2: The Shareholders vote by handing up the voting card or choosing the options in the secret ballot</p> <p>- AGM schedule: AGM agenda Part I.3.b – Approval for the rules of the AGM</p>
A.3.5	100%			<p>Do the minutes of the most recent AGM record that the Shareholders were given the opportunity to ask questions and the questions raised by Shareholders and answers given recorded?</p> <p>FY 2016-2017 AGM: AGM Minutes - Part III Section 7 – Q&A section</p>
A.3.6	100%			<p>Does the Company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?</p> <p>FY 2016-2017 AGM Minutes:</p> <p>- Part V Section A & B: Total votes and approval rate for each agenda item</p> <p>- Part VI Section 1: Total votes and approval rate in the AGM Minutes</p>
A.3.7	70%			<p>Does the Company disclose the list of board members who attended the most recent AGM?</p> <p>FY 2016-2017 AGM Minutes - Part III:</p>
A.3.8		✓		<p>Does the Company disclose that all board members and the CEO attended the most recent AGM?</p> <p>- 2 out of 6 BOD members attended</p> <p>- CEO attended the AGM</p>
A.3.9	100%			<p>Does the Company allow voting in absentia?</p> <p>Charter-Article 12.2: AGMs allow exercising the voting rights either in person or by an authorized representative or remote voting</p>
A.3.10	100%			<p>Did the Company vote by poll (as opposed to by show of hand) for all resolutions at the most recent AGM?</p> <p>FY 2016-2017 AGM: AGM's Policies & Procedures-Article 9 – The Company vote by poll</p>



STANDARD QUESTIONS

	Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
A. RIGHTS OF SHAREHOLDERS					
A.3.11	Does the Company disclose that it has appointed an independent party to count and/or validate the votes at the AGM?		✓		The Company will implement in FY 2017-2018 AGM
A.3.12	Does the Company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	100%			FY 2016-2017 AGM: AGM Minutes was disclosed on November 21st, 2017, AGM was organized on November 20th, 2017
A.3.13	Does the Company provide at least 21 days notice for all AGMs and EGMs?			✓	- Notice for AGMs/EGMs is made in accordance with Circular 155: at least 10 days in advance of the meeting - The Company will implement in the upcoming AGMs
A.3.14	Does the Company provide the rationale and explanation for each agenda item which require Shareholders' approval in notice of AGM/circulars and/or the accompanying statement?		✓		- FY 2016-2017 AGM: Proposal for each agenda item without specific rationale - FY 2017-2018 AGM: Proposal & Specific rationale will be provided
A.3.15	Does the Company give the opportunity for Shareholders to place items on the agenda of AGM?	100%			Charter-Article 17.4: Shareholders or groups of Shareholders holding at least 10% of the total voting shares in 6 consecutive months have the right to propose items on the AGM agenda at least 5 business days in advance
A.4.1	In case of mergers, acquisitions and/or takeovers requiring Shareholders' approval, does the BOD/commissioners of the Company appoint an independent party to evaluate the fairness of the transaction price?	70%			The Company implemented such as the acquisition of Bien Hoa Sugar JSC
A.5.1	Does the Company disclose its practices to encourage Shareholders to engage with the Company beyond AGM?		✓		The Company will have plans to encourage the participation of Shareholders beyond AGM
B. EQUITABLE TREATMENT OF SHAREHOLDERS					
B.1.1	Does the Company's ordinary or common shares have one vote for one share?	100%			- Charter-Article 11.1: Shareholders have the rights and obligations corresponding to the number of voting shares and class of share - CG Framework-Article 7.1: The voting card specifies the number of votes of the Shareholder - FY 2016-2017 AGM: AGM's Policies & Procedures-Article 9.1 - The voting card specifies the number of votes of the Shareholder
B.1.2	Where the Company has more than one class of shares, does the Company publicize the voting rights attached to each class of shares?	100%			In the FY 2017-2018, the Company only has additional treasury shares
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?		✓		- FY 2016-2017 AGM: Proposal for each agenda item, and Resolution combined all items - FY 2017-2018 AGM: Each Resolution will deal with only one item
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?		✓		- FY 2016-2017 AGM: Materials were not translated into English - FY 2017-2018 AGM: Materials will be translated into English and published on the same date as the Vietnamese version
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	100%			FY 2016-2017 AGM: The profiles were included in Proposal no.14
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	100%			FY 2016-2017 AGM: Proposal no.6 for appointing the audit firm
B.2.5	Were the proxy documents made easily available?	100%			FY 2016-2017 AGM: Invitation letter and proxy documents were published on the Company's website
B.3.1	Does the Company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	100%			Codes of Conduct-Article 7.3: Employees are prohibited to make personal benefits or make benefits to other organizations/ individuals from inside information
B.3.2	Are the directors/commissioners required to report their dealings in company shares within 3 business days?	100%			Circular 155-Disclosure of insider's transaction information: At least 3 business days before the transaction date

STANDARD QUESTIONS

Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
B. EQUITABLE TREATMENT OF SHAREHOLDERS				
B.4.1	Does the Company have a policy requiring directors/commissioners to disclose their interest in transactions and any conflicts of interest?	100%		CG Framework- 25.1: BOD Members are required to disclose their related interests
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?		✓	FY 2017-2018 Annual Report-Audit Committee Report: - The Audit Committee is responsible for performing this task - However, there are only 2 independent BOD members in the Audit Committee, accounting for 67%
B.4.3	Does the Company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	100%		CG Framework-Article 25.5: BOD members shall not be entitled to vote on any transactions in which such members or related persons participate
B.4.4	Does the Company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arms-length basis and at market rates?	100%		CG Framework-Article 25.4: The Company is not allowed to make loans or guarantees to BOD members unless otherwise decided by the AGM, companies and organizations related to the BOD members are members of the Group or group of companies
B.5.1	Does the Company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms-length?	100%		- Charter-Article 35.4: The RPTs are evaluated to be fair and reasonable by an independent party in the interests of Shareholders and the Company - FY 2017-2018 Annual Report: BOD's Report and CG Activities: RPTs are disclosed in full
B.5.2	In case of RPTs requiring Shareholders' approval, is the decision made by disinterested Shareholders?	100%		Charter-Article 35.4: RPT contract of more than 35% of the total asset value must be approved by disinterested Shareholders
C. ROLE OF STAKEHOLDERS				
C.1.1	The existence and scope of the Company's efforts to address customers' welfare?	100%		- Codes of conduct-Article 4: Commitment to Consumers, Customers and Suppliers - FY 2017-2018 Annual Report: Sharing from Customers
C.1.2	Supplier/contractor selection procedures?	70%		- Contractor selection procedure - Codes of Conduct - Article 4: Commitment to Consumers, Customers and Suppliers - FY 2017-2018 Annual Report: Engagement of Stakeholders
C.1.3	The Company's policies, practices, and efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	100%		FY 2017-2018 Annual Report: Message from the Chairman; CG; BOD's Report and CG Activities; BOD's Strategic Orientations; Codes of conduct; BOM's Report; Investing in Technology Development, Improving the Operational Efficiency; Quality Assurance; 17 UN Sustainable Development Goals; Sharing from Farmers; Sustainable Economic Development; Environmental Protection; Community, Society
C.1.4	The Company's policies, practices, and efforts to interact with the communities in which they operate?	100%		FY 2017-2018 Annual Report: Message from the Chairman; CG; BOM's Report; Investing in Technology Development, Improving the Operational Efficiency; Quality Assurance; 17 UN Sustainable Development Goals; Sharing from Farmers; Sustainable Economic Development; Environmental Protection; Community - Society
C.1.5	The Company's anti-corruption programmes and procedures?	70%		- Codes of Conduct - Article 16: Employees are obliged to comply with legal provisions, including the Anti-Corruption Law - FY 2017-2018 Annual Report: Codes of conduct
C.1.6	How creditors' rights are safeguarded?	70%		Creditors' rights are safeguarded by the terms and conditions of loan and funding agreements
C.1.7	Does the Company have a separate report/section that discusses its efforts on environment/economy and social issues?	100%		FY 2017-2018 Annual Report: Message from the Chairman; CG; BOD's Report and CG Activities; BOD's Strategic Orientations; BOM's Report; Investing in Technology Development, Improving the Operational Efficiency; Quality Assurance; 17 UN Sustainable Development Goals; Sharing from Farmers; Sustainable Economic Development; Environmental Protection; Community - Society
C.2.1	Does the Company provide contact details via the Company's website or annual report which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights?	70%		- FY 2017-2018 Annual Report: Contact Information - Website: Contact, IR



STANDARD QUESTIONS

	Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
C. ROLE OF STAKEHOLDERS					
C.3.1	Does the Company explicitly disclose the policies and practices, efforts on health, safety and welfare for its employees?	100%			FY 2017-2018 Annual Report: Human Resources and Training; Sharing from Staffs; Engagement of Stakeholders; Sustainable Economic Development
C.3.2	Does the Company explicitly disclose the policies and practices on training and development programmes for its employees?	100%			FY 2017-2018 Annual Report: Human Resources and Training; Sharing from Staffs
C.3.3	Does the Company have a reward/compensation policy that accounts for the performance of the Company beyond short-term financial measures?	100%			FY 2017-2018 Annual Report: BOD's Report and CG Activities; Human Resources and Training
C.4.1	Does the Company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behavior and provide contact details via the Company's website or annual report?	70%			- Codes of Conduct -Article 15: Employees are obligated to report honestly, completely and accurately any violations or suspected violations - FY 2017-2018 Annual Report: Codes of Conduct
C.4.2	Does the Company have a policy or procedures to protect an employee/person who reveals alleged illegal /unethical behavior from retaliation?	70%			Codes of Conduct -Article 15: Company prohibits any retaliation and/or punishment, repression to those who have honestly reported the violations
D. DISCLOSURE AND TRANSPARENCY					
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	100%			- FY 2017-2018 Annual Report: BOD's Report and CG Activities; Capital Market and IR Activities - Website: IR
D.1.2	Does the Company disclose the direct and indirect (deemed) shareholdings of major and/or substantial Shareholders?		✓		Expected to improve from FY 2018-2019 onwards
D.1.3	Does the Company disclose the direct and indirect (deemed) shareholdings of directors/commissioners?		✓		Expected to improve from FY 2018-2019 onwards
D.1.4	Does the Company disclose the direct and indirect (deemed) shareholdings of senior management?		✓		Expected to improve from FY 2018-2019 onwards
D.1.5	Does the Company disclose details of the parent/ holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/(SPVs)?	70%			- FS: Notes to the FS - FY 2017-2018 Annual Report: Activities of Subsidiaries and Associates
D.2.1	Annual Report: Corporate objectives	100%			Vision - Mission - Core values; Message from the Chairman; BOD's Strategic Orientations
D.2.2	Annual Report : Financial performance indicators	100%			FY 2017-2018 Annual Report: Key Figures; Financial Highlights; Significant Events in the Year; Capital Market and IR Activities; BOM's Report; M&A Activities; Investing in Technology Development, Improving the Operational Efficiency; Sustainable Economic Development; FS
D.2.3	Annual Report: Non-financial performance indicators	100%			FY 2017-2018 Annual Report: Key Figures; Significant Events in the Year; Product Portfolio; BOD's Report and CG Activities; Capital Market and IR Activities; R&D Activities, Affirming Vietnamese Brand Name; 17 UN Sustainable Development Goals; Environmental Protection; Community - Society; Operation Network
D.2.4	Annual Report: Dividend policy	70%			BOD's Report and CG Activities; Capital Market and IR Activities
D.2.5	Annual Report: Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners	100%			Introduction of the BOD
D.2.6	Annual Report: Attendance details of each director/ commissioner in all directors/commissioners meetings held during the year	100%			BOD's Report and CG Activities; Independent BOD Member's Report; Audit Committee's Report; Other BOD Committees' Report
D.2.7	Total remuneration of each member of the BOD/ commissioners	70%			CG; BOD's Report and CG Activities
D.2.8	Does the Annual Report contain a statement confirming the Company's full compliance with the code of CG and where there is non-compliance, identify and explain reasons for each such issue?	100%			Commitments to the truth and fairness of FY 2017-2018 Annual Report
D.3.1	Does the Company disclose its policy covering the review and approval of material RPTs?	100%			- Charter-Article 35 & 36: Responsibility to be honest and to avoid conflicts of interest; Responsibility for damage and compensation - CG Framework-Chapter VI: Prevention of conflicts of interest and RPT - FY 2017-2018 Annual Report: BOD's Report and CG Activities; Capital Market and IR Activities

STANDARD QUESTIONS

Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
D. DISCLOSURE AND TRANSPARENCY				
D.3.2	Does the Company disclose the name, relationship, nature and value for each material RPTs?	70%		- FY 2017-2018 Annual Report: BOD's Report and CG Activities; Capital Market and IR Activities - FS: Notes to the FS
D.4.1	Does the Company disclose trading in the Company's shares by insiders?	100%		- Website: Information disclosure - FY 2017-2018 Annual Report: BOD's Report and CG Activities; Capital Market and IR Activities
D.5.1	Are the audit and non-audit fees disclosed?	70%		FY 2017-2018 Annual Report: BOD's Report and CG Activities
D.5.2	Does the non-audit fee exceed the audit fees?	100%		FY 2017-2018 Annual Report: BOD's Report and CG Activities
D.6.1	Medium of communications: Quarterly reporting	100%		- Website: Investor Bulletin, FS, FS Explanation, Press Release in respect of the Company and Sugarcane Industry - Research Report of securities firms: HSC, SSI, Mirae Asset, FPT5 - Articles on financial media: Financial Investment, Investment Newspaper, NDH, VN Express, Saigon Times; Bloomberg...
D.6.2	Medium of communications: Company website	100%		Bilingual: Vietnamese and English
D.6.3	Medium of communications: Analyst's briefing	80%		Securities Firms' Analysis Report: HSC, SSI, Mirae Asset, FPT5
D.6.4	Medium of communications: Media briefings/press conferences	100%		- Press Release on monthly basis or when events related to the Company and Sugarcane Industry occur - Press conference for major events
D.7.1	Are the audited annual financial report/statement released within 120 days from the financial year end?	100%		Circular 155: Released within 90 days from the financial year end (30/6/2018)
D.7.2	Is the annual report released within 120 days from the financial year end?	100%		Circular 155: Released within 110 days from the financial year end (30/6/2018)
D.7.3	Is the true and fairness/fair representation of the annual FS affirmed by the BOD/commissioners and/or the relevant officers of the Company?	100%		- Annual Report: Commitments to truth and fairness of FY 2017-2018 Annual Report - FS: The true and fairness representation of the annual FS affirmed by the Chairman and CEO
D.8.1	Company website: FS (latest quarterly)	100%		IR section: FS
D.8.2	Company website: Materials provided in briefings to analysts and media	100%		- IR section: IR Activities – Investor Bulletin - IR section: IR Activities - Highlights
D.8.3	Company website: Downloadable annual report	100%		IR section: Corporate Profile - Annual Report
D.8.4	Company website: Notice of AGM and/or EGM	100%		IR section: AGM
D.8.5	Company website: Minutes of AGM and/or EGM	100%		IR section: AGM
D.8.6	Company website: Company's constitution (company's by-laws, memorandum and articles of association)	100%		IR section: Corporate Profile - Charter
D.9.1	IR: Does the Company disclose the contact details (e.g. telephone, fax, and email) of the officer/office responsible for IR?	100%		IR section: IR Activities - Contact
E. RESPONSIBILITIES OF THE BOARD				
E.1.1	Does the Company disclose its CG policy/board charter?	100%		- Website: IR section – Corporate Profile – CG - Annual Report 2017-2018: CG; BOD's Report and CG Activities
E.1.2	Are types of decisions requiring BOD/commissioners' approval disclosed?	100%		- Website: IR section – Information Disclosure - Charter-Article 25.4: Issues requiring BOD's approval - Circular 155: Information requiring disclosure within 24 hours
E.1.3	Are the roles and responsibilities of the BOD/commissioners clearly stated?	80%		- Charter-Article 25: BOD's Rights and Duties - CG: + Article 20: Internal Audit Department + Article 21: BOD's Committees
E.1.4	Does the Company have an updated vision and mission statement?	100%		- Website: Introduction – Vision and Mission - FY 2017-2018 Annual Report: Vision - Mission – Core Values; BOD's Report; BOD's Strategic Orientations



ANALYSIS OF CORPORATE GOVERNANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

STANDARD QUESTIONS

	Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
E. RESPONSIBILITIES OF THE BOARD					
E.1.5	Does the BOD play a leading role in the process of developing and reviewing the Company's strategy at least annually?	100%			- Charter-Article 25.3: Determines operational objectives based on strategic objectives approved by the AGM - CG Framework- Article 29.2: CEO is responsible for preparing and seeking BOD's approval for each financial year - FY 2017-2018 Annual Report: CG; BOD's Report and CG Activities; BOD Strategic Orientations - Charter-Article 25: BOD's Rights and Duties
E.1.6	Does the BOD have a process to review, monitor and oversee the implementation of the corporate strategy?	100%			- CG Framework-Article 30: Collaboration among BOD members in control, operation and supervision - FY 2017-2018 Annual report: CG; BOD's Report and CG Activities; BOD's Strategic Orientations; BOD Independent Member's Report; Audit Committee's Report; BOD's Committees' Report
E.2.1	Are the details of the code of ethics or conduct disclosed?	70%			FY 2017-2018 Annual Report: Codes of conduct
E.2.2	Does the Company disclose that all directors/commissioners, senior management and employees are required to comply with the code/s?	80%			FY 2017-2018 Annual Report: Codes of conduct; Human Resources and Training
E.2.3	Does the Company have a process to implement and monitor compliance with the codes of ethics or conduct?	80%			FY 2017-2018 Annual Report: Codes of Conduct; Human Resource and Training
E.2.4	Do independent directors/commissioners make up at least 50% of the BOD/commissioners?	70%			Independent Members of BOD: 2/6 members, accounting for 34%
E.2.5	Does the Company have a term limit of nine years or less or two terms of five years each for its independent directors/commissioners?	100%			Charter-Article 24.1 and CG Framework-Article 12.1: BOD members have a term limit of 5 years
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?		✓		CG Framework-Article 13.2: BOD members may seat in Board of other companies
E.2.7	Does the Company have any executive directors who serve on more than two boards of listed companies outside of the group?	100%			Absolutely not
E.2.8	Does the Company have a Nominating Committee?	100%			HR Committee was established in FY 2017-2018
E.2.9	Is the Nominating Committee comprised of a majority of independent directors/commissioners?	70%			1/3 of HR Committee's members are independent and non-executive board members
E.2.10	Is the Chairman of the Nominating Committee an independent director/commissioner?		✓		The Chairman of HR Committee is currently the Chairman of the Board - non-executive board member
E.2.11	Does the Company disclose the terms of reference/governance structure/charter of the Nominating Committee?	70%			FY 2017-2018 Annual Report: BOD Committees' Report
E.2.12	Is the meeting attendance of members of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	100%			- Report on CG every 6 months: HR Committee meets at least quarterly - FY 2017-2018 Annual Report: BOD Committees' Report
E.2.13	Does the Company have a Remuneration Committee?	70%			HR Committee also concurrently fulfill the role of Remuneration Committee
E.2.14	Is the Remuneration Committee comprised of a majority of independent directors/commissioners?		✓		1/3 is independent non-executive board members
E.2.15	Is the Chairman of the Remuneration Committee an independent director/commissioner?		✓		The Chairman of the HR Committee is currently the Chairman of the Board, non-executive board member
E.2.16	Does the Company disclose the terms of reference/governance structure/charter of the Remuneration Committee?	70%			FY 2017-2018 Annual Report: BOD Committees' Report
E.2.17	Is the meeting attendance of members of the Remuneration Committee disclosed and if so, did the Remuneration Committee meet at least twice during the year?	70%			- Report on CG every six months: HR Committee meets quarterly - FY 2017-2018 Annual Report: BOD Committees' Report
E.2.18	Does the Company have an Audit Committee?	100%			Audit Committee was established in FY 2017-2018
E.2.19	Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	100%			- Chairman of the Audit Committee: Non-executive board member - 2 members of the Audit Committee: Independent board member
E.2.20	Is the Chairman of the Audit Committee an independent director/commissioner?	70%			Chairman of the Audit Committee: Non-executive board member, but not an independent member
E.2.21	Does the Company disclose the terms of reference/governance structure/charter of the Audit Committee?	100%			FY 2017-2018 Annual Report: Audit Committee's Report

STANDARD QUESTIONS

Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
E. RESPONSIBILITIES OF THE BOARD				
E.2.22	Does at least one of the independent directors/commissioners of the Audit Committee have accounting expertise (accounting qualification or experience)?	70%		Chairman of the Audit Committee: Non-executive board member with accounting - auditing experience
E.2.23	Is the meeting attendance of members of the Audit Committee disclosed and if so, did the Audit Committee meet at least four times during the year?	100%		- Report on CG every 6 months: The Audit Committee meets at least quarterly - FY 2017-2018 Annual Report: Audit Committee's Report
E.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, removal of the independent auditor?	100%		FY 2017-2018 Annual Report: Audit Committee's Report
E.3.1	Are the BOD's meetings scheduled before the start of financial year?	100%		BOD's meetings are scheduled quarterly for the next year before the start of fiscal year
E.3.2	Does the BOD/commissioners meet at least six times during the year?	100%		- Report on CG every 6 months: The HR Committee meets at least 6 times during the year - FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.3.3	Has each of the director/commissioner attended at least 75% of all the board meetings held during the year?	100%		- Report on CG every six months: The HR Committee meet at least 6 times during the year - FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.3.4	Does the Company require a minimum quorum of at least 2/3 for board decisions?	100%		Charter-Article 28.9 and CG Article 18.1: A minimum of at least 3/4 for board decisions
E.3.5	Did the non-executive directors/commissioners of the Company meet separately at least once during the year without any executives present?	100%		All four non-executive members and two independent members among all six members meet at least six times during the year
E.3.6	Are board papers for BOD/commissioners meetings provided to the board at least five business days in advance of the board meeting?		✓	At least 2 days in advance of the board meeting
E.3.7	Does the Company secretary play a significant role in supporting the board in discharging its responsibilities?	100%		Charter-Article 33 and CG Framework-22: The Company's Secretary is in charge of CG
E.3.8	Is the Company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?		✓	Charter-Article 33.2 and CG Regulations-22.2: The Company Secretary has legal knowledge
E.3.9	Does the Company disclose the criteria used in selecting new directors/commissioners?	70%		CG Framework-Article 13.1: Having civil competence and professional qualifications, experiences in the Company's business management
E.3.10	Did the Company describe the process followed in appointing new directors/commissioners?	70%		Charter-Article 24.2 and CG Framework-Article 14.1: Board members self-nominate or nominated by Shareholders and groups of Shareholders
E.3.11	Are all directors/commissioners subject to re-election at least every 3 years or 5 years for listed companies in countries whose legislation prescribes a term of 5 years each?	100%		Charter-Article 24.1 and CG Framework-Article 12.1: The Company has a term limit of 5 years for the board members
E.3.12	Does the Company disclose its remuneration policy/practices for its executive directors and CEO?	70%		FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.3.13	Is the fee structure for non-executive directors/commissioners disclosed?	70%		FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.3.14	Do the Shareholders or the BOD approve the remuneration of the executive directors and/or the senior executives?	100%		- FY 2016-2017 AGM: Resolution 2/2017 Article 2.15 – The AGM approves the remuneration of the BOD - FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.3.15	Does the Company have measurable policies/standards to align the performance-based remuneration of executive directors or senior executives with long-term interests of the Company?	70%		FY 2017-2018 Annual Report: CG; BOD's Report and CG Activities
E.3.16	Does the Company have a separate internal audit function?	100%		Internal Audit Department under the Audit Committee
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	100%		Head of the Internal Audit Department is a full-time employee of the Company
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	100%		FY 2017-2018 Annual Report: Audit Committee's Report
E.3.19	Does the Company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?	70%		FY 2017-2018 Annual Report: Audit Committee's Report; Legal Compliance
E.3.20	Does the Annual Report/Annual CG Report disclose that the board or directors/commissioners has conducted a review of the Company's material controls (including operational, financial and compliance controls) and risk management systems?	70%		FY 2017-2018 Annual Report: Audit Committee's Report; Legal Compliance



STANDARD QUESTIONS

Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
E. RESPONSIBILITIES OF THE BOARD				
E.3.21		✓		FY 2017-2018 Annual Report: Audit Committee's Report; Legal Compliance
E.3.22	70%			FY 2017-2018 Annual Report: CG; BOD's Report and CG Activities; Audit Committee's Report; Legal Compliance
E.4.1	100%			The Chairman and CEO are two different persons
E.4.2	70%			The Chairman is a non-executive board member, but not an independent member
E.4.3	100%			Absolutely not
E.4.4	70%			Charter-Article 26.2: Responsibilities of the Chairman
E.4.5		✓		The Company has 2 independent board members
E.4.6	100%			- 6 board members are non-executive members, of which 2 are independent members - All board members have more than 5 years of working experience in the Sugarcane Industry
E.5.1		✓		Currently consulted only in BOD meetings
E.5.2	90%			FY 2017-2018 Annual Report: CG; BOD's Report and CG Activities; Human Resources and Training
E.5.3	70%			FY 2017-2018 Annual Report: CG; BOD's Report and CG Activities; Human Resources and Training
E.5.4	70%			- FY 2016-2017 AGM: BOD's Report - FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.5.5	70%			- FY 2016-2017 AGM: BOD's Report - FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.5.6	70%			- FY 2016-2017 AGM: BOD's Report - FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.5.7	70%			- FY 2016-2017 AGM: BOD's Report - FY 2017-2018 Annual Report: BOD's Report and CG Activities

BONUS QUESTIONS

	Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
A.1.1	Does the Company practice secure electronic voting in absentia at the general meetings of Shareholders?		✓		Expected to apply secure electronic voting in absentia in FY 2017-2018 AGM and onwards
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 meeting?		✓		- Circular 155: At least 10 days before the meeting date of AGM/EGM - Expected: The Company will implement in the upcoming AGMs
C.1.1	Does the Company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?	80%			- Annual Report in accordance with IIRC framework - Sustainable Development Report in accordance with GRI Standards
D.1.1	Are the audited annual financial report/ statement released within 60 days from the financial year end?		✓		- Audited FS for FY 2016-2017: Disclosed within 84 days - Audited FS for FY 2017-2018: Disclosed within 90 days (Better than Circular 155's requirements)
D.1.2	Does the Company disclose details of remuneration of the CEO?	70%			FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.1.1	Does the Company have at least one female independent director/commissioner?		✓		- 6 non-executive board members - 3 female non-executive board members
E.1.2	Does the Company disclose policies and measurable objectives for implementing its board diversity and report on progress in achieving its objectives?		✓		FY 2017-2018 Annual Report: CG; BOD's Report and CG Activities
E.2.1	Is the Nominating Committee comprised entirely of independent directors/commissioners?		✓		1/3 of the members are independent members, and non-executive member
E.2.2	Does the Nominating Committee undertake the process of identifying the quality criteria of directors aligned with the Company's strategic directions?	70%			- Standard Operating Procedure of HR Committee-Article 8.1: HR Committee advises on personnel criteria, conducts annual performance assessment for BOD members - FY 2017-2018 Annual Report: BOD Committees' Report
E.3.1	Does the Company use professional search firms or other external sources of independent candidates when searching for candidates to the BOD/commissioners?		✓		The Company is looking for candidates at Vietnam Institute of Directors established by HOSE
E.4.1	Do independent non-executive directors/ commissioners make up for more than 50% of the BOD/commissioners for a company with independent chairman?	70%			- 6 board members are non-executive members - 2 board members are independent members - The Chairman of the Board is a non-executive member
E.5.1	Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?		✓		FY 2017-2018 Annual Report: BOD's Report and CG Activities
E.6.1	Does the Company have a separate board level Risk Committee?		✓		Audit Committee in charge of risk management



PENALTY QUESTIONS

	Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
A.1.1	Did the Company fail or neglect to offer equal treatment for share repurchases to all Shareholders?	100%			Absolutely not
A.2.1	Is there evidence of barriers that prevent Shareholders from communicating or consulting with other Shareholders?	100%			Absolutely not
A.3.1	Did the Company place any additional and unannounced agenda item into the notice of AGM/EGM?	100%			All information is provided in the AGM's documents
A.3.2	Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?	100%			FY 2016-2017 AGM: - The Chairman of the Board, the Audit Committee Chairman and CEO attended the AGM - Meeting Minutes-Part III.3: Recorded the attendance
A.4.1	Shareholders agreement?	100%			Such an arrangement does not exist
A.4.2	Voting cap?	100%			- Charter-Article 20: No. of voting paper corresponds to no. of share - CG Framework-Article 7: Voting card specifies the no. of voting shares - FY 2016-2017 AGM: Meeting Regulations-Article 9: No. of voting paper corresponds to no. of share; Voting card specifies the no. of voting shares
A.4.3	Multiple voting rights?	100%			Such a class of share does not exist
A.5.1	Does a pyramid ownership structure and/or cross holding structure exist?		✓		BOD member's related parties
B.1.1	Has there been any conviction of insider trading involving directors/commissioners, senior management and employees in the past three years?	100%			Insider trading is prohibited
B.2.1	Has there been any case of non-compliance with the laws, rules and regulations pertaining to material RPTs in the past three years?	100%			Absolutely not
B.2.2	Have there been any RPTs that can be classified as financial assistance (i.e. not properly conducted at arms-length) to entities other than wholly-owned subsidiary companies?	100%			Absolutely not
C.1.1	Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues?	100%			Absolutely not
C.2.1	Has the Company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	100%			Absolutely not
D.1.1	Did the Company receive a "qualified opinion" in its independent audit report?	100%			Unqualified audit opinion
D.1.2	Did the Company receive an "adverse opinion" in its independent audit report?	100%			Unqualified audit opinion

	Item	Well implemented (70%-100%)	To improve in short term (<1 year)	To improve in medium & long term (1-5 years)	Reference/Explanation
D.1.3	Did the Company receive a "disclaimer of opinion" in its independent audit report?	100%			Unqualified audit opinion
D.1.4	Has the Company revised its FS in the past year for reasons other than changes in accounting policies?	100%			Absolutely not
E.1.1	Is there any evidence that the Company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	100%			Absolutely not
E.1.2	Have there been any instances in which non-executive directors/commissioners resigned and raised any issues of governance-related concerns?	100%			Absolutely not
E.2.1	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years each (whichever is higher) in the same capacity?	100%			Absolutely not
E.2.2	Did the Company fail to identify who are the independent director(s) /commissioner(s)?	100%			2 board members are defined in accordance with Vietnam's regulations
E.2.3	Does the Company have any independent directors/non-executives/commissioners who play a leading role in a total of more than five boards of publicly-listed companies?	100%			Absolutely not
E.3.1	Is any of the directors or senior management a former employee or partner of the current independent auditor in the past two years	100%			Absolutely not
E.4.1	Has the chairman been the Company's CEO in the last three years	100%			The Chairman of the Board and CEO are two different persons
E.4.2	Do independent non-executive directors/ commissioners receive options, performance shares or bonuses?	100%			Absolutely not



Fertilizer deep spreader, one of mechanization activities in TTC Bien Hoa's raw material area

Endless Efforts - Enthusiasm

LEADING WITH INTERNATIONAL TECHNOLOGY AND QUALITY STANDARDS

TTC Bien Hoa puts endless efforts into R&D activities, new technological application, production improvement, cost reduction, efficiency enhancement and quality assurance; in order to meet diverse needs of customers and successfully conquer the most demanding export markets in the world.





03

OPERATION ACTIVITIES IN THE YEAR

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Mr. NGUYEN THANH NGU

Chief Executive Officer

Year of birth: 1987

Time of appointment as CEO: November 2014

Duration of service as CEO: 3 years and 8 months

Ownership of voting shares at the Company: 2,181,361 shares, accounting for 0.39%

Qualifications:

- » Bachelor of Business Administration - International University - Vietnam National University HCMC
- » Institute of Potential Leaders (IPL) Program - PACE

Employment history:

- » November 2017 – present: CEO, Thanh Thanh Cong - Bien Hoa Sugar JSC
- » November 2014 – November 2017: CEO, Thanh Thanh Cong Tay Ninh JSC
- » 2016 – present: Chairman, Tay Ninh Sugar JSC
- » 2016 – present: Vice Chairman, Tay Ninh Tapioca JSC
- » 2016 – present: Vice Chairman, Tapioca Vietnam Co., Ltd
- » 2016 – February 2018: Chairman, Nuoc Trong Rubber JSC
- » May 2014 – October 2014: CEO, Gia Lai Sugarcane Thermolectricity JSC
- » January 2013 – March 2014: Permanent Deputy CEO, Ninh Hoa Sugar JSC

Outstanding achievements:

- » 10 years of experience in the Sugarcane industry and 5 years in management positions of large-scale companies with regional operation.
- » Providing prompt and appropriate solutions to market conditions and helping TTC Bien Hoa overcome market and competition challenges to complete the assigned plans.
- » Ensuring effective business activities and Member Companies to grow in line with TTC Bien Hoa's post M&A orientations; bringing TTC Bien Hoa to become leader in Vietnam's Sugarcane Industry with a dominant market share.



Ms. TRAN QUE TRANG

Permanent Deputy Chief Executive Officer

Year of birth: 1980

Time of appointment as Permanent Deputy CEO: November 2016

Duration of service as Permanent Deputy CEO: 1 year and 8 months

Ownership of voting shares at the Company: 1,225,550 shares, accounting for 0.22%

Qualifications:

- » Bachelor of International Finance – University of Economics HCMC
- » Institute of Potential Leaders (IPL) Program – PACE

Employment history:

- » November 2017 - present: Permanent Deputy CEO, Thanh Thanh Cong - Bien Hoa Sugar JSC
- » November 2016 - November 2017: Permanent Deputy CEO, Thanh Thanh Cong Tay Ninh JSC
- » 2015 - 2017: CEO, Bien Hoa Sugar JSC
- » 2013 - 2015: Deputy CEO, Bien Hoa Sugar JSC
- » 2010 - 2013: Deputy CEO, Thanh Thanh Cong Investment JSC
- » 2005 - 2010: Director of Transaction Office, Vietnam International Commercial Joint Stock Bank (VIB)
- » 2003 - 2005: Administrative Manager, Dai Cat Electromechanical Co., Ltd

Outstanding achievements:

- » More than 8 years of experience in operating large-scale companies and 5 years in senior management positions in Sugarcane field.
- » Participating in significant investment deal as well as playing an important role in TTC Bien Hoa's M&A activities.



Ms. DUONG THI TO CHAU

Deputy CEO

Year of birth: 1973

Time of appointment as Deputy CEO: March 2016

Duration of service as Deputy CEO: 2 years and 4 months

Ownership of voting shares at the Company: 84,335 shares, accounting for 0.02%

Qualifications:

Bachelor of Economics

Employment history:

- » November 2017 – present: Deputy CEO, Thanh Thanh Cong - Bien Hoa JSC
- » 2015 – November 2017: Deputy CEO, Thanh Thanh Cong Tay Ninh JSC
- » 2015 – November 2017: Sales Director, Bien Hoa Sugar JSC
- » 2013 - 2014: Commercial Director, Thanh Thanh Cong Tay Ninh JSC
- » 2010 - 2013: Commercial Director, Bourbon Tay Ninh JSC
- » 2004 - 2010: Sales and Marketing Manager, NIVL JSC
- » 1997 - 2003: Sales and Marketing Manager, Nagarjuna International Co., Ltd
- » 1996 - 1997: Import-Export Supervisor, NIKE Vietnam Co., Ltd

Outstanding achievements:

- » More than 20 years of experience in business operation, building diversified distribution channels for Sugar products, contributing to TTC Bien Hoa's market share expansion especially in the MNC segment.
- » Being one of the leading business experts in Vietnam Sugar Industry with the extensive expertise in Vietnam and the Region.



Mr. NGUYEN QUOC VIET

Deputy CEO

Year of birth: 1977

Date of appointment as Deputy CEO: July 2017

Duration of service as Deputy CEO: 1 year

Ownership of voting shares at the Company: 661,602 shares, accounting for 0.12%

Qualifications:

Bachelor of Economics - Business Administration

Employment history:

- » July 2017 – present: Deputy CEO, Thanh Thanh Cong - Bien Hoa JSC
- » 2015 - 2016: BOD Member, Thanh Thanh Cong Tay Ninh JSC
- » 2014 - 2015: Deputy CEO of Production Technique, Thanh Thanh Cong Tay Ninh JSC
- » 2014 - 2015: Deputy CEO, Bien Hoa Sugar JSC
- » 2010 - 2014: Manufacturing Director, Phan Rang Sugar JSC
- » 2009 - 2010: Branch Director, Thanh Thanh Cong JSC

Outstanding achievements:

- » More than 10 years of experience in the Sugar Industry and holding several senior managerial positions in production and business development.
- » Significantly contributing to improve production efficiency and enhancing TTC Bien Hoa's competitive capacity with a good understanding of the Sugar Industry's value chain.



Mr. LE QUANG HAI

Deputy CEO

Year of birth: 1964

Date of appointment as Deputy CEO: December 2017

Duration of service as Deputy CEO: 7 months

Ownership of voting shares at the Company: 598,391 shares, accounting for 0.1%

Qualifications:

Food Chemistry Engineer

Employment history:

- » December 2017 – present: Deputy CEO, Thanh Thanh Cong - Bien Hoa JSC
- » 2015 - 2016: BOD Member, Thanh Thanh Cong Tay Ninh JSC
- » 2014 - 2015: Deputy CEO of Production Technique, Thanh Thanh Cong Tay Ninh JSC
- » 2013 - 2014: Deputy CEO of Production Technique, Bien Hoa Sugar JSC
- » 2008 - 2013: Project Director, Bien Hoa Sugar JSC
- » 1998 - 2007: Technique Manager, Bien Hoa Sugar JSC

Outstanding achievements:

- » As one of leading experts with 30 years of experience in Sugarcane production technology.
- » Applying advanced sugar production technologies at TTC Bien Hoa to improve the production technique, reduce refinery costs while ensuring the quality of products and stabilization of production lines.



Mr. TRAN QUOCTHAO

Deputy CEO

Year of birth: 1979

Time of appointment as Deputy CEO: February 2018

Duration of service as Deputy CEO: 5 months

Ownership of voting shares at the Company: 199,938 shares, accounting for 0.03%

Qualifications:

Bachelor of Finance – Business

Employment history:

- » February 2018 – present: Deputy CEO, Thanh Thanh Cong - Bien Hoa JSC
- » 2017 – present: TTC Bien Hoa - Dong Nai Sugar One Member Limited Liability Company
- » 2016- 2017: Permanent Deputy CEO, Bien Hoa Sugar JSC
- » 2015 - 2016: Deputy CEO of Finance, Bien Hoa Sugar JSC
- » 2014 - 2015: Permanent Deputy CEO, Ninh Hoa Sugar JSC
- » 2012 - 2014: Director of Sales & Support Division, Ninh Hoa Sugar JSC
- » 2011 - 2012: Deputy Director, Dang Huynh Industrial Zones Exploitation and Management JSC
- » 2010 - 2011: Investment Manager, Dai Phuc Housing Trading and Construction Co., Ltd (Dafuco)

Outstanding achievements:

- » More than 12 years of experience in finance at large companies, with the strength in financial management and building system.
- » Assisting TTC Bien Hoa in capital management to ensure liquidity; using flexible financial instruments to invest in raw material area, improving the production capacity and optimizing the capital utilization.



Automatic center-pivot irrigation system - One of the advanced technologies applied at TTC Bien Hoa

RECOGNIZED EFFORTS

WITH ORIENTATIONS TO ENHANCE THE CANE EXTRACTION EFFICIENCY, MINIMIZE LOSSES IN PRODUCTION, THE PLANT OPERATION WAS QUITE GOOD, ALL PRODUCTION TARGETS REACHED AND EXCEEDED THE PLAN AND THE SAME PERIOD.

Although the Sugarcane Industry faced many difficulties in FY 2017-2018, TTC Bien Hoa made encouraging achievements thanks to all employees' endless efforts, bringing in the premise for the coming years; especially when the ATIGA integration and fair competition with regional competitors come very close.

Regarding raw materials, the Company crushed 3.7 million tons of sugarcane, a 142% rise over the same period; raw Sugar amount put into soluble reached a record of nearly 246 thousand tons, soared by 214% compared to the previous year.

Regarding production, with orientations to enhance the cane extraction efficiency, minimize losses in production, the plant operation was quite good, all production targets reached and exceeded the plan and the same period. The 2017-2018 crop's production volume reached nearly 601 thousand tons of Sugar, grew by 177% yoy. In addition, the equipment safety coefficient was close to 99%; the Sugar extraction efficiency exceeded approximately 2%, contributing to reduce production costs and prices.

Regarding business activities, Sugar consumption volume was recorded at 572,300 tons, risen by 132% yoy thanks to efforts to expand the existing customers channels which contributed mainly to the Company's Revenue such as B2B and B2C.

In order to ensure the economic efficiency as well as maintain the annual Profit growth, the Company strived

KEY PERFORMANCE INDICATORS

No.	Item	Unit	FY 2016-2017	FY 2017-2018	Increase/Decrease
1	Sugarcane crushing volume	Ton	1,537,169	3,721,857	142%
2	Raw Sugar material volume	Ton	78,292	245,911	214%
3	Produced Sugar volume	Ton	217,148	600,619	177%
4	Sugar consumption volume	Ton	247,174	572,300	132%
5	PBT	VND Billion	310	682	120%
6	PAT	VND Billion	287	545	90%

Source: Audited Consolidated FS for FY 2017-2018

VND **682** BILLION

PROFIT BEFORE TAX IN FY 2017-2018

FULFILLING 100% OF THE PLAN



Finished product packing line at a TTC Bien Hoa's factory

to improve both Sugar quality and consumption volume; implementing reasonable cost control measures to reduce production costs; to supply quality refined Sugar products to market at the most competitive prices.

With the proactive planning, forecasting and appropriate strategy implementation, and the distribution synergy from BHS transaction, the Company exceeded the assigned target set by AGM. PBT reached VND 682 billion, fulfilled 100% of the plan; of which Net operating profit was VND 539 billion, accounted for 79% of PBT. As the result, PAT also improved by 90% yoy to VND 545 billion.

The Sugar Industry's macro conditions were not favorable and consumption was difficult while Sugar prices continuously decreasing; however, with flexibility in the sales policy, the Sugar consumption volume reached 572,300 tons, increased by 132% over the same period and exceeded 111% of the plan. Of which, domestic consumption volume was 490,000 tons, accounted for 86% of total volume, as the Company maintained a stable customer base, the number of potential customers of SME channel expanded to more than 6,000 customers. Besides, in order to meet the diversified demands of customers, the Company also focuses on R&D investment, products structure improvement and appropriate pricing.

FY 2017-2018 Net revenue was recorded at VND 10,285 billion, soared by 129% and achieved 104% of the plan. The Revenue structure followed BOD's directions, in which Revenue from Sugar products made up 88%. However, with the aim to utilize the value chain generated from sugarcane including Sugarcane juice and bagasse, the Company gradually raised the proportion of Revenue from By-products such as 3% for Molasses, went up by 86%; 2% for Commercial electricity, an increase of 58%; 2% for Fertilizer, up 85% over the same period. In addition, in the past year, the Company recorded Revenue from a new product outside the value chain i.e. rubber, accounted for 3% of Revenue.

VND **10,285** BILLION

NET REVENUE FY 2017-2018

↗ 129%, ACHIEVING 104% OF THE PLAN

88%

**NET REVENUE
FROM SUGAR PRODUCTS**

The Financial income was VND 712 billion, rocketed by 221% compared to FY 2016-2017, of which the majority came from divestment of Thanh Thanh Cong Industrial Zone (TTC IZ) of approximately VND 368 billion, accounted for 52% of the total. In the context of the Sugar Industry's turbulences, it was reasonable and necessary to record other income from assets in the property investment portfolio. Specifically, Tan Kim Warehouse in Long An Province contributed over VND 128 billion out of the other Income of VND 178 billion, went up sharply as compared to the plan and over 9 times higher than the same period.

REVENUE STRUCTURE

No.	Item	2016-2017 (VND Billion)	2017-2018 (VND Billion)	Increase/Decrease
1	Net revenue	4,498	10,285	129%
1.1	Sugar	3,886	9,045	133%
1.2	Molasses	187	348	86%
1.3	Commercial electricity	106	167	58%
1.4	Fertilizer	123	228	85%
1.5	Other Revenue	196	497	154%
2	Financial income	222	712	221%
3	Other income	19	178	837%

Source: Audited Consolidated FS for FY 2017-2018

COGS fluctuated in line with the Revenue growth; although the Revenue increased sharply, the ratio of COGS over Net revenue was maintained at the same level of last financial year, in which the COGS of Sugar reduced by 5% as compared to the plan. The Company maintained high Gross margin despite there were many disadvantages in the market. As a well established

Sugar producer with great deal of market experience, the Company's Management soon predicted the situation on the world Sugar market, and punctually made appropriate decisions to control production costs effectively, reduced by more than 3% over the plan, contributing to the Gross margin of 12.9%, an increase of 4% yoy and exceeded 14% of the plan.

The Company implemented IT solutions, modern and scientific management methods to optimize resource utilization. The ERP system was successfully deployed and put into operation to better support the CG, expanded application of AX Dynamic system – one of other solutions for corporate resource management, helping the Company effectively manage the resources and operating expenses, enhance competitiveness in all stages from cultivation, harvesting to production and distribution.

With the above-mentioned, the Company's financial and selling expenses were strictly controlled and significantly reduced over the plan, in which selling and financial expenses reduced by 31% and 8% respectively. SG&A expenses over Net revenue slightly increased to 7.3%, compared to 5.3% in the previous year as the Company was expanding market share to achieve the consumption volume of 1.23 million tons of Sugar in FY 2020-2021; and continued to promote the development of B2C channel through retail channels and distribution chains. In addition, BHS was formerly leader in the retail channel, with high selling price and both selling and packaging expenses than other common channels; resulted in an increase in selling expenses after the merger.



TTC Bien Hoa's Clean Sugar products meet the international standards

AFTER THE MERGER WITH BHS, THE COMPANY'S TOTAL ASSETS RECORDED A STRONG GROWTH OF 128% THANKS TO SYNERGISTIC EFFECT IN SCALE AND OPERATION.

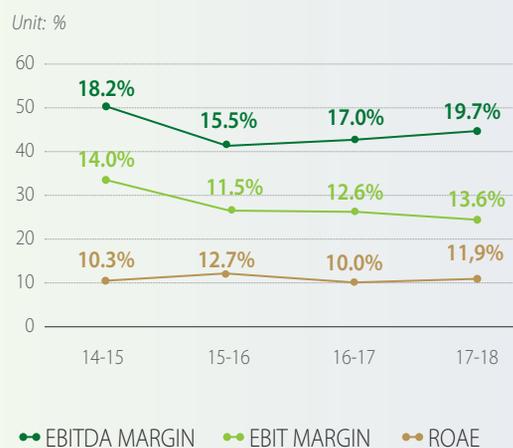
In general, FY 2017-2018 Profitability ratios showed improvements compared to the previous year; specifically, EBITDA margin soared by 16% to reach 19.7%, and EBIT margin also increased by 8% to 13.6%.

PROFIT INDICATORS



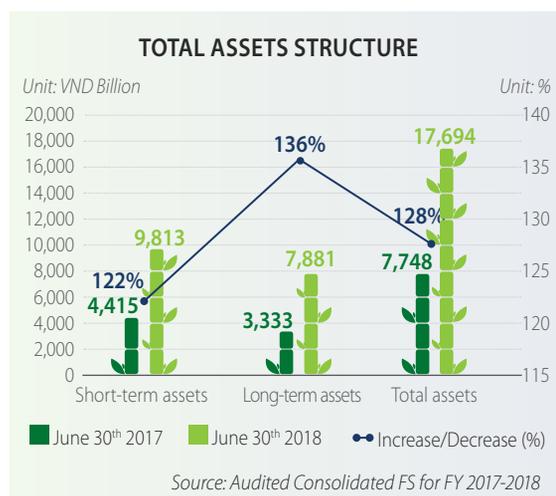
Source: Audited Consolidated FS for FY 2016-2018

PROFITABILITY RATIOS



Source: Audited Consolidated FS for FY 2014-2018

After the merger with BHS, the Company's Total assets recorded a strong growth of 128% thanks to synergistic effect in scale and operation. The Total assets reached VND 17,694 billion, compared to VND 7,748 billion of the previous year, of which increase in Short-term and Long-term assets were 122% and 136% respectively. Due to strong growth of scale and goodwill; however, the structure of Short-term and Long-term assets was kept stable. The Fixed assets also increased sharply from VND 1,442 billion to VND 4,698 billion, equivalent to a rise of 226%, mainly from the consolidation of assets after the merger with BHS such as property, machinery, transportation and office equipment.



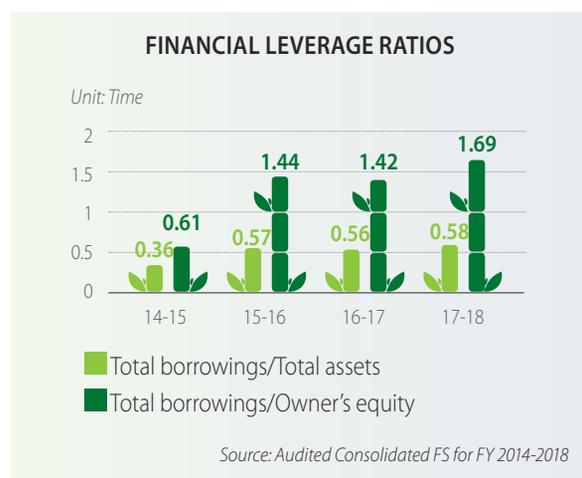
In addition to advantages from the merger, conversely, Short-term and Long-term loans also increased, resulting in a remarkable rise in Interest expenses. However, in the past year, the Company utilized financial leverage for the expansion, thus interest coverage ratio of EBIT/interest expenses was maintained reasonably at 2 times which was similar to the previous year, and interest payment would not impact the Company's business.

Although the Debt ratio increased, the Management considered financial leverage as a prerequisite in the process of expanding the market share in B2C and B2B Channels, especially MNC Channel, to achieve the planned consumption volume of 1.23 million tons of Sugar in FY 2020-2021. In addition, the Company also tends to lower this Debt ratio and shift the Debt structure to raise the Long-term debt in order to reduce interest payment pressure. In terms of resources' structure, the ratio of Total borrowings/Owner's equity and Total borrowings/Total assets went up to 18% and 4% respectively compared to June 30th 2017. In particular, the main reason came from increase in the Short-term liabilities to support the operational expansion in the post M&A period.

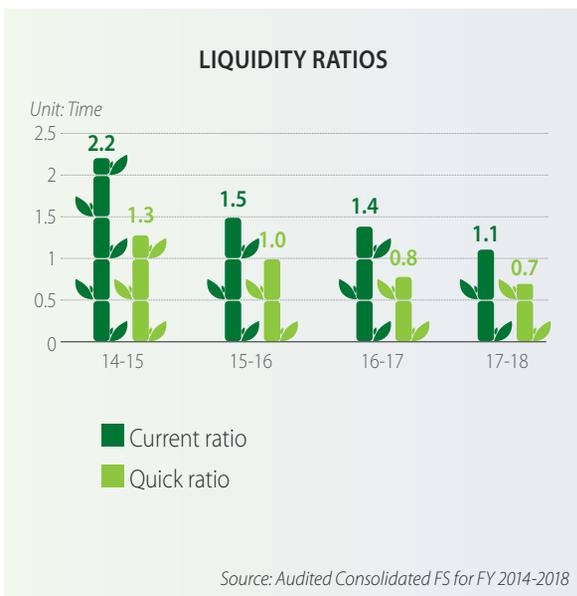
DEBT RATIOS

Item	June 30 th 2017		June 30 th 2018		Increase/Decrease (%)	
	Value (VND Billion)	%	Value (VND Billion)	%	Value (VND Billion)	%
Short-term liabilities	3,164	68%	8,902	77%	5,738	181%
Short-term loans and finance lease obligations	2,850	61%	7,703	66%	4,853	170%
Long-term liabilities	1,523	32%	2,694	23%	1,171	77%
Long-term loans and finance lease obligations	1,501	32%	2,582	22%	1,081	72%
Liabilities	4,687	100%	11,596	100%	6,909	147%

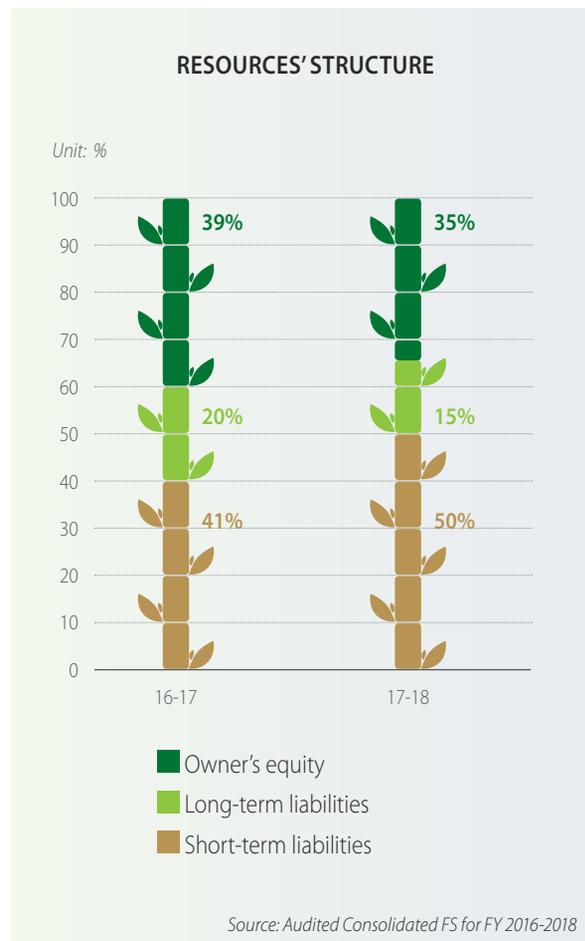
Source: Audited Consolidated FS for FY 2017-2018



Although the domestic Sugar Industry was negatively impacted by the world's, the Company's financial Liquidity ratios were well maintained, and Debt payment was controlled in a safe level. The Company's Current ratio was higher than 1 times, reached 1.1 times in FY 2017-2018.



Resources' structure shifted a lot in pre and post M&A periods, especially proportion of Short-term and Long-term liabilities. As a result, the Short-term debt ratio increased over Long-term debt partially due to the Resources' structure of BHS's Companies. In order to improve the efficiency of Resources' structure, the Company planned and sought to cooperate with strategic partners, conducted resources restructuring which reducing Short-term liabilities and increasing Long-term liabilities, with the aim to ensure stable resources for the Company's sustainable development.



FY 2017-2018 recorded quite good improvement in Net cash flow from negative figure to VND 123 billion. In which, the major contribution came from Cash flows from operating activities thanks to increase in operating profit after the merger. It helped the Company enhance financial strength with a large amount of cash in hand, being ready for any obligations as well as ensuring a punctual and effective solvency. Net cash flows from financing activities were negative mainly due to the treasury shares purchase in 2018.

INDICATORS OF OPERATING CASH FLOWS

Item	June 30 th 2017 (VND Billion)	June 30 th 2018 (VND Billion)
Cash flows from operating activities	(532)	1,085
Cash flows from investing activities	(696)	775
Cash flows from financing activities	575	(1,737)
Net increase (decrease) in cash and cash equivalents for the year	(653)	123
Cash and cash equivalent at beginning of year	855	203
Impact of exchange rate fluctuation	(0)	(1)
Cash and cash equivalent at end of year	202	327

Source: Audited Consolidated FS for FY 2017-2018

In terms of operation capacity, taking advantages of BHS's business network, the Company improved Inventory turnover by 26%, grew from 2.40 times to 3.02 times. There was a 99% rise in Inventory over the same period, reached VND 3,972 billion. Although Inventory recorded growth in absolute value, the ratio of Inventory/Total assets reduced from 25% as of June 30th 2017 to 22% as of June 30th 2018. In additions, the proportion of finished foods and merchandise fell dramatically from 86% to 62%, while materials were going up from 12% to 27% as the Company took advantages of declined raw Sugar price to purchase more with the aim of being proactive in Sugar material source with low price for the market expansion in the future. This was considered as a bright spot in the Company's financial picture when inventories were better controlled.

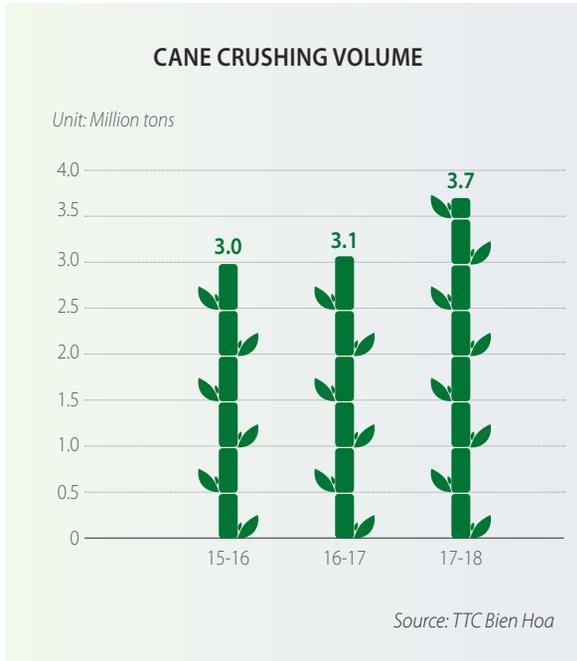
In fact, with production cost reduction, SBT has finished products at low prices. Besides, cheap raw materials are the competitive advantages in the future. The total assets turnover was also well improved after completing M&A with BHS as recording a 31% increase from 0.62 times to 0.81 times.



FY 2017-2018 PERFORMANCE HIGHLIGHTS (*)

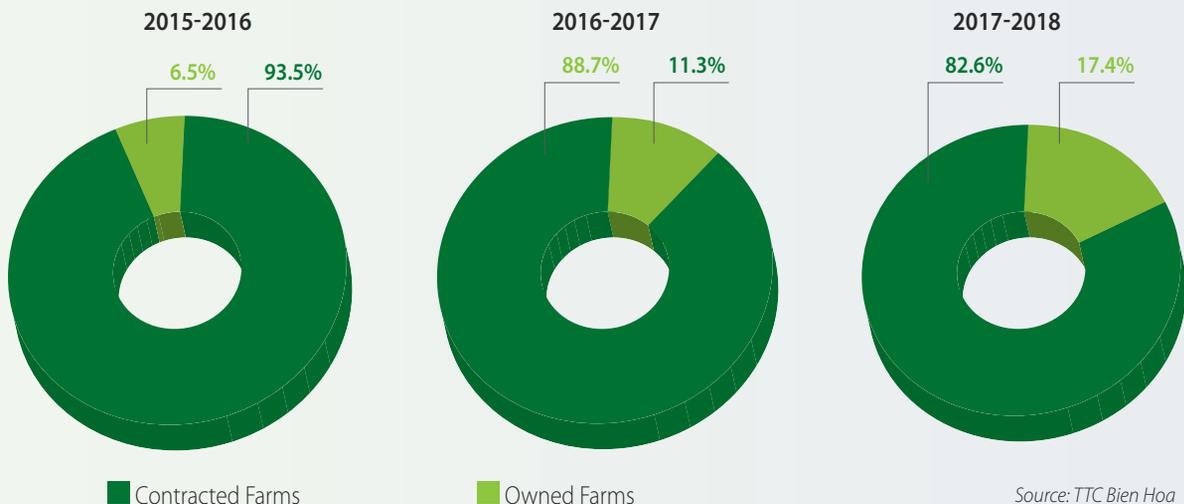
RAW MATERIALS

In order to ensure stable crushing capacity as well as sufficient supply of Sugar according to market demand, the Company implemented actively the raw material purchasing from various sources to compensate the shortage in contracted raw material areas. TTC Sugar Business Line's purchased sugarcane had been increasing over the last 3 crop years. In particular, the Company purchased more than 3.7 million tons of sugarcane in 2017-2018 crop, a rise of 23% compared to 2015-2016 crop and more than 19% over the previous crop.



The structure of contracted raw material areas and owned farms by the Company in the last 3 crops clearly showed the Company's development perspective. Accordingly, the Company plans to take more control in raw material supply, gradually reducing the dependence on contracted raw material areas and increasing owned farm areas in order to enhance operational efficiency and be active in land use.

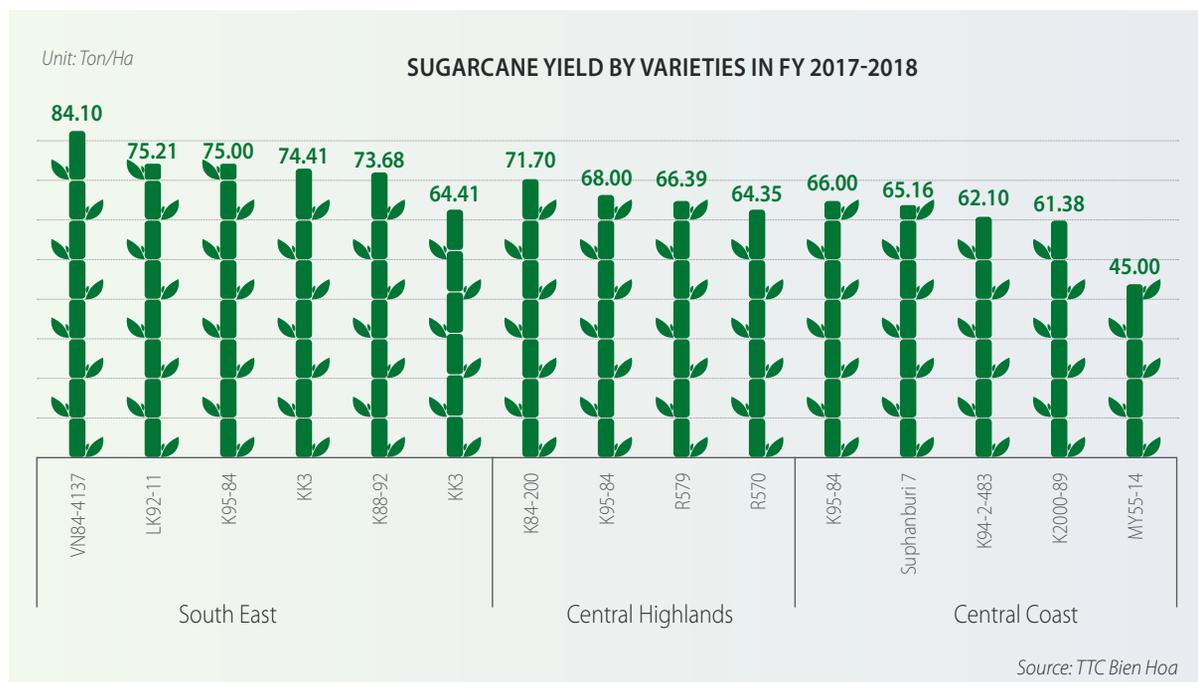
STRUCTURE OF CONTRACTED FARMS AND OWNED FARMS



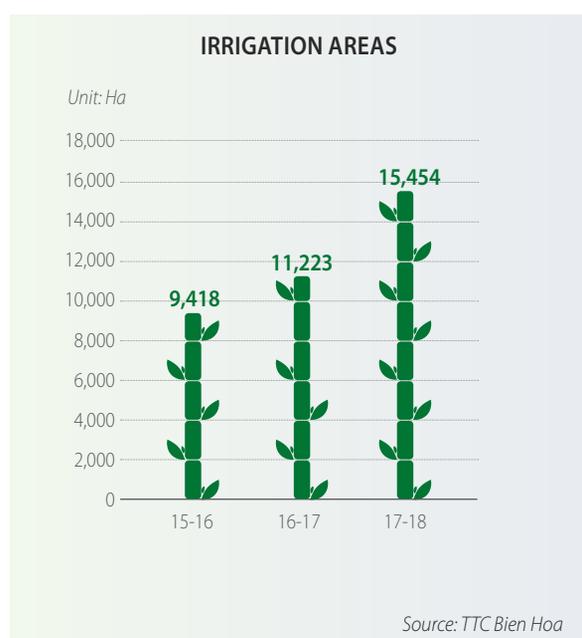
(*) FY 2015-2016 and FY 2016-2017 figures were restated to include BHS

FARMING ENCOURAGEMENT PROGRAMS

The proportion of early ripened varieties has gradually increased over the crops as these varieties' yield and CCS have been always higher than others. Averagely ripened varieties have also gone up in order to facilitate the harvest.



In FY 2017-2018, the total area of irrigated sugarcane increased gradually by 64% compared to FY 2015-2016 and 38% over the previous period. In practice, irrigational effectiveness is evaluated by obtained CCS and yield (tons/ha); the yield of tended and irrigated sugarcane is improved significantly. Specifically, 2017-2018 crop's sugarcane yield was 70 tons/ha at average, rose by 7% compared to 2015-2016 crop year and 3% over the previous year; CCS went up by 2% rise compared to 2015-2016 crop year and 1% over the previous year.



In addition, planting and tending for areas infected with pests have been supported, the Company also widely disseminated the harvest schedule to help farmers be proactive in cutting and land return.

70 TONS/HA

2017-2018 CROP'S YIELD

➤ 7% COMPARED TO 2015-2016
AND 3% OVER SAME PERIOD

64 %

GROWTH IN IRRIGATED CANE AREA

➤ COMPARED TO 2015-2016

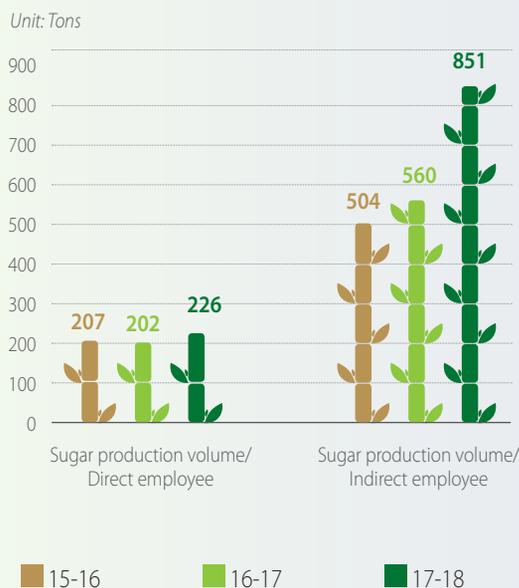
PRODUCTION MANAGEMENT

Finished Sugar quality was improved dramatically when inappropriate products due to clotted Sugar have been controlled at the maximum level; specifically, clotted Sugar products were declined by more than 93% compared to the previous crop. With the objective to raise extraction efficiency and minimize total losses in production, factory's operation was quite good, and all production targets were reached and exceeded as compared to the plan and the previous year. Appropriate operation and maintenance during the 2017-2018 crop were recognized with safety coefficient of 99.5%.

Power consumption per ton of sugarcane reached 30.82 KWh/ton at TTCS Tay Ninh Factory, which was approaching the world sugar industry's best standards. This is a remarkable result of the plant's employees when they were taking energy saving in operation activities. Smooth collaboration between farming and factory also created more stability in crushing capacity, as well as actively reduced periodic repair work which helped manage the power consumption at maximum level.

The Company's labor quality and productivity improved after the restructuring as well as assessment based on KPIs. In FY 2017-2018, Sugar production volume per direct and indirect employee significantly grew by 12% and 52% to reach 226 tons and 851 tons respectively as compared to the prior year.

SUGAR PRODUCTION VOLUME PER EMPLOYEE



Source: TTC Bien Hoa

FY 2018-2019 DEVELOPMENT PLAN

STRATEGIC OBJECTIVES

No.	Item	Value
1	Sugarcane material area	54,440 Ha
2	Total cane crushing volume	3,734,531 tons
3	Finished Sugar production volume	628,480 tons
4	Sugar consumption volume	846,733 tons
5	Average cane crushing capacity	> 36,000 TCD
6	Average CCS	> 9.75 CCS
7	Capital-invested sugarcane yield	70 tons/Ha
8	Raw Sugar refinery capacity	2,250 tons of Sugar/Day

Source: TTC Bien Hoa

SOME KEY SOLUTIONS

Area	Solution	Detailed description
Raw materials	Raw material area planning	<ul style="list-style-type: none"> » Prioritizing the development of sugarcane areas near factory » In the short-term, continuing to expand in potential and favorable areas for sugarcane cultivation such as Campuchia, Long An Province » Expanding the area of model farms
	Organic sugarcane field planning	<ul style="list-style-type: none"> » Developing Organic material area at TTC Attapeu » Aiming to reach 1,000 ha in the next 3 years » Becoming the world's top 10 organic Sugar producers in terms of raw material area
	Land	<ul style="list-style-type: none"> » Reducing gradually the cultivation on rented land » Encouraging investment on owned land
	Improving investment policy	<ul style="list-style-type: none"> » Grouping sugarcane farmers to have investment policies suitable to each group » Strengthening the sustainable link between the plant and sugarcane farmers; ensuring the profitability of both Company and farmers
	Promoting farming encouragement programs and cultivation techniques	<ul style="list-style-type: none"> » Supporting farmers to increase sugarcane yield and quality » Focusing on pest control » Ensuring sugarcane variety structure to be suitable to the soil in each raw material area » Promoting mechanization in planting, tending to harvesting » Enhancing application of effective irrigation systems to improve sugarcane yield
	Enhancing the management of harvest	<ul style="list-style-type: none"> » Setting up harvest schedule » Harvesting management in a reasonable and scientific way » Deploying ERP system and concentrated agricultural management software for gradual application
	Improving the organization, management and training	<ul style="list-style-type: none"> » Upgrading the agricultural management system » Assigning KPI to each individual in charge » Enhancing human resources quality » Training farming staff, farming encouragement staff
Production	Production management	<ul style="list-style-type: none"> » Monitoring the performance of technical parameters » Controlling costs based on norms » Enhancing productivity, reducing production costs » Strengthening environmental control measures » Deploying ERP in production
	New investment, repair and maintenance	<ul style="list-style-type: none"> » Renovating and newly investing in machinery and equipment; improving productivity, enhancing operational supervision » Improving refinery equipment to optimize refined sugar product quality » Ensuring consumer's health
	Training, HR	<ul style="list-style-type: none"> » Enhancing training on special subjects » Coaching to improve employee's knowledge and skills in operation » Paying attention to leadership succession training to take initiative in resources for the next stage of development
	R&D	<ul style="list-style-type: none"> » Promoting research on new products » Meeting the demand of market and customers » Enhancing product competitiveness
	Development the B2C Channel	<ul style="list-style-type: none"> » Positioning TTC Bien Hoa's products on the market » Diversifying product portfolio for the B2C Channel » Developing distributor network » Strengthening the personnel for MT and GT Channels
Sales	Increase on consumption volume of SME Channel	<ul style="list-style-type: none"> » Maintaining current MNC customers » Continuing to develop new customers » Enhancing customer services » Promoting on-spot export
	Management	<ul style="list-style-type: none"> » Improving the internal rules and regulations » Issuing sale policies » Managing logistics activities » Issuing export-import procedures/processes » Customer's complaint handling process
	HR, training	<ul style="list-style-type: none"> » Training to improve sale capacity » Applying performance-based salary regime based on KPIs
	Improving the efficiency of financial management	<ul style="list-style-type: none"> » Utilizing low interest capital » Controlling debt ratio to ensure liquidity » Managing capital resources to ensure safe financial indicators » Supporting financial restructuring for subsidiaries
Financial activities	Restructuring the investment portfolio	<ul style="list-style-type: none"> » Restructuring the investment portfolio » Focusing on investment in industry peers to increase synergy
	Perfecting the system	<ul style="list-style-type: none"> » Promoting advisory role of the managerial accounting and operation based on plans » Modifying processes to enhance financial management, complete ERP Project - Second stage
	HR	<ul style="list-style-type: none"> » Developing a set of criteria for managerial employee's competency » Completing KPI system » Building flexible salary mechanism (salary supplements, performance-based bonus) » Focusing on training: special subjects, rotation; encourage internal training » Implementing job wage policy » Strengthening internal training
Other activities	CG	<ul style="list-style-type: none"> » Applying corporate governance rules under ASEAN Scorecard as consulted by IFC » Completing AX Dynamic management system for all member companies in the Sugar business line » Applying IFRS » Improving the internal rules and regulations » Deploying ERP Project - Second stage in all Member Companies in the Sugar business line

VIETNAM SUGARCANE INDUSTRY WERE FRAGMENTED AND SMALL IN CAPACITY, CAUSING A LOT OF DIFFICULTIES

According to VSSA's report, in the crop year 2017-2018, Vietnam had 41 Sugar refinery factories being operated with a designed capacity of 150,000 TCD, far exceeded target of 105,000 TCD as set out in Decision No. 26/2007/TTg. This is a warning signal given the current situation of raw materials.

In the past years, Vietnam Sugarcane Industry faced fierce completion in raw material purchasing, even for low quality sugarcane, lifting the raw sugarcane price, transportation and other intermediary costs, and contributing to the much higher production cost than the Regional peers.

Statistics from Agricultural Economics Institute present that production costs in Vietnam are 25%-40% higher than in Thailand; in which the highest figure is in South West region estimated at VND 14,200 per kg. In the 2017-2018 crop year,

the average capacity of Vietnam refinery factories is approximately 3,650 TCD, much lower than the level of 19,130 TCD in Thailand, or 10,000 TCD in Australia and 5,000-7,000 TCD in Philippines. Due to the small capacity, the factories cannot consume all the materials in the main crop even with 24/24 operation. Meanwhile, with the sugarcane shortage in overall, the factories compete to purchase raw cane despite of unripe and low CCS in the early crop, in order to compensate the deficit at the end of crop. The repeated vicious circle has weakened the competitiveness of Vietnam Sugar industry.

PICTURE FROM NEIGHBORING THAILAND

Currently, Thailand has around 54 sugarcane refinery factories with a total designed capacity of 1,000,000 TCD and additional 36 factories with a total designed capacity of 300,000 TCD

are under construction. In Thailand, many factories are privately owned and have very large capacity, in which the largest ones are the system of 5 factories of Mitr Phol Group with total capacity of 130,500 TCD and 7 factories of Thai Roong Ruang Group with total capacity of 121,800 TCD. In addition, 8 other groups own 2 factories or more with an average capacity of 40,000 TCD.

This form of ownership contributes to minimize competition for raw materials between plants in the same group and achieve the highest economies of scale. The Industry value is quite diverse, including not only Sugar but also Ethanol, and all By-products in the Sugar production such as Molasses, Microbial-fertilizers, Bagasse are utilized to produce paper, renewable electricity, bio plastics, monosodium glutamate... As the result, Thailand Sugar Industry's value is significantly increased.



Disc plow, one of mechanization activities at TTC Bien Hoa



Mechanical machinery at TTC Attapeu Factory's Raw material area

LESSONS FOR TTC BIEN HOA'S SUGAR BUSINESS LINE

TO ENSURE STABLE CONNECTION AMONG RELATED PARTIES, MECHANISM FOR REVENUE SHARING BETWEEN CANE GROWERS AND FACTORIES NEEDS TO BE BUILT. IN ADDITION TO NEW SUGARCANE BREED DEVELOPMENT TO ENSURE SUFFICIENT SUPPLY, TTC BIEN HOA'S DIFFICULTIES ARE SOLVED AS SOON AS PLANT'S CAPACITY ISSUE IS RESOLVED. BESIDES CAPACITY INCREASE FOR THE PLANTS WITH SUFFICIENT RAW MATERIAL SUPPLY IN ORDER TO ACHIEVE THE ECONOMIES OF SCALE, CAPACITY EXPANSION AND RAW MATERIAL REARRANGEMENT BETWEEN THE PLANTS BY MERGING ARE VERY IMPORTANT.

In Vietnam, factory connection model was initially formed after TTC Bien Hoa firmly acquired approximately ten of Sugar companies in different scales, and in particular, merged with Bien Hoa Sugar JSC to become Thanh Thanh Cong – Bien Hoa JSC, accounting for a total of nearly 40% domestic market share. In addition, through holding 100% stake in Bien Hoa Sugar JSC, TTC Bien Hoa directly and indirectly owns a series of Sugar enterprises such as Bien Hoa-Ninh Hoa Sugar, TTC Gia Lai, Phan Rang Sugar, Tay Ninh Sugar (Tanisugar), TTC Attapeu... In line with the long-term development strategy,

the Company is investing and striving to build the value chain in Sugar refinery factories in the Central, Highlands and South regions. This is a positive signal in terms of competitive enhancement for Vietnam Sugar refinery factories, especially factories under the same group. TTC Bien Hoa's total capacity reached approximately 37,500 TCD in the 2017-2018 crop year, helped the whole system gain optimized value chain and highest economic efficiency. The more reasonable arrangement of raw material areas between factories in the same group helped improve CCS, avoid competition for purchasing

even unripe sugarcane and reduce transportation costs... These are initial signs for right direction that we can see in neighboring Thailand.

The combination between Sugar producer and distribution channels also helps increase benefits for parties as opposed to competition causing damages to each other. Therefore, a self-contained process with close connection between sugarcane growers – factories and trading companies is a production model which Vietnam Sugar Industry needs to be considered and implemented before ATIGA enforcement.

ACQUIRING HOANG ANH GIA LAI SUGAR CO., LTD (HAGL SUGAR)

WITH SUCH A GOOD RAW MATERIAL AREA, THE MERGER WITH HAGL SUGAR BECOMES AN IMPORTANT LINK TO IMPROVE THE COMPANY'S VALUE CHAIN, REDUCE PRODUCTION COSTS TO COMPETE WITH THAILAND'S SUGAR PRODUCTS.

HAGL Sugar is a legal entity established in Vietnam to invest into Hoang Anh Attapeu Sugar Co, Ltd. – a company owned the Sugar factory and sugarcane farm with an area of 7,000 ha in Attapeu, Laos. HAGL's sugarcane business line has the advantages that any domestic Sugar enterprise also dreams of, such as concentrated raw material area (large parcel) with high CCS sugarcane, and clean soil being suitable for organic products. With such a good raw material area, the merger with HAGL Sugar becomes an important link to improve the Company's value chain, reduce production costs to compete with Thailand's Sugar products.

Laos is also one of the countries entitled to preferential treatments in the European Union (EU) market under the new Generalized Scheme of Preferences for the most underdeveloped countries; while Vietnam is no longer entitled to and moves to group of developing ones. Sugar consumption in the EU market is quite large, not only for the food industry but also for non-food industry. Obviously, if the Company has ambitions to export products to EU for diversifying markets and avoiding dependence on the domestic market, the acquisition of HAGL Sugar in Laos will solve many difficulties. In addition, this sugar complex continues to receive significant tax, land use fee incentives from the Laos' Government.

Transferee	- Bien Hoa Sugar JSC - TTC Tay Ninh Sugar JSC
Transferor	- 60% of Hoang Anh Gia Lai Sugar JSC's Charter capital from Hoang Anh Gia Lai International Agricultural JSC to Bien Hoa Sugar JSC - 39.987% of Hoang Anh Gia Lai Sugar JSC's Charter capital from Hoang Anh Gia Lai International Agricultural JSC to TTC Tay Ninh Sugar JSC - Remaining 0.013% Charter capital from individual investors for TTC Tay Ninh Sugar JSC
Transfer value	VND 1,440 billion , in which: - VND 798 billion for 60% stake - VND 532 billion for 39.987% stake - VND 110 billion for 0.013% stake
Time of completion	June 2017



TTC's Gia Lai Factory's Raw material farm

INTRODUCTION OF THE ACQUIRED COMPANY AT THE ACQUISITION TIME

HOANG ANH GIA LAI SUGAR JSC

Address	: 15 Truong Chinh Street, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam
Charter capital	: VND 815 billion
Business Registration Certificate	: No. 5900764381 firstly registered on January 26 th , 2011, 5 th time amended on January 10 th , 2014 at the DPI of Gia Lai Province
Main business lines	: Sugar production, sugarcane cultivation, perennial plant cultivation, cultivation and post-harvest services

MERGING WITH BIEN HOA SUGAR JSC (BHS) BY SHARE SWAP



303.8 MILLION SHARES

TOTAL NUMBER OF SHARES
ISSUED FOR SWAP

THE MERGER OF BHS INTO TTC BIEN HOA IS ONE OF STRATEGIC STEPS IN THE COMPANY'S DEVELOPMENT ORIENTATION TO BECOME A LARGE ENTERPRISE NOT ONLY IN THE COUNTRY BUT ALSO THE REGION.

TTC Bien Hoa's Sugar products are present in a variety of consumption channels

THE MERGER WITH BHS AIMS TO REALIZE THE PRODUCTION EXPANSION STRATEGY, INCREASE IN MARKET SHARE, AND ENHANCEMENT IN OPERATIONAL EFFICIENCY.

This merger creates added value for the Company and therefore value for shareholders thanks to synergy, as opposed to separate companies, in order to become a big player in the Industry in terms of capitalization, advanced production technology, expanded raw material areas, mechanization with improved productivity, diversified product structure with outstanding quality, extensive business network to dominate the market, as well as brand prestige and skilled human resource.

The merger of BHS into TTC Bien Hoa is one of strategic steps in the Company's development orientation to become a

large enterprise not only in the Country but also the Region. The completed unification of TTC Bien Hoa and BHS raise the scale which helps improve the Company's bargaining power. The Company takes advantage of economic benefits by avoiding the overlapping in management and operation; thereby enhancing the competitiveness and having opportunities to expand the scale, diversify product portfolio, improve operational efficiency, and strengthen competitive edges. After the merger, the synergy has been demonstrated in the following areas:

- » Centralized and unified operational strategy;
- » Taking use of brand prestige, B2C channel distribution system, B2B customer base and BHS's value chain in South East and South Central regions;

- » Supporting each other the resources and information such as market forecasts, price fluctuations, raw material source, research and development of new products, competitors.; and enhancing efficiency in production and business activities.

IN TERMS OF FINANCE:

- » Effectively taking advantage of each Company's financial strength;
- » Utilizing effectively the capital resources;
- » Taking advantage of large capital scale Company's position in order to enhance effectiveness in capital mobilization;
- » Reducing cost of capital to increase operational efficiency.

MERGING WITH BIEN HOA SUGAR JSC (BHS) BY SHARE SWAP (continued)

IN TERMS OF HUMAN RESOURCES:

- » Staff rotation between departments having same functions to reinforce other departments on expansion demand;
- » Synchronizing software systems such as Agricultural management, Smartcane, Smartlab and ERP;
- » Taking utilization of skilled human resources.

IN TERMS OF PRODUCT:

- » Combination between the two largest Companies in Vietnam Sugar Industry strengthening No.1 position;
- » Satisfying better consumer's demand in product design, quality and diversity;
- » After merging, actively adjusting the selling price while gaining the economies of scale;
- » Bringing realistic benefits for consumers and society.

Class of share	Common share
Par value	VND 10,000
Total number of shares issued for swap	303,831,938 shares to swap for 100% of BHS shares
Swap rate	- Ratio 1:1.02 - 1 BHS share was swapped into 1.02 SBT shares
Time of completion	September 2017

INTRODUCTION OF THE MERGED COMPANY AT THE MERGING TIME

BIEN HOA SUGAR JSC - BSJC

Listed on	: HOSE
Stock code	: BHS
Address	: Bien Hoa 1 Industrial Zone, An Binh Ward, Bien Hoa City Dong Nai Province, Vietnam
Charter capital	: VND 2,978 billion
Business Registration Certificate	: No. 3600495818 firstly registered on May 16 th , 2001, 17 th time amended on 12/5/2017 at the DPI of Dong Nai Province
Main business lines	: Produce and trade sugar products, sugar-based products, by-products of sugar industry; Trade machinery, equipment, materials for sugar industry; Repair, maintenance, and installation of sugar industry's equipment; Construct industrial and civil projects; Trading, agent, consignment of agricultural products, food technology, raw materials for sugar industry; Transport services; Food services; Warehouse rental; Produce and trade alcohol products; Real estate business; Mechanized agriculture services; Produce and trade fertilizers and agricultural materials.



Farmers harvest sugarcane by machine

ACQUIRING BTCO IMPORT EXPORT TRADING AND SERVICES CO., LTD

In 2015, after transferring the production and desiccated coconut factory, BTCO moved completely to trading activities. As a retail company, BTCO distributes consumer goods, food, beverages, beer, milk, bottled water and sugar products.

BTCO has two direct retail stores with Revenue of around VND 700 million per month. The distribution agent's Revenue makes up over 95% of total. BTCO's target customers are mostly grocery stores and markets in Ben Tre and neighboring Provinces. By acquiring BTCO, Bien Hoa Import Export Trading JSC, which plays a key role in distributing TTC Bien Hoa's Sugar products, will utilize BTCO's existing network to boost B2C Channel distribution, contributing to realize TTC Bien Hoa's expansion strategy for this channel.

Transferee	Bien Hoa Import Export Trading JSC
Transferor	100% of BTCO Import Export Trading and Services Co., Ltd's Charter capital from Ben Tre Import Export JSC
Transfer value	VND 9 billion
Time of completion	February 2018

INTRODUCTION OF THE MERGED COMPANY AT THE MERGING TIME

BTCO IMPORT EXPORT TRADING AND SERVICES CO., LTD

Address	: 226B Nguyen Dinh Chieu Street, Ward 8, Ben Tre City, Ben Tre Province, Vietnam
Charter capital	: VND 8 billion
Business Registration Certificate	: No. 1300392818 firstly registered on June 8 th , 2005, 5 th time amended on November 23 rd , 2015 at the DPI of Ben Tre Province
Main business lines	: Retail food, beverages, tobacco, pipe tobacco in mobile methods or markets

ACQUIRING HAI VI CO., LTD

The deal purpose is to expand and take control in Raw material area, focus on optimizing cultivation and harvest. In order to cope with new challenges in the Sugar Industry, the Management has been working out strategies to improve productivity, reduce production costs and specialize in Raw material areas, for its sustainable development, especially desire to own the largest sugarcane model farms in Vietnam.

On September 1st 2016, Hai Vi inherited the HR and apparatus of Bien Hoa Thanh Long Farm Branch, officially operated under an agricultural company model, applying modern cane cultivation process; using mechanization from planting, caring to harvesting; effectively irrigating through advanced irrigation systems such as Center Pivot, Big Gun; sustainably developing by limiting use of pesticides, developing ecosystem diversification, and replacing gradually inorganic fertilizers with organic fertilizers...

Accordingly, Hai Vi managed all sugarcane farms in Tay Ninh area,

including Thanh Long, Hai Vi, Ben Cau, Bien Gioi, Tan Hung with total area of approximately 2,000 ha.

With the goal to expand and develop new raw material areas, Hai Vi received two other areas in 2017 and reached out

of Tay Ninh Region. As the result, Thanh Long Farm 2 in Svayrieng, Cambodia and Phuoc Hoa Farm in Binh Duong Province were established, increasing total cultivation area from 2,000 ha to over 3,500 ha, a 175% growth over the same period.

Transferee	Thanh Thanh Cong - Bien Hoa JSC
Transferor	- 99% of Hai Vi Co., Ltd 's Charter capital from Loc Tho JSC - 1% of Hai Vi Co., Ltd 's Charter capital from TTC Bien Hoa - Dong Nai Sugar JSC
Transfer value	VND 22,196,662,711 , in which: - VND 21,974,696,084 for 99% stake - VND 221,966,627 for 1% stake
Time of completion	March 2018

INTRODUCTION OF THE MERGED COMPANY AT THE MERGING TIME

HAI VI CO., LTD

Address	: Group 1, Thanh Dong Hamlet, Thanh Long Commune, Chau Thanh District, Tay Ninh Province, Vietnam
Charter capital	: VND 1.5 billion
Business Registration Certificate	: No. 3900244283 firstly registered on May 23 rd , 1997, 14 th time amended on October 31 st , 2016 at the DPI of Tay Ninh Province
Main business lines	: Sugarcane cultivation, cultivation and post-harvest services

IN ORDER TO PREPARE FOR THE ATIGA ENFORCEMENT AS WELL AS IMPLEMENT THE STRATEGY OF “SUSTAINABLE DEVELOPMENT WITH VIETNAMESE SUGARCANE”, THE COMPANY CONDUCTED RESEARCH AND DEPLOYED INVESTMENTS, INTRODUCED SEVERAL SOLUTIONS TO REDUCE PRODUCTION COSTS.

In order to prepare for the ATIGA enforcement as well as implement the strategy of **“Sustainable development with Vietnamese sugarcane”**, the Company conducted research and deployed investments, introduced several solutions to reduce production costs. In the Sugarcane production, cane raw material accounts for a majority of processing costs, which can contribute 75% to 80% of total production costs.

Operating in the agriculture field, TTC Bien Hoa has worked out solutions for appropriate investment policy, cultivation, harvest to reduce input costs. Based on the current technology, TTC Bien Hoa has proposed solutions and deployed investments to increase Sugar output, reduce processing costs in the context of decreasing sugarcane volume. The Company has been implementing the following projects for these objectives:

01 TO UPGRADE AND IMPROVE THE THERMAL POWER CENTRE

Total investment: VND 160 billion

Progress:

- » To be completed
- » To put into operation in FY 2017-2018

Objectives:

- » The Project aims to reduce steam consumption rate in Sugar production from 0.57 to 0.54, steam consumption rate in power generation from 8.26 tons to 6.14 tons per MWh.
- » Reduction of steam consumption helps raise bagasse volume, prolong the Sugar refinery and increase Sugar production output.
- » With the same amount of input sugarcane, the less steam in power generation consumes, the more electricity volume is made.
- » This power centre is invested at TTCS – TTC Bien Hoa’s largest Factory and one of the Country’s largest Sugar Factory, located in Tan Chau District, Tay Ninh Province.
- » In the last FY 2017-2018, the two key items, i.e. boiler and turbine were inspected and the corresponding technical specifications fully satisfied requirements:
 - ❖ The boiler has a pressure of 40 bar (A), and a temperature of 485°C.
 - ❖ The generator has an inlet pressure of 38 bar (A), temperature of 480°C, generation capacity reaches 25 MW.
 - ❖ Steam consumption rate is 5.97 tons of steam per MWh.
- » In FY 2018-2019, TTC Bien Hoa continues to improve the technology to reach the target steam consumption rate of 0.54; expected to significantly raise the bagasse volume, prolong the refinery and increase the Sugar output.



Cooling recycled water system

02 TO CONSTRUCT MICROBIAL-FERTILIZER FACTORY

Total investment: VND 53 billion

Progress:

- » To be expected to completed and come into operation in October 2018
- » Reaching 65% of total workload
- » In legal aspect, Project Management Board signed a contract for testing fertilizer’s composition, assessment report on environmental impact, and applying for production license

Objectives:

- » The Project is approved with a capacity of 34,000 tons per year.
- » The Project provides microbial-fertilizers for internal use in TTC Bien Hoa’s farms.
- » Later on, the Project will be developed to provide for external farms.
- » Workshops and warehouses are under construction.

03 BAGASSE DRYING SYSTEM

Total investment: VND 40 billion

Progress:

- » To be expected to completed and come into operation in October 2018
- » Reaching 60% of total workload

Objectives:

- » The Project is approved with bagasse drying system's capacity of 110 tons per hour.
- » After coming into operation, the redundant bagasse will be approximately 2% of crushed cane volume.
- » As a result, the Sugar refinery will be extended to increase annual output.
- » Implementing 5 important bids:
 - ❖ Engineering for the entire system, drying equipment supply, automatic equipment supply for the entire system.
 - ❖ Engineering, supply and installation of 4 rubber conveyors.
 - ❖ Drying equipment installation, engineering and manufacturing of discharge damper.
 - ❖ Construction of machine and equipment foundation.
 - ❖ Construction supervision.



Bagasse drying system at TTCS Factory

04 TO ESTABLISH MECHANICAL FACTORY

Total investment: VND 20 billion

Progress: The Project consists of 2 phases:

- » Phase 1: To be completed on June 30th 2018
- » Phase 2: With high importance of the Mechanical Factory, the Company decided to set up an entity to operate and is now implementing the next steps.

Objectives:

- » TTC Bien Hoa has 9 Sugar factories, thus the establishment of a mechanical factory is necessary.
- » TTC Bien Hoa also owns many mechanical equipment for sugarcane cultivation and harvesting, hence mechanical factory contributes significantly to manufacture of mechanical equipment for agricultural production.
- » The Project aims to manufacture not high-precision equipment for Sugar Industry.
- » Investment is mainly capital expenditure (CAPEX) for mechanical equipment manufacture for sugar plants.
- » After Phase 1, the Factory is coming into stable and successful operation.
- » The Factory is currently operated by TTCE in the form of independent accounting entity, to facilitate development:
 - ❖ Manufacturing sugarcane trailers for TTCA
 - ❖ Manufacturing agricultural equipment
 - ❖ Supplying and installing conveyor system for the Bagasse drying system Project with contract value up to VND 7 billion.
- » The Factory is implementing:
 - ❖ Working for improving Nuoc Trong Sugar Plant with contract value of VND 2.6 billion
 - ❖ Mechanical equipment for agricultural customers with contract value of approximately VND 10.3 billion.
- » The Mechanical Factory is considered a profit contributor for TTC Bien Hoa, thanks to utilization of current resources to supply mechanical equipment for TTC Group's subsidiaries, external customers, and specially foreign customers in the near future.

05 ENVIRONMENTAL IMPACT CONTROL

Total investment: VND 15 billion

Progress:

- » To be completed
- » Deploying at all TTC Bien Hoa's factories

Objectives:

- » TTC Bien Hoa's Sugar factories installed emission monitoring equipment in accordance with the Government's Decree No. 38/2015/ND-CP dated April 24th 2015 on waste and emission management.
- » Importance of monitoring equipment:
 - ❖ Tool for factories to continuously manage operational efficiency of the emission machinery.
 - ❖ Dealing with the limited supply and increasing scarcity of Anthracite.
 - ❖ Representing the Company's social responsibility in protecting environment and natural resources.

06 STEAM SAVING SYSTEM

Total investment: VND 13 billion

Progress:

- » To be expected to complete and put into operation in October 2018
- » Reached 37% of total workload

Objectives:

- » The Project aims to reduce steam consumption rate from 0.57 to 0.5.
- » Implementing 2 important bids:
 - ❖ Supply distillation columns with vacuum jets
 - ❖ Supply heating equipment
 - ❖ Installing distillation columns with vacuum jets
 - ❖ Purchasing plate-type heat transfer for evaporation
 - ❖ Renovating evaporation system for heater
- » This is the subsequent phase of the Thermal Power Centre Improvement Project in order to reduce steam consumption in TTCS factory's Sugar production.



Sewage treatment system at TTCS Factory

07 DELIVERY METHOD CHANGE

Total investment: VND 11 billion

Progress:

- » To be expected to complete in January 2019
- » Reached 45% of total workload

Objectives:

- » TTC Bien Hoa has developed new delivery methods in order to ensure the best quality of customer service and enhance competitiveness.
- » TTC Bien Hoa - Dong Nai Sugar One Member Co., Ltd invested in automated pallet packing.
- » With this delivery method, customers are assured of food safety and to reduce handling costs.
- » In addition to pallet method, "big bag" shipment is also approved in principle for investment at TTCS factory.
- » Handling is replaced by automatic machinery, in the context of manual labour shortage.
- » Replacing with machinery for hazardous positions in order to:
 - ❖ Create a friendly working environment
 - ❖ Cut down on labor costs
 - ❖ Reduce potential risks impacting products caused by human labour

08 FURNACE FUEL CHANGE

Total investment: VND 8 billion

Progress:

- » To be expected to complete in October 2018.

Objectives:

- » At Bien Hoa-Dong Nai Factory, TTC Bien Hoa - Dong Nai Sugar One Member Co., Ltd has implemented to:
 - ❖ Change the fuel for furnace
 - ❖ Invest in emission treatment system in form of bag to ensure environmental compliance.
- » Currently, all TTC Bien Hoa's factories are safe and environmentally friendly.
- » This Project marks the Company's 100% commitments to environmental protection.

09 CUBE SUGAR

Total investment: VND 786 million

Progress: The Project is approved to implement in 2 phases:

- » Phase 1: Already completed
- » Phase 2: Project Management Board is looking at solutions to reduce production costs. Phase 2 is expected to complete and put into operation on December 15th 2018

Objectives:

- » Investment in cone-shaped cube Sugar helps TTC Bien Hoa actively implement the product diversification and overseas market expansion strategy.
- » In Phase 1, cube sugar was produced to test the market with a volume of 2 tons per day, and exported the first 29 tons to the US.
- » The Phase 1's trial production showed that manual production resulted in high costs and low efficiency.
- » In order to tackle the cost problem due to small-scale and manual production, the Project Management Board has researched and proposed:
 - ❖ Increasing the capacity to 9 tons per day
 - ❖ Investing in industrial machines and equipment to reduce labour cost with total investment capital up to VND 10 billion
 - ❖ To be implemented in Phase 2



10 SOLAR POWER

Total investment: Under research

Progress:

- » The Project was included in the power development planning of Tay Ninh Province
- » The Provincial Committee of Tay Ninh submitted the plan to MOIT for consideration

Objectives:

- » Solar power is a new investment trend in the world and widely recognized in Vietnam.
- » In terms of sustainable development, Solar power is much more environmental friendly than other non-renewable energy and is now one of the major energy sources in developed countries.
- » This is a Rooftop solar power system with expected capacity of 9 MW.

01



Shrink wrapped pallets

ROBOT SYSTEM FOR 50 KG BAGS PALLETIZING AND SHRINK-WRAPPING AT BIEN HOA-DONG NAI FACTORY

In FY 2017-2018, the Company applied new technology solutions in production, operation, especially quickly responded to the labor scarcity and customer service improvement. Thanks to continuous improvement, the production efficiency and competitiveness have been significantly enhanced.

In particular, Bien Hoa-Dong Nai Factory is deploying a robot system for 50 kg bags palletizing, completely replacing manual work in packaging and transporting to intermediate warehouses. This system also helps the Company reduce handling labor cost of over VND 2 billion per year, and especially reduces the dependence on manual labor, which is more and more scarce.

Delivery by shrink wrapped pallets satisfies food safety and hygiene standards, which are one of the current concerns, given the market and consumer's increasing demands for both form and quality.

02



Thermal Power Center at TTCS Factory

UPGRADING THERMAL POWER CENTRE AT TTCS FACTORY

In FY 2017-2018, the Thermal Power Centre at TTCS Factory was invested to renovate and upgrade with prioritized objectives to produce more energy and save energy consumption in order to optimize the production efficiency.

To solve this problem, the boiler was upgraded to raise operating pressure at a higher level from 32 bars to 45 bars, corresponding to superheated steam temperature up from 415°C to 445°C. In addition, a new turbine with the capacity of 25MW, twice the old one, was newly equipped with lower steam consumption for 1 MWh from 8.26 tons to 6.14 tons. As the result, with the same volume of steam, the power generation output is higher than before. Based on the current annual cane crushing capacity of 1 million tons, the electricity output will rise from 40,000 MWh to 70,000 MWh.

Reducing steam consumption and growing bagasse yield aims to increase more Sugar output than the old plan. The evaporators were renovated and transferred from 4 effects to 5 effects to utilize the outlet vapor to provide for other different purposes in production, bringing the steam consumption volume over tons of sugarcane down from 0.57 to 0.5 tons of steam.

This Project was officially put into operation in the beginning of the crop year 2017-2018 and effectively reduced costs and improved profitability for the Company.

03



Bagasse Drying System under installation

BAGASSE DRYING SYSTEM AT TTCS FACTORY

With a self-contained value chain, TTCS Factory utilizes bagasse as the main fuel source for production, to burn boilers and materials for other fields such as power generation, feedstuff, paper pulp and plywood. The Factory is deploying a bagasse drying system to reduce the water content in bagasse and increase the calorific value in order to improve boiler's efficiency, i.e. bagasse volume consumed to produce 1 ton of steam will go down and result in bagasse saving. The redundant bagasse volume is stored as fuel source for after crop production. The bagasse drying is implemented by heat source of boiler emission before discharging into the environment.

The bagasse is also used as fuel source instead of coal for Sugar production to improve efficiency. In addition to economic efficiency, the bagasse drying system also brings in efficiency in terms of environmental protection. In particular, the dried bagasse burns better, creates higher boiler temperature, hence the dust content in boiler emission is reduced significantly after passing the drying system.

The moisture content of bagasse was reduced from 52% to 40%, calorific value rose from 2,184 kcal/kg to 2,828 kcal/kg. The saved amount of bagasse reached 12 tons per hour. Based on the sugarcane crushing volume of 1 million tons at TTCS Factory, a surplus bagasse of 25,000 tons can be produced, resulting in a corresponding 25,000 tons of refined Sugar. In addition, with the surplus bagasse volume, TTCS Factory can manage inventory level to ensure product quality fresh, undamped and increase the product values.

04



Operation of Sugar production equipment

STEAM SAVING AT TTCS FACTORY

Steam is the main energy during the Sugar production from sugarcane or raw Sugar. The steam consumption per ton of sugarcane or ton of raw Sugar in Vietnam Sugar Industry is very high, currently at an average of 0.6 ton per ton of sugarcane.

With the objective to reduce the steam consumption from 0.57 to 0.5 ton per ton of sugarcane, some equipment was renovated and replaced, such as newly invested condenser system to replace 13 vacuum extractors; evaporation and crystallization; direct heaters and cane juice heaters by hot water; renovated centrifuges from 1 effect to 2 effects. In addition, the Company also reviewed the steam balance to better use the steam for energy saving.

The steam saving Project resulted in production efficiency, with annual cane crushing volume of more than 1 million tons. The saved steam would be used to refine from 25,000 to 26,000 additional tons of Sugar than before.

Enterprise's success depends substantially not only on product quality but also constant creativity for new launchings. Product portfolio diversification is a core element of the Company's medium and long term sustainable development strategy.

TTC BIEN HOA IS FOCUSING ON PRODUCT DEVELOPMENT, SCIENTIFIC RESEARCH TO IMPROVE PRODUCT QUALITY AND MEET THE DIVERSE NEEDS OF HIGH-END CUSTOMER SEGMENTS, SATISFY STRICT STANDARDS OF FASTIDIOUS EXPORT MARKETS, PRODUCE ENVIRONMENTALLY FRIENDLY PRODUCTS AND ENSURE SAFETY AND NUTRITIONAL STANDARDS.

TTC Bien Hoa's Sugar products have been exported to six countries including the US, China, Singapore, Sri Lanka, Myanmar and Kenya. B2B Channel accounted for 56% of Sugar's Revenue structure in FY 2017-2018 and was the biggest contributor. In particular, industrial Sugar products are being sold directly from the plant to MNC industrial customers such as Friesland Campina, Coca-Cola, Nestlé, Nutifood, Suntory Pepsi, Tan Hiep Phat, Vinacafe, Vinamilk... Besides, SME segment also contributed a significant portion of the consumption Volume and Revenue structure. Key customers in Beverage industry included Chuong Duong, FES (Café Pho), Sanest Khanh Hoa ...; Foods customers



Large-scale finished product storage system

could name Asiafoods, Cholimex, Thien Huong Food ...; Confectionery customers included Bibica, Pham Nguyen ...; Whipping cream customers were IDP, KIDO, Yakult VN ... and finally Pharmaceutical customers were such as Cuu Long, Domesco, Hau Giang, Mekophar, Sanofi ...

In addition, consumer Sugar as well as By-products were not only distributed via B2B Channel but also B2C Channel. It is worth mentioning that TTC Bien Hoa possessed a wide distribution network from GT channel with 49,000 Retail grocery stores and 88 Distributors; and MT channel with 2,035 Supermarkets and Convenience stores to Restaurant chains, Coffee shops, Schools... Beverage products were still used for internal consumption by Member Companies and partly supplied to customers via TTC Hospitality, another Member of TTC Group currently operating in the field of Travel and Leisure.



Product Research & Development Center

R&D ACTIVITIES IN FY 2017-2018

R&D DEPARTMENT IS RESEARCHING AND APPLYING ADVANCED TECHNOLOGY IN PREMIUM PRODUCT PRODUCTION TO IMPROVE EFFICIENCY AS WELL AS COMPLETING THE VALUE CHAIN OF VALUE-ADDED PRODUCTS FROM SUGARCANE; THEREBY DIVERSIFYING THE PRODUCT PORTFOLIO.

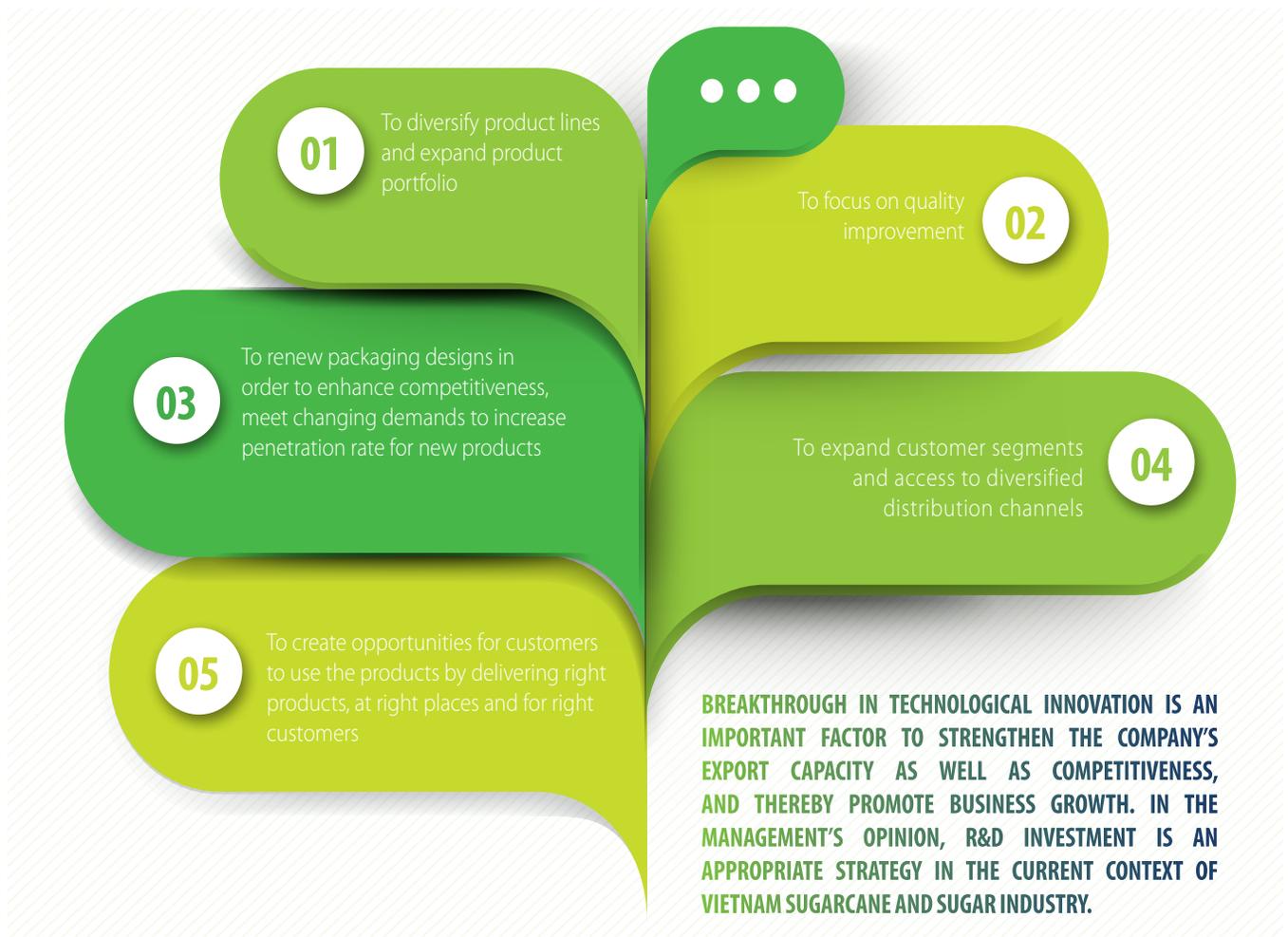
IN FY 2017-2018, THE COMPANY IS CONDUCTING RESEARCH ON 21 NEW PRODUCTS AND IS EXPECTED TO LAUNCH IN THE SHORTCOMING TIME.

No.	Product	Progress	Product information
A SUGAR PRODUCTS			
1	CONE-SHAPED SUGAR	Be exported to the US in April 2018	<ul style="list-style-type: none"> » Serving export markets. » Not undergo crystallization process but steam directly from molasses. » On-going development for mass production.
2	ROCK SUGAR		
2.1	BH Pro rock Sugar with natural grains	Be completed research of sample product	<ul style="list-style-type: none"> » Serving the consumer segments. » Using for making distilled bird's nest, stewed traditional medicine, cool drinks, sweet soup or jam... » Using and storing in the kitchen of very family in Vietnam.
2.2	BH Pro natural rock Sugar		
2.3	BH Pro rock sugar stick		
2.4	BH Pro caramel rock Sugar cube	Be researched in September 2018	
2.5	BH Pro caramel rock Sugar		
2.6	BH Pro powdered rock Sugar		
3	BROWN SUGAR		
3.1	BH Gold Organic Light Brown Sugar		<ul style="list-style-type: none"> » Keeping entirely natural flavor, bright gold color and sweet taste of the molasses. » Meeting customer's demand, maintaining sugarcane's quality and natural flavor. » Making natural color and flavor for products. » Serving B2C Consumer Channel and MNC Industrial Channel. » Serving high-end customer segments. » High requirements for small or large diameter of Sugar grains for processing packaged coffee, confectionery or pharmaceutical products.
3.2	BH Gold Organic Dark Brown Sugar		
3.3	BH Gold Light Soft Brown Sugar		
3.4	BH Gold Dark Soft Brown Sugar		
3.5	BH Gold Natural Golden Caster Sugar		
4	PURE SUGAR		
4.1	Pure caster refined Sugar		<ul style="list-style-type: none"> » Having the natural color and bringing the natural sweetness for coffee, tea and beverages in the most convenience. » Be suitable for drinks such as tea, coffee, cocktails and fruit juices. » Be appropriate for using in coffee shops, restaurants, hotels or living rooms.
4.2	BH Pure refined coarse grain Sugar		
5	BH JOY SUGAR	Be completed the research of sample product	
5.1	BH Joy yellow Sugar stick		
6	LIQUID SUGAR		
6.1	Sugar syrup (already on sales, change in packaging)		<ul style="list-style-type: none"> » Natural ingredients and variety of flavors. » Bringing natural sweetness to popular drinks as tea, coffee, cacao or tropical cocktails. » An indispensable ingredient for cooking pastries, yogurt and desserts. » More delicious dishes - More fun and exciting life
6.2	BH Syrup from molasses		
6.3	BH colored Syrup		
6.4	Syrup flavor		
B BY-PRODUCTS			
1	MICROBIAL-FERTILIZERS	Be expected to produce in October 2018	<ul style="list-style-type: none"> » Improving land in sugarcane cultivation area, increasing sugarcane productivity. » Serving farms and farmers.
2	BOTTLED PURIFIED WATER	Be expected to produce in August 2018	<ul style="list-style-type: none"> » Making from advanced production lines. » Ensuring quality, safety and hygiene.

**REPORT ON INVESTMENT, RESEARCH
 TRANSFERRED TO PRODUCTION IN FY 2017-2018**

No.	Name of Project	Investment capital	Estimated time of completion	Project information
1	Microbial-fertilizer	VND 52 billion	October 2018	<ul style="list-style-type: none"> » Improving land in sugarcane cultivation area, increasing sugarcane productivity, and serving farms and farmers. » Providing microbial-fertilizers for internal use in TTC Bien Hoa's farms. » Developing and supplying to external farms.
2	Cone-shape Sugar for export	VND 800 million	<ul style="list-style-type: none"> » Be completed » Converting to mass production 	<ul style="list-style-type: none"> » Producing 29 tons to export to the US market. » Marking an obvious advancement for TTC Bien Hoa as well as Vietnam Sugar Industry.
3	Non-flavored purified water	Make utilization of Miaqua production line	August 2018	<ul style="list-style-type: none"> » Making full utilization of sugarcane-flavored Miaqua production line to produce non-flavored purified water. » Producing new product for the Company without investment, taking initiative in production when sugarcane crop ends, and diversifying drinking water products.

**NEW PRODUCT DEVELOPMENT STRATEGY
 FOR FY 2018-2019 TO FY 2019-2020**



NEW PRODUCT DEVELOPMENT STRATEGY

FOR FY 2018-2019 TO 2019-2020 (continued)

R&D STRATEGY FOR PERIOD 2018-2019

SPRAY-DRIED POWDERED SUGAR	<ul style="list-style-type: none"> » Be produced by modern spray drying technology from fresh sugarcane juice. » To preserve natural sugarcane flavor and sweet taste.
INDUSTRIAL LIQUID SUGAR	<ul style="list-style-type: none"> » To specifically research and develop for specialized demands. » For more conveniently used in the food industry.
YELLOW SUGAR WITH MEMBRANE FILTRATION TECHNOLOGY	<ul style="list-style-type: none"> » To use advanced membrane filtration technology, completely remove impurities in sugarcane and keep full natural flavor of molasses. » To help dishes more delicious with more attractive color.
COLORED SUGAR	<ul style="list-style-type: none"> » An indispensable ingredient for cooking pastries, yogurt and desserts. » To help dishes more delicious with more attractive color.
ORGANIC MOLASSES	<ul style="list-style-type: none"> » An indispensable ingredient for cooking pastries, yogurt and desserts. » To help dishes more delicious with more attractive color.

R&D STRATEGY FOR PERIOD 2019-2020

DECORATION SUGAR <i>Icing sugar</i> <i>Baking sugar</i>	<ul style="list-style-type: none"> » Including a wide range of products. » Being researched and developed for specialized dishes processing. » More convenient and easier for cooking, more delicious dishes.
JAM SUGAR <i>Preserving sugar:</i> <i>For fruits containing high Pectin</i> <i>Jam Sugar:</i> <i>For fruits containing low Pectin</i>	
RAW SUGAR <i>Demerara Sugar</i> <i>Muscovado Sugar</i> <i>Sucanat Sugar</i>	<ul style="list-style-type: none"> » A type of yellow Sugar producing from modern crystallization. » Serving B2C Channel, SME Channel as households, cooking pastries, bakeries, tea house ...
ROCK CANDY <i>White rock candy</i> <i>Brown rock candy</i> <i>Mixed rock candy</i>	<ul style="list-style-type: none"> » Completely natural sugarcane ingredient. » Being designed for one-off use. » Bring modern and refined feeling.

SUBSIDIARIES

No.	Subsidiaries	Head office	Main business activities
1	TTC Bien Hoa - Dong Nai Sugar One Member Co., Ltd.	Dong Nai	Produce sugar, plant sugarcane
2	TTC Attapeu Sugarcane Co., Ltd.	Gia Lai	Trade sugar, sugarcane by-products
3	TTC Attapeu Sugarcane One Member Co., Ltd.	Laos	Plant sugarcane, produce and trade sugar and sugarcane by-products
4	Bien Hoa - Ninh Hoa Sugar One Member Co., Ltd.	Khanh Hoa	Produce sugar, sugarcane by-products
5	Thanh Thanh Cong Gia Lai One Member Co., Ltd.	Gia Lai	Produce sugar, sugar by-products
6	Ninh Hoa Thermal Electricity One Member Co., Ltd.	Khanh Hoa	Electricity production, provision of electrical system installation services
7	TSU Investment Private Co., Ltd.	Singapore	Trade, produce, package sugar
8	Gia Lai Thermo Electricity One Member Co., Ltd.	Gia Lai	Produce, transmits and distribute electricity
9	Thanh Thanh Cong Sugarcane Research and Development JSC	Tay Ninh	Research, hybridization of sugarcane breeds
10	Bien Hoa - Thanh Long One Member Co., Ltd.	Tay Ninh	Plant sugarcane, produce and trade fertilizers
11	NHSS Private Co., Ltd.	Singapore	Trading
12	Hai Vi Co., Ltd.	Tay Ninh	Plant sugarcane, cultivation and post-harvest services
13	Kon Tum Import - Export One Member Co., Ltd.	Kon Tum	Produce sugar and basic chemicals, plant sugarcane
14	Miaqua Water One Member Co., Ltd.	Tay Ninh	Produce non-alcoholic beverages, mineral water
15	Tay Ninh Sugar JSC	Tay Ninh	Plant sugarcane, produce and trade sugar, cassava, rubber
16	BTCO Import - Export JSC	Ben Tre	Trading
17	Bien Hoa Import - Export - Trading JSC	HCMC	Trade sugar
18	Bien Hoa - Phan Rang Sugar JSC	Ninh Thuan	Produce, trade sugar and sugarcane by-products
19	Mien Trung Bovine Breeding JSC	Khanh Hoa	Raise cows, plant sugarcane and other perennial plants
20	Thanh Thanh Cong Alcohol Production and Trading JSC	Tay Ninh	Production of alcohol and by-products
21	Nuoc Trong Sugar JSC	Tay Ninh	Produce sugar, plant sugarcane
22	Nuoc Trong Rubber JSC	Tay Ninh	Produce plastic, rubber

ASSOCIATE COMPANIES

No.	Associate Company	Head office	Main business activities
1	Tan Hoi Industrial Complex Infrastructure Investment JSC	Tay Ninh	Real estate, investment in infrastructure construction and industrial zone management
2	Tay Ninh Tapioca JSC	Tay Ninh	Produce and trade tapioca starch
3	Vietnam Tapioca Co., Ltd.	Tay Ninh	Produce and trade tapioca starch
4	Tay Ninh Chemical Industry JSC	Tay Ninh	Produce and trade starch

Holding rate (%)	Charter capital (VND Billion)	Main Revenue source	Refinery/Capacity
100	2,979	Sugar, molasses, fertilizer	1. Bien Hoa-Tri An: 2,500 TCD 2. Bien Hoa-Tay Ninh: 4,000 TCD 3. Bien Hoa-Dong Nai: 400 tons of Sugar/day - The only refinery with all year round production
100	1,715	Agricultural products, machinery and spare parts	NA
100	732	Sugar, molasses, electricity	TTC Attapeu: 7,500 TCD
100	608	Sugar, molasses, fertilizer	Bien Hoa-Ninh Hoa: 5,200 TCD
100	540	Sugar, molasses, electricity, fertilizer	TTCS Gia Lai: 6,000 TCD
100	300	Electricity	NA
100	284	Trade sugar	NA
100	130	Electricity	NA
100	30	Cutting, soil analysis, experiment	NA
100	20	-	NA
100	15	Trade sugar	NA
100	2	Sugarcane	NA
100	1	-	NA
100	1	Water	NA
99.42	294	Sugar, rubber-based products	NA
98	411	Sugar	NA
98	120	Sugar	NA
92	45	Sugar, molasses, fertilizer	Bien Hoa-Phan Rang: 1,500 TCD
91	23	Sugarcane, cows	NA
90	189	Process agricultural machinery and equipment, Produce microbial-fertilizers	NA
81.23	58	Sugar, molasses, fertilizer	Nuoc Trong: 1,000 TCD
52.69	30	Rubber products	NA

Holding rate (%)	Charter capital (VND Billion)	Main Revenue source
47.29	30	Industrial zone management
29.83	112	Tapioca starch
29.83	76	Tapioca starch
19.13	157	Starch

PRODUCT QUALITY IS ONE OF TTC BIEN HOA'S TOP TARGETS IN ORDER TO FULFILL CUSTOMER'S SATISFACTION, CONTINUE TO DEVELOP DISTRIBUTION CHANNELS AND INCREASE MARKET SHARE TO DOMINATE DOMESTIC MARKETS AS WELL AS EXPAND EXPORT MARKETS.

The Company deployed many projects to improve technology, productivity and product quality contributing to reduce costs, advance the quality, reduce the rate of inappropriate products and maintain the product quality assurance, environmentally friendly production and social responsibilities. In addition, the Company also had the plan to develop sustainably through building Bonsucro Production Standard - Sustainable Sugarcane Production Standard. Thereby, the Company can balance the effective business management and environmental protection. Bonsucro standard can measure the economic, environmental and social impacts of sugarcane production and primary processing. TTC Bien Hoa, customers and Related parties in the Sugar and Ethanol production also can claim that the products are produced from sugarcane in accordance with certified, reliable, transparent and measurable standards. The "pioneer" position in eyes of investors, rating agencies, and analysts will help TTC Bien Hoa improve the relationship with Related parties and win customer's trust.



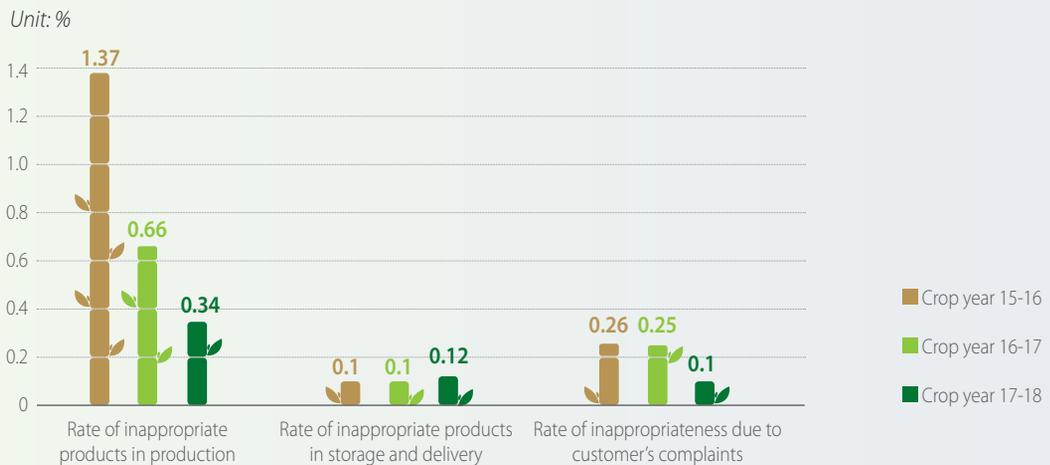
In FY 2017-2018, the Company's quality assurance exceeded objectives assigned at the beginning of the year. The indicators included *Environment - COD emission, Quality - Inappropriate products in storage and delivery, Quality - Inappropriate products in production, and Quality - Products received complaints from customers (legitimate errors)* decreased by 34%, 43%, 45% and 70% respectively compared to the plan. For criterion with zero error tolerance as assessed by TTC Bien Hoa such as *Environment - Administrative violations in environmental protection, Environment - Number of times discharging into canals with sewage standards below Type A QCVN 40:2011/BTNMT, and Food safety and hygiene - Products returned by customer due to safety and hygiene complaints (infection of Coliform, heavy metals in finished products)*, the Company fulfilled excellently without any violation.

QUALITY ASSURANCE AS COMPARED TO FY 2017-2018 TARGETS

Criteria	Description	Unit	FY 2017-2018 Target	FY 2017-2018 Results	Increase/Decrease (%)	Evaluation
Quality	Products complained by customers (legitimate errors)	(%)	0.33	0.1	-70	Good
	Inappropriate products in production	(%)	0.62	0.34	-45	Good
	Inappropriate products in storage and delivery	(%)	0.21	0.12	-43	Good
Environment	Administrative violations in environmental protection	Times	0	0	-	Excellent
	COD emission	(KgCOD/Ton of sugarcane)	0.41	0.27	-34	Good
	Number of times discharging into canals with sewage standards below Type A QCVN 40:2011/BTNMT	Times	0	0	-	Excellent
Food safety and hygiene	Products returned by customer due to safety and hygiene complaints (infection of Coliform, heavy metals in finished products)	Products	0	0	-	Excellent

Source: TTC Bien Hoa

RATE OF INAPPROPRIATE PRODUCTS IN FY 2017-2018



Source: TTC Bien Hoa

The rate of inappropriate products in production as well as customer's complaints tend to decline over the years. The rate of inappropriate products in production in FY 2017-2018 fell significantly by 49% over FY 2016-2017 and 75% over FY 2015-2016, thanks to improved production technology as well as tightened control in each production stage. In addition, the rate of inappropriate products due to customer's complaints also reduced to an encouraging level of 0.1%, plummeted by 60% and 62% respectively compared to FY 2016-2017 and FY 2015-2016. This reduction came from grasping customer's requirements to select appropriate batch of goods, together with enhancing the control of goods storage and delivery, ensuring safe and quality products to customers.

However, the rate of inappropriate products in storage and delivery was 20% higher than FY 2016-2017 and 2015-2016, caused by the cases of products being torn and broken during delivery and the Sugar's moisture and color being increased in storage process. In order to solve these problems, the Company plans to maintain the conveyor system to limit number of Sugar packages trapped in transfer process which lead to tears. In addition, the Company aims to decelerate days of inventory on hand to less than 30 days, reduce the color change, as well as to raise the application of carbonation instead of sulphitation method to improve the Sugar quality.



Sugar production in accordance with strict standards



Organic Sugar, one of TTC Bien Hoa's strategic products in the coming time

**COMMERCIAL CANE SUGAR (10 CCS EQUIVALENT)
 TENDS TO IMPROVE OVER CROPS**

Unit: CCS



Source: TTC Bien Hoa

In FY 2017-2018, the Commercial Cane Sugar (10 CCS equivalent) reached 10.34 CCS, up 3% over FY 2016-2017 and FY 2015-2016. The yield has been improved over the years thanks to mechanization such as deep-plough helping sugarcane be drought-resistant in the areas with inadequate condition for irrigation and anti-collapse to reduce CCS losses as well as investing in appropriate irrigation system to help improve the average productivity. As a result, TTC Bien Hoa significantly improves cane yield, enhances CCS, ensures farmer's interests and reduces input costs.

In FY 2017-2018, TTC Bien Hoa continued to concentrate on product quality assurance and achieved positive results, especially third party's independent evaluation through *Customer Satisfaction Survey* which the Company actively implemented. TTC Bien Hoa conducted an assessment with the participation of over 40 customers from all different consumption channels including B2B, Trading, B2C and Export, in order to receive accurate feedback for continuously enhancing the product quality as well as customer service.

CUSTOMER SATISFACTION SURVEY IN FY 2017-2018

Ranking	Punctual response to customer's requirements			Delivery compared to customer's requirements in the order			Quality of Sugar product		
	Number of feedbacks	Rate 2017-2018	Rate 2016-2017	Number of feedbacks	Rate 2017-2018	Rate 2016-2017	Number of feedbacks	Rate 2017-2018	Rate 2016-2017
Very good	18	45%	37%	13	33%	31%	13	33%	20%
Good	19	48%	52%	21	53%	60%	22	55%	71%
Normal	3	7%	11%	6	14%	9%	5	12%	9%
Poor	0	0%	0%	0	0%	0%	0	0%	0%
Weak	0	0%	0%	0	0%	0%	0	0%	0%
Total	40	100%	100%	40	100%	100%	40	100%	100%

Source: TTC Bien Hoa

The customer survey results showed that customer satisfaction rate was 93% of Good and Very good assessment for *Punctual response to customer's requirements*, increased by around 5% over FY 2016-2017. In addition, 86% of Good and Very good assessment for *Delivery compared to customer's requirements in the order*. In terms of *Quality of Sugar products*, Good and Very good assessment reached 88%. Remarkably, all of these indicators were significantly improved in Very good assessment, specifically, *Punctual response to customer's requirements* reached 45%,

advanced by 22% over the previous year; *Delivery compared to customer's requirements in the order* increased by 7% to 33%; while *Quality of Sugar products* notably reached 33%, jumped by 65% compared to the previous survey.

These figures will motivate TTC Bien Hoa to continue strengthening the Quality assurance in FY 2018-2019, striving to achieve over 90% for all survey items, aiming for 50% market share in Vietnam in FY 2020-2021.



Expanding Owned raw material farms, one of TTC Bien Hoa's strategic orientations

HUMAN RESOURCES ARE A GREAT LEVERAGE FOR THE COMPANY



FY 2017-2018 WAS A SUCCESSFUL YEAR FOR TTC BIEN HOA WHEN THE COMPANY WELL COMPLETED AND EVEN EXCEEDED ALL ASSIGNED TARGETS. HR WAS AN INDISPENSABLE FACTOR TO REALIZE THE COMPANY'S ACHIEVEMENTS. IN FY 2017-2018, ONE PERMANENT EMPLOYEE GENERATED APPROXIMATELY VND 2.5 BILLION IN REVENUE, CALCULATED ON 4,187 EMPLOYEES EXCLUDING TEMPORARY EMPLOYEES.



4,187 PEOPLE

**TOTAL EMPLOYEES IN FY 2017-2018
EXCLUDING TEMPORARY EMPLOYEES**

2.5 BILLION VND IN REVENUE

GENERATED BY ONE PERMANENT EMPLOYEE

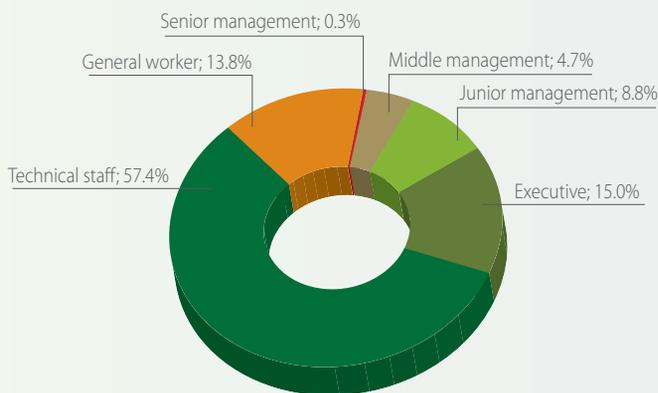
The Company's personnel is arranged based on qualifications, capability, experience as well as career objectives of each employee. As a manufacturing and direct trading company, TTC Bien Hoa's workforce, breakdown by position and qualifications, is mainly

technical staff/technical worker of intermediate, elementary and general level, making up 58% of the total workforce. However, the workforce's practical skills are well-qualified and satisfy strict production standards at the Company's factories. In addition, male employees account for over 79% as the work is mainly machinery operation, repair and maintenance, cultivation... Taking the gender equality goal into account, one of the most recently mentioned standards for modern CG, female employees in FY 2017-2018 jumped by 700% compared to the same period. Also in the year, the Company standardized the corporate hierarchy and applied to all Member Companies.

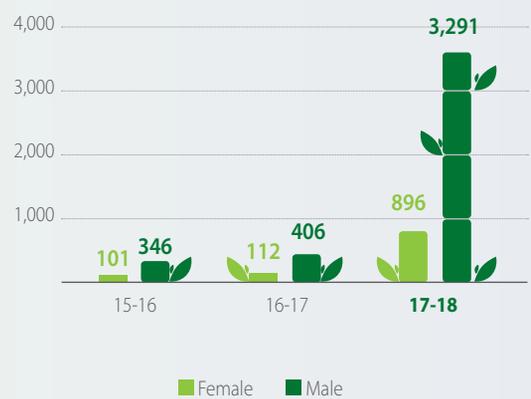


Young, dynamic, creative and enthusiastic team at TTC Bien Hoa

HUMAN RESOURCE'S STRUCTURE BY POSITION IN FY 2017-2018



HUMAN RESOURCE'S STRUCTURE BY GENDER IN FY 2017-2018



Source: TTC Bien Hoa

Although executive to senior management personnel accounts only 29% of total, the college and higher degree qualifications reach up to 35%. It represents HR Department's efforts in ensuring the personnel quality, as the Company's comprehensive preparation for integration and regional presence in the coming years.

In FY 2015-2016 and 2016-2017, the labor structure by qualifications was maintained stably. However, the total number of employees which mainly was general workers serving in production jumped in FY 2017-2018 after the merger with BHS. This was the reason for a slight reduction in proportion of employees with bachelor and higher degree, corresponding to executive and management levels. However, this also contributed to ensure a streamlined apparatus and enhance productivity of higher-level personnel.

No.	Qualifications	Proportion (%)		
		2015-2016	2016-2017	2017-2018
1	Postgraduate	2%	3%	0.9%
2	University	37%	37%	25.1%
3	College	5%	6%	8.7%
4	Intermediate level	17%	16%	19.1%
5	Pre-intermediate level	16%	16%	8.3%
6	General worker	23%	22%	37.9%
Total		100%	100%	100%

Source: TTC Bien Hoa

THE COMPANY'S LABOR FORCE BY AGE WAS 54% AT THE YOUNG AGE OF 21-37, ENSURING DYNAMICS, ENTHUSIASM AND CREATIVITY FOR THE COMPANY'S DEVELOPMENT. BASED ON PERSONALITY, PERCEPTIONS, LIFESTYLES, THOUGHTS, MOTIVATIONS,... THE PERSONNEL STRUCTURE IS DIVIDED INTO GROUPS OF CORRESPONDING GENERATIONS AS FOLLOWS:

No.	Age	2017-2018 (%)	Note	Description
1	Under 21 years old	0.5	Gen Z	Gen Z is about to enter the main labor force. This generation feels encouraged by social rewards, counselling and continuous feedback. They also want to live meaningfully and take responsibility. Similar to previous generations, they demand flexible working schedule. Other ways to promote this generation are through rewards and experience badges and personal development opportunities. In addition, they expect the clarity and transparency in working environment.
2	21-37 years old	53.5	Gen Y	They are technological savvy and starting to come into the world's major labor force. Although they are not loyal, they are influenced by skill training courses, counselling and feedback. The working culture is also extremely important to Gen Y. They want to work in an environment where they can collaborate with others. Flexible schedule, having rest time, as well as grasping the latest technology to communicate are also important to this generation. Gen Y is successful when they have a stable job and opportunity to learn and immediate response. They prefer to receive stocks as awards rather than cash.
3	38-53 years old	40.2	Gen X	Gen X prefers to work independently with minimal supervision. Gen X can be driven by flexible schedule, benefits such as recognition from the boss, bonuses, stocks and gift cards as monetary rewards.
4	Over 53 years old	5.8	Boomer	They like rewards both by cash and non-cash. As Boomer is goal-oriented generation, they can be motivated by promotions and professional development. Recognition of work achievement is very important to this generation. They can also be driven by high levels of responsibility, privilege, praise and challenge.

Source: TTC Bien Hoa



THE COMPANY'S GOOD IMPLEMENTATION OF REMUNERATION POLICIES, INCREASINGLY IMPROVED WORKPLACE, TO ENSURE THE PERSONNEL STABILITY FOR CONTINUOUS PRODUCTION.

WITH THE AIM OF IMPROVING WORK EFFICIENCY AND STAFF CONNECTION, THE COMPANY HAS CONSTANTLY RESEARCHED, BUILT AND PERFECTED THE POLICIES AND WELFARE PROGRAMS IN AN ADEQUATE AND EXPLICIT MANNER IN LINE WITH EMPLOYEE'S EXPECTATIONS AND THE COMPANY'S DEVELOPMENT ORIENTATIONS.



Appropriate personnel structure in terms of gender, age and qualifications

Labor turnover rate at TTC Bien Hoa is only 12%, below the average level of 17% in production/agricultural field, thanks to the Company's good implementation of remuneration policies, increasingly improved workplace, to ensure the personnel stability for continuous production. With the aim of improving work efficiency and staff connection, the Company has constantly researched, built and perfected the policies and welfare programs in an adequate and explicit manner in line with employee's expectations and the Company's development orientations. In FY 2017-2018, outstanding HR policies implemented include:

01

To review salary increase for employees

02

To deploy bonus policy based on sales performance for Industrial Customer Division's employees

03

To implement Mobile Director Programs with the aim to improve the existing management's capability in order to perfect the organizational system

04

To promulgate the list of welfare policies applicable to each position, in line with the labor market.



Production center is monitored by experienced engineers



SALARY

Salary policy is one of the most prominent policies that the Company prides itself on implementing well to attract talents for the Company's efficiency and sustainable development. The salary policy is based on the following principles: (1) The salary is determined based on performance, capacity, responsibility, position, seniority, professional qualifications and the Company's policy in each period; encouraging staffs to work effectively, complete the work and contribute to complete the Company's business targets; (2) Recommendations related to determination and adjustment of employee's salary must be objective, fair and commensurate with the scope of responsibilities, capacity and performance results.



AVERAGE INCOME

The employee's average income has increased over the years, the total salary, bonus and welfare fund in FY 2017-2018 reached VND 649 billion, a growth of nearly 500% yoy. In FY 2017-2018, the employee's average income was VND 13 million/person/month, slightly higher than FY 2016-2017

VND **649** BILLION

**SALARY-BONUS AND WELFARE FUND
IN FY 2017-2018**

➤ NEARLY 500% YOY

figures and Industry peers. The income growth came from improved productivity and periodical salary increase based on achievements, contribution and the Company's business results. With such competitive compensation policies as compared to Sugar Industry, the labor quality and productivity has been improving year by year. The internal surveys show that employee's satisfaction when becoming a Member of TTC Bien Hoa has positively improved.



The Company always does research and develops new welfare policies to improve the employee's material and spiritual life. Based on the performance and financial capability, the Company determined benefits for employees, including: lunch, health insurance, accident insurance, periodical health check, birthday gift, 13th month salary, vacation leave... In addition, the Company has a medical station with a doctor and a nurse, equipped with ambulances and necessary equipment for first aid.

Every year, the Company cooperated with associations and unions to organize cultural and artistic festivals, sport competitions and encourage the employees to participate; and organized periodical health check in July, occupational disease check in September, specialized health examination for female employees... The Company also had allowance such as shift break meals, toxic allowances to ensure the best condition of health and spirit for staffs in production process. Annually, the Company invited authorities to inspect noise, vibration, dust indicators... to do research and equip protective equipment, uniforms in order to limit the environmental impact on employee's health.

The Company also had policies for employees working in toxic places and toxic allowances under the State regulations. The Company built up a green-clean-beautiful working environment with slogans and images that help employees be aware of guidelines and policies on protection of the common house and environment. Donation and philanthropy activities are regularly organized by the Company to encourage, share burdens, support unfortunate and difficult circumstances.

In terms of social insurance, the Company implemented social insurance, health insurance, accident insurance, trade union fee and other regimes in accordance with the current laws. The corresponding payments for the recent years have been as follows:

No.	Type of cost	Payment (VND Billion/year)					
		2012	2013	2014-2015	2015-2016	2016-2017	2017-2018
1	Social insurance	4	4.2	6.8	7.5	8.5	30.9
2	Health insurance	0.7	0.7	1.2	1.3	1.5	5.3
3	Unemployment insurance	0.2	0.3	0.5	0.6	0.7	1.8
Total		4.9	5.2	8.5	9.4	10.7	38.0

Source: TTC Bien Hoa



TTC Bien Hoa's Trade Office at TTC Building

STRENGTHENING AND BUILDING STRONG HUMAN RESOURCES

HR QUALITY IS THE ENTERPRISE'S LEADING COMPARATIVE ADVANTAGE, BECAUSE GOOD PERSONNEL PLAYS AN IMPORTANT ROLE IN MAINTAINING AND ADVANCING THE DEVELOPMENT THROUGH IMPROVED PRODUCTIVITY.

Recognizing the importance of high quality HR, the Company had annual training plans for employees from staff/ specialist to managerial levels based on the Company's demand in each period. The Company worked out

training framework based on each title position to gain the efficiency. With such training framework, managers and leaders would have an overview of the organization's training and HR development activities.

No.	Course category	Main content	Training courses organized in FY 2017-2018		Rate (%)
			Name of course	Participant	
1	Technical training	Providing necessary knowledge and skills related to work/profession	<ul style="list-style-type: none"> » Laboratory skills » Internal audit » TTC Bien Hoa's equipment and technology » Building budget plan » Accounting » HR: Recruitment, training, salary, social insurance » Awareness and methods of identifying risks and opportunities under ISO 9001:2015 & ISO 14001:2015; assessment methods according to ISO 19011:2011 applied for ISO 9001:2015 » IFRS conversion 	Executive, specialized staffs, technical workers, workers... of Member Companies	79
2	Training according to regulations and requirements by standards and quality certification agencies	Meeting legal requirements on qualifications as well as knowledge	<ul style="list-style-type: none"> » Occupational safety of all types » Food hygiene and safety » Occupational Health and Safety Management OHSAS 18001 » Improvement tools » Internal evaluators on ISO integrated system... 	Employees as required under legal regulations (production workers, technical staffs, leaders...)	10
3	Integration training	<ul style="list-style-type: none"> » Introduction about the Company » Orientations for new staffs 	<ul style="list-style-type: none"> » Training on the Group integration » Training on the Industry integration » Training on the Company integration 	Newly recruited staffs	5
4	Management, leadership skills	<ul style="list-style-type: none"> » Strengthening knowledge » Improving management and leadership skills for management levels 	<ul style="list-style-type: none"> » Resources management for leaders » HR strategic management » Middle manager » Production Director » TTC Talent 2017 » Customer relationship management for executive level 	Managers at all levels	4
5	Soft skills	<ul style="list-style-type: none"> » Strengthening knowledge » Improving soft skills to enhance individual work efficiency 	<ul style="list-style-type: none"> » Impressive presentation and Power Point presentation skills » Presentation and controlling in the meeting » Thinking and problem solving skills » Effective communication skills 	Employees of Member Companies	2
6	Training for development, succession	Combining different training contents to develop individuals with potential/ outstanding capability to become middle managers/ senior managers in the future	Combine different training contents with the objective to develop individuals with potential/outstanding capability to become middle managers/senior managers in the future	Potential staffs	0
Total				6,594 times	100

Source: TTC Bien Hoa

In FY 2017-2018, TTC Bien Hoa spent nearly VND 2 billion on training activities, up 206% over the last year, including 28% internal and 72% outsourced for 147 courses and 6,594 participants.

Time	Number of courses	Number of participants
July 2017	9	487
August 2017	20	198
September 2017	10	135
October 2017	17	1,238
November 2017	36	2,319
December 2017	14	1,415
January 2018	9	132
February 2018	4	25
March 2018	6	158
April 2018	7	148
May 2018	5	150
June 2018	10	189
Total	147	6,594



147
COURSES IN FY 2017-2018



6,594
PARTICIPANTS

Training courses mainly took place from October to December as this was the time to prepare for new production season - characteristics of sugarcane enterprises. The staffs need to be trained and retrained on occupational health and safety, food safety as well as specialized knowledge and production process. Most of training courses focused on enhancing working skills and workmanship and team development. In addition to training activities, the Company also focused on planning, building and developing the succession team with explicit and methodical roadmap. This was a strategic step to grasp opportunities and overcome challenges in the next years.

The Company also organized skill competitions to discover, honor, foster and develop talented personnel in each operating field. In FY 2017-2018, "Golden Driver" and "Golden Cook" were organized for the first time, and received the attention from a large number of employees and leaders. After each contest, the spirit of learning and sharing was enhanced and diffused, the colleague relationship among staffs was tightened, and the culture of emulation and learning were again strongly promoted. Especially, "TTC Talent", was the place where management talents were discovered and shining. Top 10 excellent candidates were praised and rewarded on the internal bulletin and by cash; specially, they will be included into the planned succession team and provided with appropriate training courses for further development.

TTC Bien Hoa was honored to be voted "Top 50 Vietnamese attractive employers in Vietnam" in FY 2017-2018, a recognition



for the Company's efforts to build a safe, healthy, professional, friendly and fair working environment. This was an environment that attracts and retains talented people regardless of their starting point, and aims to create a "second home" for each employee, engage them in a spirit of solidarity and sharing. The award again affirms the prestige and position of TTC Bien Hoa in the Vietnam labor market.

Accountability - Sharing

ACCOMPANYING PARTNERS & CONTRIBUTING TO SOCIETY

TTC Bien Hoa always ensures the Stakeholder engagement for common benefits, takes the Company's responsibility and philosophy to Community and Society.





04

SUSTAINABLE DEVELOPMENT REPORT

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TTC BIEN HOA IS JUST A SMALL FACTOR IN THE VIETNAM'S ECONOMY, BUT WITH THE MISSION OF THE LEADING SUGARCANE COMPANY, WE HAVE BEEN CONTRIBUTING TO THE COMMON GOAL.

UN's 17 Sustainable Development Goals are one of the strategic orientations for new phase of sustainable development in the global economy; to encourage countries around the world to participate in creating a dynamic, harmonious and sustainable world in the long term. For Vietnam, the Prime Minister issued a National Action Plan to implement the 2030 Agenda for Sustainable Development by approving the 17 National Sustainable Development Goals to 2030. TTC Bien Hoa is just a small factor in the Vietnam's economy, but with the mission of the leading Sugarcane Company, we have been contributing to the common goal.

END POVERTY IN ALL ITS FORMS EVERYWHERE

END HUNGER, ACHIEVING FOOD SECURITY, IMPROVING NUTRITION, AND PROMOTING SUSTAINABLE AGRICULTURE

01&02



~ VND **2.6** BILLION

- » To support, donate to campaigns for the poor, poverty elimination campaigns throughout the country
- » To relieve flood victims, support to overcome broken dam accident
- » To give gifts to the poor on Tet holiday and other holidays occasions
- » To support cane varieties, cow breeds, agricultural materials and guide sugarcane cultivation techniques
- » To build charity houses, bridges
- » To give charity gifts...

ENSURING HEALTHY LIVES AND PROMOTING WELL-BEING AT ALL AGES

03



~**5,000** EMPLOYEES
VND **14+** BILLION
15 PROGRAMS

- » Periodical medical examination
- » Annual travelling
- » Free medical examination
- » Supporting for blood cancer treatment
- » "Protect children from sexual abuse" program
- » Training on food hygiene and safety, and labor safety for staffs

ENSURING INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTING LIFELONG LEARNING OPPORTUNITIES FOR ALL

04



VND **254** MILLION
3,000 NOTEBOOKS
1,000 EMPLOYEES
147 COURSES
6,594 PARTICIPANTS
VND **2** BILLION
20+ SEMINARS, TRAINING COURSES

- » Supporting Study encouragement funds nationwide
- » "White uniforms for our beloved pupils" Program
- » Donation for the poor students
- » To participate in compulsory training courses as prescribed by laws
- » Practical training
- » Periodical internal training
- » To enhance management capacity
- » To develop succession team
- » "Raising awareness of food defense" seminars organized annually for customers
- » Training on food hygiene and safety, labor safety for staffs

ACHIEVING GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

05



Gender equality

22%

» Female employees

20%

» Female employees as Senior managers and Strategic leaders

896 FEMALE EMPLOYEES

» Fully implementing the regimes for maternity, women raising children under 12 months...
» Giving presents on special holidays occasions such as International women's day, Vietnamese women's day

ENSURING AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

06



Clean water and sanitation

ENVIRONMENTAL MANAGEMENT SYSTEM ISO 14001

» To apply in production activities

12 TIMES/YEAR

» To periodically check domestic and production water systems

400,000 MIAQUA BOXES

» To produce bottled water from condensed steam in the Sugar refinery process

ENSURING ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

07



Affordable and clean energy

123⁺ MILLION KWH

» Electricity volume sold to the national grid every year

4 FACTORIES HAVING THERMAL POWER CENTERS

» Biomass fuel from bagasse

132 MW

» Total installed capacity

700⁺ KW
VND 14⁺ BILLION

» Deploying solar energy system in cultivation and production

PROMOTING SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

08



Decent work and economic growth

~ 40,000 BENEFICIARIES

» Direct and indirect jobs created

~ VND 190 MILLION/HA

» Support capital, cultivation techniques... for local sugarcane farmers

40%

» Domestic market share

VND 10,285 BILLION

» Revenue

BUILDING RESILIENT INFRASTRUCTURE, PROMOTING INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

09



**Industry,
innovation and
infrastructure**

1 MICROBIAL-FERTILIZER FACTORY

» Producing from main materials of mud and boiler's ash in the Sugar production process

4 THERMAL POWER CENTERS

» High pressure boilers
» Low steam consumed turbines

0.5 TON OF STEAM/TON OF CANE

» Steam saving Project

REDUCING INEQUALITY

10



**Reduce
inequality**

VND 365 MILLION

» To support people with disabilities, homeless people, elders

896 FEMALE EMPLOYEES

» To create equal employment and promotion opportunities for female employees

25,000 LOCAL EMPLOYEES

» To ensure stable employment for local labor

10,000 FARMERS

» To create stable jobs

100 BENEFICIARIES

» Employment opportunities for people with disabilities, social policy beneficiaries, retired labor, trainees...

MAKING CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

11



**Sustainable cities
and communities**

9 FACTORIES

» Growing trees around the plants, production areas

VND 4.4 BILLION

» Inspecting, correcting, handling environmental impacts in a punctual manner

ENSURING SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

12



**Responsible
consumption
and production**

2 TIMES/YEAR

1 TIMES/YEAR

» Environmental impact assessment
» Revising regulations on occupational health and safety

700+ KW INSTALLED CAPACITY

~ VND 9 BILLION

» Using renewable energy and solar energy
» Applying advanced technology in production, sewage treatment system

13 SUGAR PRODUCTS

4 BY-PRODUCTS

» Providing clean and safe products to consumers
» Saving fuel, energy, limiting wastes to the environment

TAKING URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

13



VND **15** BILLION

» Emission monitoring equipment to control the environmental impact of all plants

ISO **14001** STANDARD

» To apply in production activities

VND **40** BILLION

» To invest in heat reduction system before discharging into the environment

CONSERVING AND SUSTAINABLY USING THE OCEANS, SEAS AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

14



~ VND **9** BILLION

» Investing in re-circulating water cooler for reuse of sewage
» Applying new technology in production to reduce emissions

400,000 BOXES/YEAR

» Using condensed steam from boiling to produce bottled water

PROTECTING, RESTORING AND PROMOTING SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBATING DESERTIFICATION, AND HALTING AND REVERSING LAND DEGRADATION AND HALTING BIODIVERSITY LOSS

15



3,200⁺ HA
1 TIME/YEAR

» Deep plowing to help soil to be loose, use organic fertilizers to improve soil
» Updating Pest control handbook, guiding on biological methods to eradicate pests and reduce pesticides

1 MICROBIAL-FERTILIZER FACTORY
10,000 BENEFICIARIES

» Improving the soil for sugarcane growing areas
» Enhancing sugarcane yield
» Serving farms and farmers

PROMOTING PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDING ACCESS TO JUSTICE FOR ALL AND BUILDING EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS

16



4 TIMES/YEAR

» Periodic dialogues with employees

1 TIME/YEAR

» Labor conference

12 AWARDS

» National and international awards
» CG, business, HR, community, CSR

STRENGTHENING THE MEANS OF IMPLEMENTATION AND REVITALIZING THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

17



5th

» TTC Annual International Sugarcane Conference

4th

» ASEAN Sugar Alliance Conference

INTERNATIONAL STANDARD QUALITY, MEETING ALL STRICTEST REQUIREMENTS FROM CUSTOMERS



Sugar Refinery Workshop at TTCS Factory

BUSINESS TO BUSINESS CHANNEL B2B

“

Looking for raw material sources with stable quality, especially Pass Floc Sugar (without precipitate), our first choice is always TTC Bien Hoa's Premium Refined Sugar. The Company clearly understands the quality demands for dedicated Sugar used in the Beverage Industry, ensuring that every Sugar grain delivered to us is always pure, stable in quality and precipitate-free.

TTC Bien Hoa's Sugar is well regarded after several tests and strict evaluation according to certain standards to ensure our product's quality always satisfying customers.

▶ **A strategic customer**
in Beverage Industry



“

High quality products, punctual delivery, stable price in the long term are the key determinants for us to continue the close co-operation with TTC Bien Hoa.

The Company's Sugar is one of the clean ingredients of our high-end products, which can name caster Refined Sugar used in production of dairy products, 3-in-1 coffee, confectionary, ice cream...

▶ **A major customer**
in Food Industry



“

It can be seen in the Pharmaceutical Industry that the strictest standards for quality and purity of raw materials are applied in medicine production since the products directly affect user's health, including children.

And TTC Bien Hoa's Super RE Sugar is meeting well this requirement. Therefore, we feel comfortable while using raw materials provided by the Company and believe in a good and durable relationship in the future.

▶ **A partner**
in Pharmaceutical Industry



BUSINESS TO CONSUMER CHANNEL B2C

“

TTC Bien Hoa's Sugar has very good purchasing power in the market. In despite of being competed with low-pricing non-labeled packaged and bar Sugar, TTC Bien Hoa's Sugar is still chosen with many grocery stores, coffee shops, restaurants in the area thanks to well established brand name and quality.

We are very confident to introduce TTC Bien Hoa's Sugar products to customers.

▶ **Mr. Tam - GT Channel Distributor**
Go Vap District, HCMC



“

TTC Bien Hoa's Sugar products are familiar with many generations on consumer goods shelves. On the customer's side, many people choose TTC Bien Hoa's Sugar as a habit thanks to good prices, ensuring food hygiene and safety as well as attractive promotions; hence the shelves usually get empty very quickly.

On our supermarket's side, TTC Bien Hoa has also many policies and incentives for this MT distribution channel, the two parties are maintaining a good cooperative relationship.

▶ **Ms. Loan - MT Channel Distributor**
Line Manager of Big C Supermarket (HCMC)



“

TTC Bien Hoa's syrup Sugar, baking Sugar, stick Sugar products are very suitable for dispensing beverages. The products can be completely replaced imported ones and the pricing is more reasonable.

The entire chain of "Ngay Xua Ay" has been using TTC Bien Hoa's Sugar and our product's quality is always ensured, without any complaints from customers.

▶ **Ms. Thu - Chain stores**
Bartender at "Ngay Xua Ay 2" Coffee Shop (Binh Thanh District, HCMC)



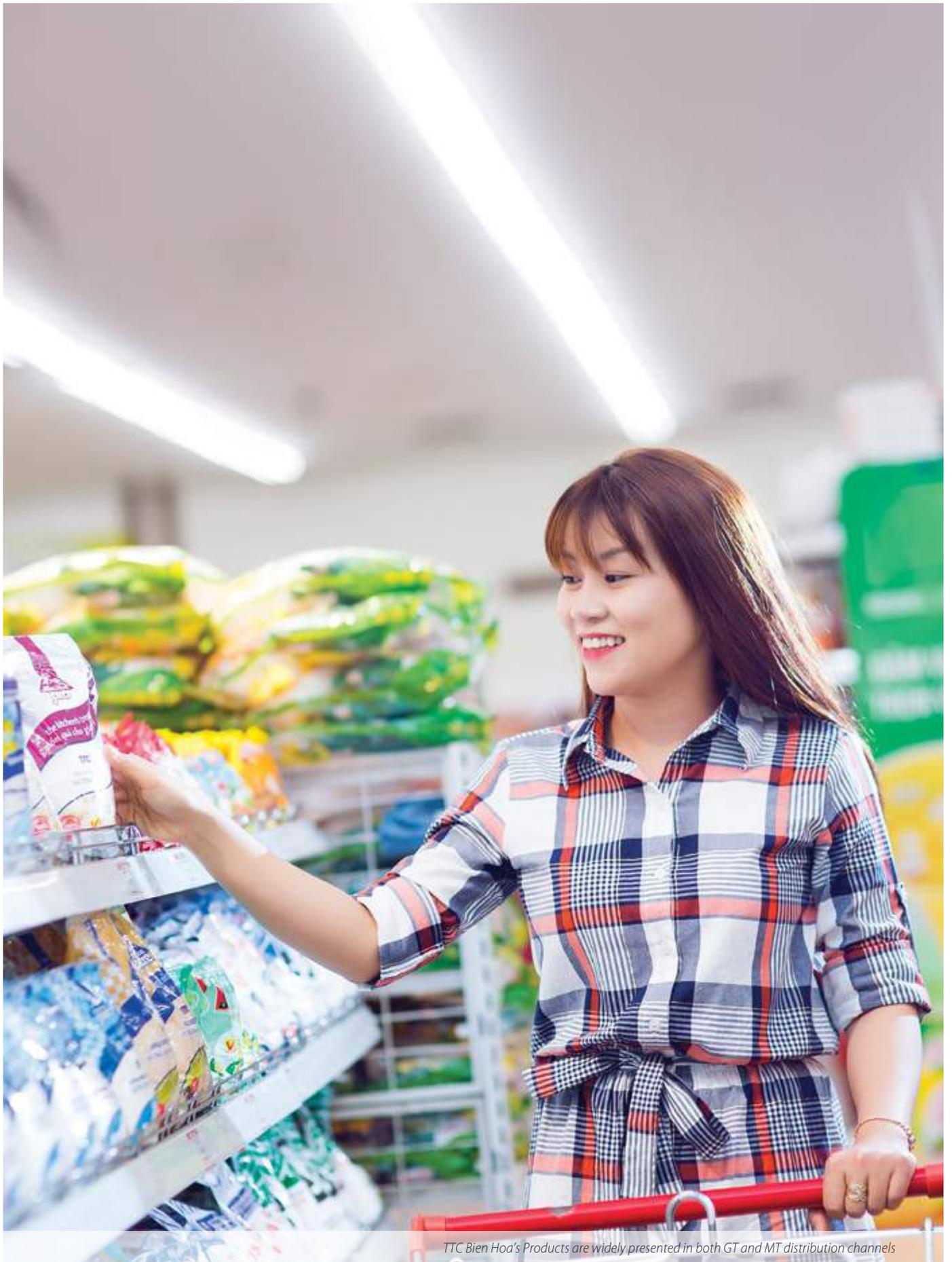
“

Until now, my family only uses TTC Bien Hoa's Sugar. Despite other non-labeled Sugar with lower prices, we only buy TTC Bien Hoa's Sugar as this is a Vietnamese brand with well established reputation, high quality, clean products without bleaching chemicals.

My family feels comfortable while using the Company's products and we will continue to be one of loyal customers of TTC Bien Hoa.

▶ **Ms. Han - Household**
District 1, HCMC





TTC Bien Hoa's Products are widely presented in both GT and MT distribution channels

DEDICATED, COHESIVELY ACCOMPANYING FARMERS FOR CLEAN, STABLE AND EFFICIENT RAW MATERIAL SOURCES



Harvesting Sugarcane at a Contracted raw material farm in Tay Ninh Province

“

We only grow non-genetically modified sugarcane species provided by the Company. About farming techniques, I am very confident because there are always detailed instructions from agricultural engineers assigned by the Company.

They are very close to our farmers, especially when it comes to the harvest or signs of pests. Only proper production process can ensure high quality and productivity for our sugarcane, as such it is purchased by the Company. We always want to keep our reputation.

▶ **Ms. Ha Thi Kim Ly**

A farmer in TTCS Factory's Raw material area - Tay Ninh Province



“

We are supported by the Company from sugarcane varieties to cultivation techniques, machinery and equipment and only return when it comes to harvest season. Hence, we have no cost burden and can spend more time taking care of sugarcane.

Without such policies, our farmers are in difficulties. For myself, this is a huge support.

▶ **Ms. Nguyen Thi Nhieu**

A farmer in TTCS Gia Lai Factory's Raw material area - Gia Lai Province



“

Supporting sugarcane varieties or cultivation techniques is important but I think the decisive factor is that the Company has off-take agreement with farmers, unlike many other agricultural products which often fall into the state of sale-off on bumper crops.

Hence, we are not too worried about unsold sugarcane, the Company still keeps its promises even in very difficult periods of the sugarcane Industry. We really appreciate the supportive policies from the Company.

▶ **Mr. Phung Thong**

A farmer in Bien Hoa-Ninh Hoa Factory's Raw material area - Khanh Hoa Province



“

Although managing nearly an area of over 58,000 ha of sugarcane across the Country and the two other Countries in Indochina, we always have appropriate duty assignment and maintain records on each cane field in all processes from planting to harvest.

This enables us to track the origin and quality of each sugarcane field and even each sugarcane. Throughout the process, we always support the farmers to help them achieve the best yield.

▶ **Mr. Trinh Van Lam**

A Farming Manager in Gia Lai Province



“

We always follow the farmers in each stage from providing plant varieties, guiding machinery use, cultivation techniques until harvesting. We support the farmers by monitoring to ensure that they comply with the cultivation and disease prevention process without abusing chemicals.

We together with farmers are planting sugarcane efficiently, ensuring a clean, safe and high-quality Raw material sources for a common goal of producing the best quality products for consumers.

▶ **Mr. Nguyen Quang Xuan**

A Farming Manager in Laos



HUMAN RESOURCE IS ALWAYS PLACED AT THE CENTRE OF TTC BIEN HOA'S ACTIVITIES AND STRATEGIES



Mr. Pham Hong Duong - Chairman of the Board (second from the left) and staffs on a sugarcane field visit

“

I am very happy and lucky to have a stable job at Thanh Long Farm. A pretty good income helps ensure the living conditions for myself and my family.

Additionally, the Company also has many policies to support the staffs, from meals to bonus on holiday and Tet occasions. Since working at TTC Bien Hoa, my family's life has been more stable, my children have had better education. I hope that I can continue to work and dedicate to the Company.

▶ **Mr. Tran Phi Ho**
Farming Staff - Thanh Long Farm -
TTCS Factory

“

I have just returned to take over my previous job after a long maternity leave. At TTC Bien Hoa, compensation and welfare policy for female employees is very good, such as maternity policy, gifts on special holidays for women.

I reckon that there is no gender discrimination, all staffs have equal treatments at work. Specially, there have been a lot of female staffs, with their real capability, being promoted to senior managements for their contribution to the Company's success.

▶ **Ms. Nguyen Thi Kim Dung**
Staff at Production Techniques
Department - TTCS Factory

“

I am one of sales "warriors", contributing my little efforts to bring TTC Bien Hoa brand name to reach out to each customer, especially leading customers that every manufacturer wants to become their partner. They always have stable orders in large quantities but require extremely strict quality standards.

Therefore, it is necessary for us to have a smooth and close coordination between departments to facilitate the sales process. And TTC Bien Hoa has fully met this requirement with support, cooperation and solidarity from all departments. In addition, the Company's Leaders always have distinct development directions, helping the Company grow steadily over time. Employees themselves also feel assured, confident and happy to dedicate to the Company.

▶ **Ms. Hoang Hong Hanh**
Manager, MNC Industrial Customers

“

The working environment at TTC Bien Hoa is both dynamic and professional. An open space office at Thanh Thanh Nam building is highly cared by the Management, facilitating human connection; especially the concept of a miniature Singapore, we can see trees everywhere.

With a dynamic working environment and continuous training policy, we have opportunities to improve day by day. In addition, it is worth mentioning the attractive income and welfare policies together with transparent promotion opportunities at TTC Bien Hoa. This motivates us to continuously contribute to the Company.

▶ **Ms. Vu Thi Bao Tran**
Accountant

“

Working in HR area and having the opportunity to experience the working environment and culture in many different companies, I can assert that TTC Bien Hoa is among the best companies with dynamic, friendly and proactive working environment, promotion opportunities and staff motivation.

Although my employment at the Company is not long enough, I believe TTC Bien Hoa will be one of the destination in my career.

▶ **Mr. Nguyen Huu Bang**
HR Specialist

“

After a long time working here, I am really satisfied with the decision to choose TTC Bien Hoa as my destination. My impression is about very good compensation policy and clear career path for employees.

This makes me to believe in my future prospect as well as strong advancement of TTC Bien Hoa brand name.

▶ **Mr. Lam Trong Kha**
Legal and Compliance Specialist

GRI 102-42

IDENTIFYING AND SELECTING STAKEHOLDERS

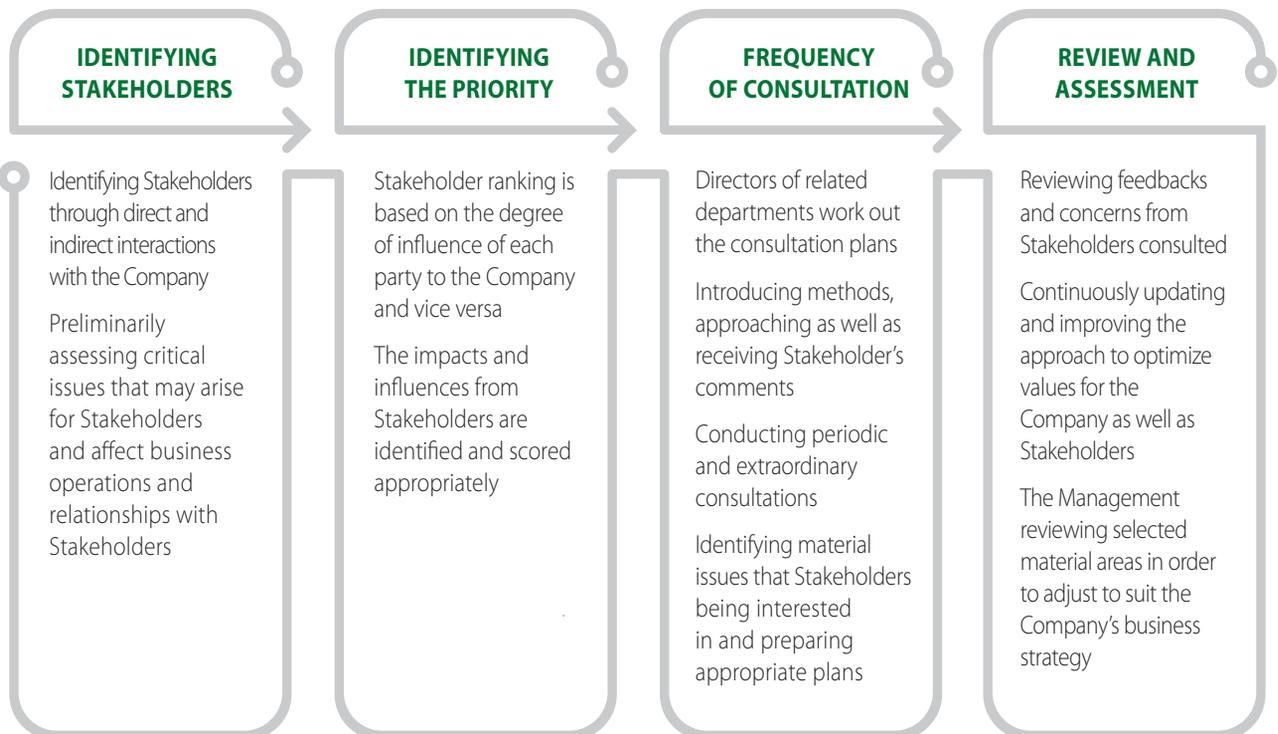
As the leading Company in Vietnam Sugar Industry in all aspects, from market share, production capacity, product structure and business locations; TTC Bien Hoa currently has many Stakeholders, and each of them plays a key role in the Company's existence, operation and development. Over the past years, the Company has always been careful in assessing the relationship as well as interaction and influences of each key Stakeholder to work out appropriate action courses, interaction. The approach to Stakeholder engagement applied at TTC Bien Hoa is comprising survey, interview, listening to opinions, Industry analysis reports and seminars, series of IR activities... for 6 key Stakeholders of Farmers, Customers, Shareholders/Potential Investors, Employees, Authorities/State Agencies and Local community.



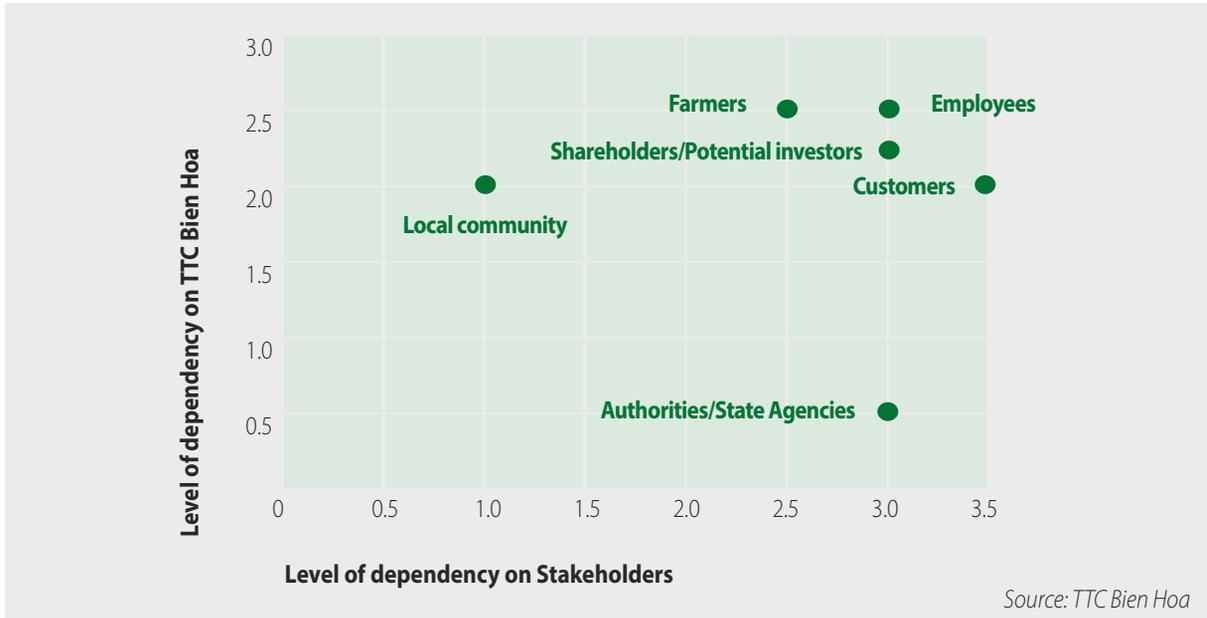
GRI 102-43

APPROACH TO STAKEHOLDER ENGAGEMENT

Process of identifying Stakeholders



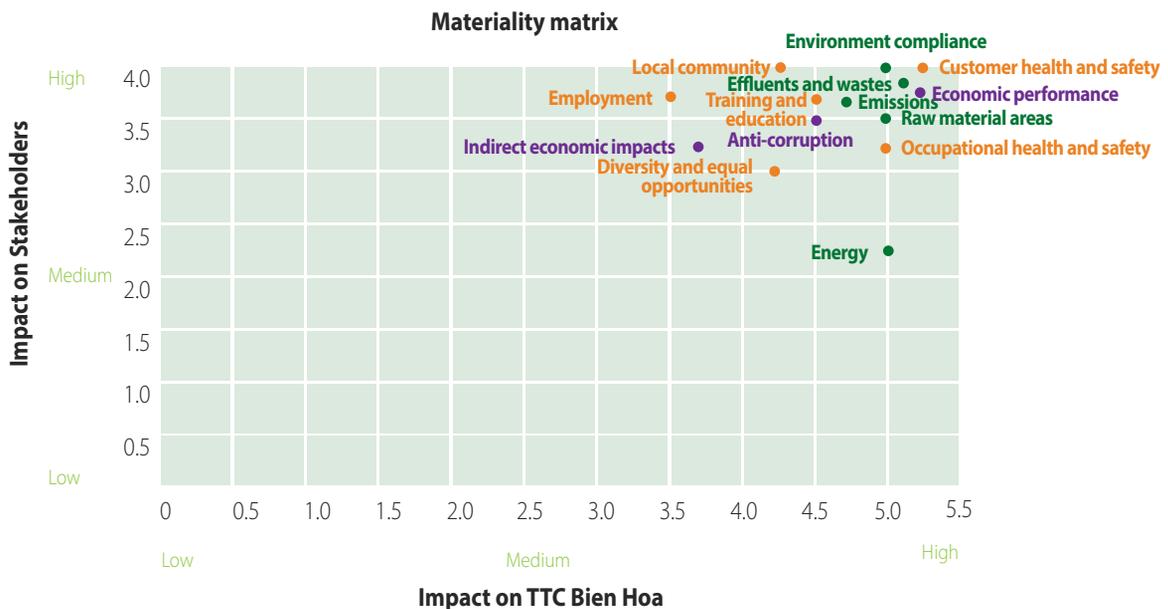
Interaction between TTC Bien Hoa and Stakeholders



Assessing material areas

TTC Bien Hoa operates in the consumer goods Industry with Raw material areas and production facilities across Southern Province and even beyond Vietnam's territory, i.e. Laos and Cambodia, as well as domestic markets from North to South and 6 export markets; with a self-contained manufacturing process from Raw materials (Invest in cane raw materials, purchase and check cane raw materials) – Production (Produce, inspect and store finished products) – Consumption (Sell, deliver).

The effective management of Sugar Industry's value chain plays a very important role in ensuring the Company's stable and sustainable development. Based on assessment of Stakeholder's major concerns which have mutual influences, in line with the Company's sustainable development strategy as well as the UN's 17 Sustainable Development Goals, TTC Bien Hoa determined the matrix of 14 material areas as follows:



ECONOMICS

- » Economic performance
- » Indirect economic impacts
- » Anti-corruption

ENVIRONMENT

- » Raw material areas
- » Energy
- » Emissions
- » Effluents and wastes
- » Environment compliance

SOCIETY

- » Employment
- » Occupational health and safety
- » Training and education
- » Diversity and equal opportunities
- » Local community
- » Customer health and safety

GRI 102-44

KEY TOPICS AND CONCERNS RAISED

Over the past years, TTC Bien Hoa has strived to build and complete the interaction mechanism between the Company and Stakeholders to ensure the truthfulness, transparency and efficiency in all activities; thereby enabled the Stakeholders to give feedback easily to help the Company satisfy their expectations. TTC Bien Hoa's objective is to create a sustainable value chain concentrating on the Company's long and medium-term interests.

No.	Stakeholder	Key concerns	Current approach	Future course of actions
1	Farmers	<ul style="list-style-type: none"> » Off-take agreement » Stable purchasing policy » Commitment to minimum sugarcane purchasing price » Compliance with provisions of the agreement » Support in cultivation, technology transfer, mechanization » Support to access the latest information and trends in the world and Vietnam's Sugar Industry 	<ul style="list-style-type: none"> » To assign farming staffs to regularly survey, receive and give two-way feedback » To give instructions on technology transfer, machinery, cultivation and harvesting techniques » To support appropriate sugarcane breeds for each cultivation area » To sign off-take agreements to avoid sale-off on bumper crops » To organize workshops to disseminate and guide cultivation techniques » To organize workshops in early crop as well as review meeting in late crop to evaluate each crop efficiency » To organize International Sugarcane Conference to provide industry information 	<ul style="list-style-type: none"> » To continue to provide support policies to ensure the stable income for farmers » To continue to cooperate closely with farmers on the basis of mutual benefits to ensure stable input material sources in terms of both quantity and quality » To continue to organize workshops to update punctually latest and necessary information to farmers in order to improve productivity and work efficiency as well as product quality
2	Customers (Consumers/ Distributors)	<ul style="list-style-type: none"> » Products of good quality and competitive price » Diversified product structure » Prestige brand name » Preferential sales policy » Good customer services and after-sales services 	<ul style="list-style-type: none"> » To conduct trend surveys and verification of quality product from 4 main distribution channels » To meet and exchange in person with B2B customers such as MNC, SME, Export and Household » To continuously update new product information on the Company Website, Investor Bulletin » To communicate about clean sugar » To receive questions and feedback via email, telephone, fax... » To build up policies to enhance distributor and major customer's loyalty in long term » To organize food safety workshops in big cities to raise customer's awareness about the safety of clean food 	<ul style="list-style-type: none"> » To continue to launch preferential sales programs for customers and large-scale promotion programs nationwide » To improve continuously the R&D activities to produce new products to meet diversified customer's needs » To continue to improve and expand the Sugar industry's value chain, including variety of By-products to diversify Revenue structure » To continue to implement customer satisfaction surveys
3	Shareholders/ Potential Investors	<ul style="list-style-type: none"> » Business results with stable and reasonable growth over years, and sustainable development in the medium and long term » Stock price accurately reflecting the Company's intrinsic value » The Company's intrinsic value growing up continuously and sustainably » Information disclosure in accordance with international standards, ensuring regular, continuous, transparent and reliable information » Protecting Shareholder's interests and ensuring equitable treatment » Senior management's governance and leadership capability 	<ul style="list-style-type: none"> » AGM and EGM, Collection of Shareholders' written opinions, BOD and BOD committee meetings » To organize Roadshows inside and outside the Country for Shareholders, Potential Investors to update business performance, operational orientations in the short, medium and long term » To hold Analyst meetings with attendance of analysts from securities companies, investment funds, financial institutions... » To hold meetings with Potential Investors interested in the Company and Vietnam Sugarcane industry » To disclose FS, FS explanation, Press release updating Industry developments as well as the Company's performance, Corporate Presentation, Investor Bulletin, Annual Report, Sustainable Development Report, providing the information on Website, Forum... » To deal punctually with communication crisis to avoid damages to Shareholders and Investors » To receive questions and give feedback via email, telephone... 	<ul style="list-style-type: none"> » To continue to improve and enhance the IR activities, especially to introduce raw material area and factory visits to prove the Company's internal strength and potential » To improve the information disclosure standards in accordance with best practices such as bilingual information disclosure, punctual and transparent information update to meet international corporate governance standards as well as improve information disclosure quality on Vietnam stock market, especially in Foreign Investors' perspective

No.	Stakeholder	Key concerns	Current approach	Future course of actions
4	Employees	<ul style="list-style-type: none"> » Professional and dynamic working environment » Labor safety » Good remuneration and compensation policies » Appropriate training programs to improve knowledge and skills » Promotion opportunities » Training for successors 	<ul style="list-style-type: none"> » To organize internal training courses as well as regularly invite experts to help enhance corporate governance knowledge and skills, technical skills, work experience, soft skills » Integration training for new employees through training courses from basic to advanced » To promulgate appropriate welfare policies, as well as continuously develop and modify welfare policies in order to improve material and spiritual life for employees » To conduct surveys on working environment, compensation and welfare policies » To collect employees' comments via email, telephone and social network... » To organize culture, sport, unions, relax and recreation activities... » To organize skill contests to identify, reward and develop talented people in each field such as "Golden driver", "Golden cook", "TTC Talent"... » To organize Mobile Director Programs to help promising employees approach the corporate governance tasks practically and effectively 	<ul style="list-style-type: none"> » To continue to develop training courses, especially international standard courses in order to enhance employee's capacity » To continue to implement training courses systematically for leadership succession » To continue to develop and supplement appropriate compensation mechanisms to attract talents, especially long-term policies, pension policies... » To make regular surveys on employee's satisfaction with the objective to create friendly, modern and talent-motivated working environment » To ensure that TTC Bien Hoa being always among the companies having the best working environment in Vietnam
5	Authorities/ State Agencies	<ul style="list-style-type: none"> » Complying with laws and regulations » Carrying out responsible production and business activities, for consumer health, environment and society » Supporting State policies and programs 	<ul style="list-style-type: none"> » To fulfill the corporate obligations such as tax, insurance, health and safety, labor safety, food safety and hygiene... » To participate in Vietnam Sugarcane and Sugar Association's activities with the responsibility of a leading Sugarcane Enterprise: Comment on Industry policies, anti-smuggling, development strategy for Vietnam Sugar Industry... » To continuously update policies, regulations promulgated by the Government and State » To participate in movements and programs being launched by the State agencies to support the community and society 	<ul style="list-style-type: none"> » To continue the active interaction with the Government and State agencies, upgrading and affirming a leading brand name's position in the Industry » To focus continuously on updating the legal documents in the fields related to the Company's activities in a regular and timely manner » To absolutely comply with the laws and regulations » To take the lead in fulfilling requirements of the State agencies
6	Local community	<ul style="list-style-type: none"> » Developing the local economy » Creating career opportunities » Raising income for local people » Carrying out community activities » Contributing to the local development » Protecting natural and living environment of the community 	<ul style="list-style-type: none"> » To collaborate with local authorities in sponsorship for community in the Company's operating areas » To develop programs such as Community Development, Education, Health and Social Welfare » To participate in volunteer programs in localities where the Company is operating or investing: Use annual budget to care for the poor in localities (donation of houses, gifts for Tet holiday...) » To prioritize recruitment of local labors, combining with training- awarding scholarships and internship programs: Raise income level and improve capability for local labor » To apply mechanization roadmap, in conjunction with supporting the machinery to ensure employment for local labor » To implement environmental protection programs 	<ul style="list-style-type: none"> » To continue to actively participate and support community programs in the localities » To continue to provide stable employment as well as improve income for local labors

GRI 201

ECONOMIC PERFORMANCE

TTC BIEN HOA'S SUSTAINABLE DEVELOPMENT STRATEGY IS BUILT BASED ON UN'S 17 SUSTAINABLE DEVELOPMENT GOALS AS WELL AS THE COUNTRY'S 17 SUSTAINABLE DEVELOPMENT GOALS UNTIL 2030.

**GRI
201-1**

Direct economic value generated and distributed

**GRI
201-2**

Financial implications and other risks and opportunities due to climate change

**GRI
201-4**

Financial assistance received from the Government

With the international CG model being implemented such as ASEAN Scorecard, OECD CG Principles, IFC CG Code, GRI Standards on sustainability reporting; TTC Bien Hoa's Management is fully aware of the increasing responsibility to Stakeholders, especially to retain the confidence of Shareholders and Investors, who play an important role in contributing capital resources for the Company. In order to evaluate the interaction between TTC Bien Hoa and Stakeholders, the Company has established a materiality matrix of 14 key areas under 3 material topics, i.e. Economy-Society-Environment.

In terms of Economy, the Company focused on *The economic value generated and distributed; Financial implications and other risks and opportunities due to climate change; and Financial assistance received from the government.* Thanks to the value dissemination, TTC Bien Hoa not only created the economic efficiency in the short term, but also oriented the long-term benefits for Stakeholders. Sustainable economic growth management was a fundamental foundation for the Company to increase its presence in almost areas such as practically contributing to State budget, Community and Society; ensuring rights and fair treatment to Shareholders-Investors; caring employees to improve their performance; creating employment and improving living conditions for farmers; as well as providing safe products to consumers. The Company strategic orientation was to focus on on-going R&D activities to create added value for Stakeholders through a self-contained supply chain: Farmers - Customers - the Company.

GRI 201-1: DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

REVENUE

In the FY 2017-2018, the Company's Net revenue reached VND 10,285 billion, jumped by 129% yoy and completed 104% of the plan. For many consecutive years, the Company's Net revenue has maintained the constant growth rate and had a considerable jump in FY 2017-2018 after the merger with BHS to become a leading Company in the Industry in respect of market share, production capacity, business locations and distribution channels. The 4-year CAGR was recorded at 71% and will be maintained in the coming years, thanks to the product structure with strong cohesion of 13 Sugar products and 4 By-products that creates the complete value chain generated from sugarcane.

The Company's Financial Income rocketed by over 221% to reach

VND 712 billion. In addition to income from bank deposits, loans or dividends, the majority came from the liquidation of investment, in particular transferring TTC IZ shares. The proceeds from share transfer would be used for long-term investment activities to meet the Company's development strategy until 2020. In terms of the Revenue from other activities, the Company recorded over VND128 billion for transferring Tan Kim Industrial Zone. Appropriate Revenue recognition from the Company's sale of assets contributed significantly to achieve the Profit target in the Sugar Industry's difficult period. Similar to Net revenue, PAT also had outstanding growth in 4 consecutive years, equivalent to the period 2014-2018 CAGR of 42%, reached VND 545 billion and exceeded the plan.

VND **10,285** BILLION

NET REVENUE IN FY 2017-2018

↗ 129% YOY AND COMPLETED 104% OF THE PLAN

VND **712** BILLION

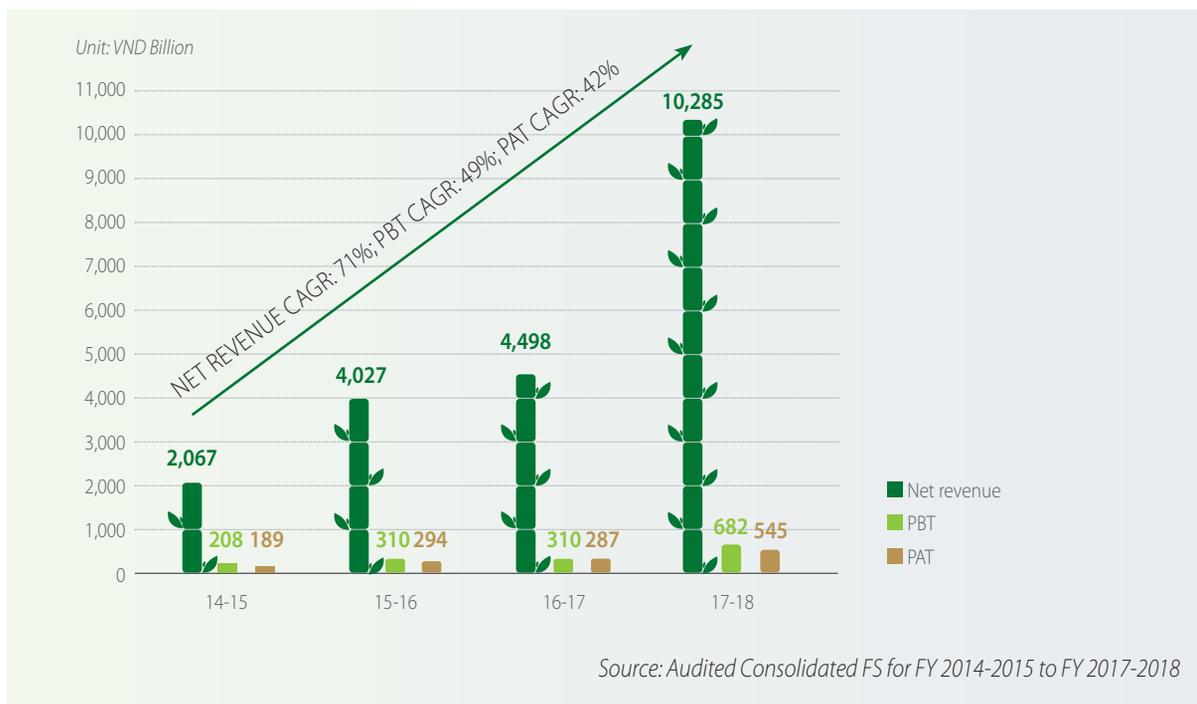
FINANCIAL INCOME

↗ OVER 221%

VND **545** BILLION

PROFIT AFTER TAX

2014-2017 CAGR ↗ 42%



OPERATING EXPENSES

In FY 2017-2018, COGS was approximately VND 8,959 billion, of which the costs of Sugarcane and raw Sugar accounted for the largest proportion in raw materials costs. Although COGS proportion of the main products (i.e. Sugar) reduced dramatically over the previous period, total COGS increased over the previous period due to early-phase development of By-products such as molasses, electricity... with relatively high COGS. However,

during the period that Sugar prices almost bottomed out in the Industry history, the Company maintained a Gross margin of 13%, equivalent to the previous year figure, and strived to approach the Industry average of 16%. Besides, SG&A expenses were recorded at VND 318 billion and VND 436 billion respectively. The ratio of SG&A expenses over Net revenue was 7.3%, slightly increased by 5.2% over the same period because of the Company's continuous promotion for B2C distribution system through retail sale and distribution chains.

20%
EBITDA MARGIN

14 %
EBIT MARGIN

13 %
GROSS MARGIN



GRI 201-1: DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (continued)

EMPLOYEE'S SALARY AND BENEFITS

The salary, welfare, training... policies were one of the main points which the Company proudly well performed in FY 2017-2018, with a total amount of VND 649 billion, surged by nearly 500% compared to FY 2016-2017 in order to retain the staffs with good specialized skills, occupational ethics and enthusiasm for the Company. After successfully merging with BHS, the Company has secured stable employment as well as a careful physical and mental care for former BHS employees. With the number of 4,187 employees, the average monthly income of employees was VND 13 million, slightly increased over the previous year and consecutively higher than other Industry peers.

In FY 2017-2018, 1 permanent employee excluding temporary employees generated VND 2.5 billion of Revenue. In addition, for the succession as well as HR and labor productivity improvement, TTC Bien Hoa spent nearly VND 2 billion for training activities, a rise of 206% over the previous year, including 28% of internal training and 72% of outsourced one with 147 courses and 6,594 participants.

TRAINING ACTIVITIES IN FY 2017-2018



Source: TTC Bien Hoa

4,187 PEOPLE NUMBER OF EMPLOYEES	VND 649 BILLION SALARY-BONUS AND WELFARES ↗ 500% COMPARED TO FY 2016-2017	VND 13 MILLION AVERAGE MONTHLY INCOME
147 COURSES	6,594 PARTICIPANTS TOTAL NUMBER OF PARTICIPANTS	2 BILLION VND TRAINING COST ↗ 206% OVER PREVIOUS YEAR

THE COMPANY ALSO FULFILLED INSURANCE OBLIGATIONS FOR EMPLOYEES, WITH THE TOTAL CONTRIBUTION OF APPROXIMATELY VND 38 BILLION, A SHARP GROWTH OF 255% OVER THE PREVIOUS YEAR.

No.	Type of expense	Total contribution (VND Billion/year)						Increase/ Decrease (%)
		2012	2013	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	
1	Social insurance	4	4.2	6.8	7.5	8.5	30.9	264
2	Health insurance	0.7	0.7	1.2	1.3	1.5	5.3	253
3	Unemployment insurance	0.2	0.3	0.5	0.6	0.7	1.8	157
Total		4.9	5.2	8.5	9.4	10.7	38.0	255

Source: TTC Bien Hoa

PAYMENTS TO CAPITAL PROVIDERS

In addition to advantages from the merger, the Company's Short-term and Long-term loans also rose, and led to the increase in Interest expenses compared to the previous period. FY 2017-2018 recorded Interest expense of VND 714 billion. However, the Company utilized this financial leverage for business expansion, thus EBIT/Interest expense ratio was

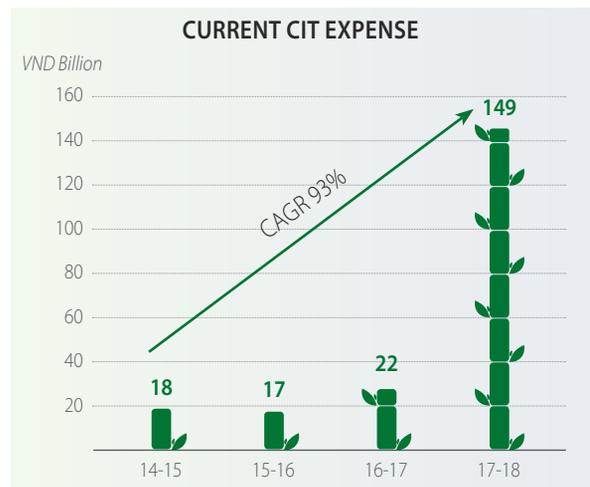
maintained reasonably at 2 times, which was similar to the last financial year's figure, and business operations was not impacted by interest payments. The Company plans to lower its Debt ratio and shift the Debt structure to Long-term debt and reduce interest pressure; and diversify the capital structure by issuing shares in various forms to decrease the cost of debt.



Pivot-center irrigation system is expected to be applied in most TTC Bien Hoa's Raw material farms

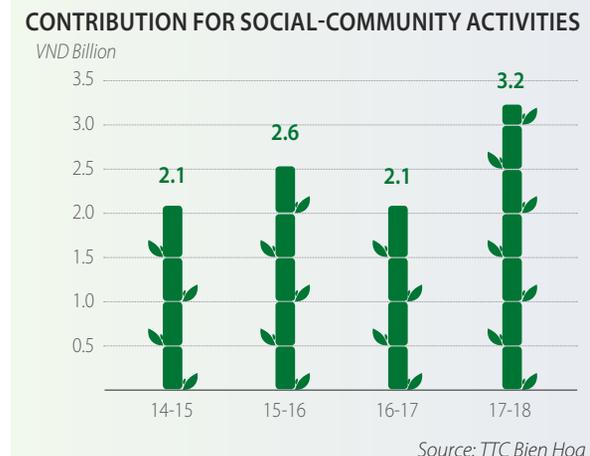
PAYMENTS TO GOVERNMENT

Tax payment is not only legal compliance but also viewed by the Company as one of significant contributions to the development of Country and Localities in the Company's operating areas, and especially when the Agriculture Industry is always cared by the Government. In the last financial year, current CIT liability was recorded at VND 149 billion, among the highest CIT ever, soared by 475% over the last year, corresponding CAGR in the period from FY 2014-2015 to FY 2017-2018 reached 93% to be consistent with the Revenue growth during the business expansion. The Company's total current CIT expense in 4 financial years from 2014-2015 to 2017-2018 was VND 206 billion.



COMMUNITY INVESTMENTS

TTC Bien Hoa pays special attention to CSR activities for a better life for all. In terms of social community activities including End poverty in all its forms everywhere - Zero hunger, achieve food security and improved nutrition, and promote sustainable agriculture - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, and Reduced inequalities, the Company's total contribution for these goals was up to VND 10 billion in the past four years, of which VND 3.2 billion for FY 2017-2018, a rise of 52% over the same period with more than 35,000 beneficiaries.



GRI 201-2: FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

RISKS RESULTED FROM UNFAVORABLE CLIMATE AND MEASURES TO MITIGATE

Agricultural production is directly and strongly influenced by impacts of natural conditions, natural resources, climate... For optimal business efficiency, in addition to the motto "following the nature" which means limiting measures to impact the natural environment such as deep cultivation causing soil erosion, building dams...; the Company also applied advanced technology, technical measures, testing new sugarcane varieties, enhanced mechanization, cultivation technology, plant caring, flexible seasonal production..., which results in minimizing damages due to weather impacts while maintaining high productivity and improving economic efficiency. These activities limited negative natural impacts, waste of resources, in particular did not affect the environment. The Company also actively learned new technology in agricultural management from the world's leading enterprises in the same industry, as well as consultancy organization - Deloitte on operational strategies such as management of raw materials areas, production planning... in order to optimize activities in raw material development in general.

ENERGY SOURCES AND SOLUTIONS

One of the criteria focused to improve by TTC Bien Hoa was enhancement of renewable energy projects to supply production activities as well as office's use, specifically utilizing bagasse and solar energy... This not only contributed to cost reduction for the Company, but also promoted the use of green energy and environmental protection. To name typical projects implemented in FY 2017-2018 such as *Upgrade and Improve the Thermal Power Centre* that helped reduce steam consumption rate in power generation from 8.26 tons to 6.14 tons per MWh; *Steam saving system* that decreased steam consumption rate from 0.57 to 0.5; *Change furnace fuel*, invested in bag house for emission treatment to ensure environmental criteria of emissions; and *Solar power project* saved electricity costs for the office. In general, these projects would minimize environmental impacts in accordance with the long-term development orientations, be consistent with the world's sustainable development trend.

TOTAL AMOUNT OF LOSS IN PRODUCTION

In 2017-2018 crop year, the total loss was 1.91% Pol/cane, exceeded the plan of 4%, and more affective than the previous year of 1.96% Pol/cane thanks to better extraction efficiency resulting in higher production output. However, average burned cane rate and impurity rate were 13.8% and 5.06% respectively, slightly increased over the last

year due to objective weather factors. In the coming FY 2018-2019, the Company continues to research and deploy better measures to care sugarcane such as regular irrigation and deep plowing for adequate water absorbance to minimize cane quality impact by sun burning.

PHYSICAL RISKS AND OPPORTUNITIES

As the Raw material areas are usually located in areas with less favorable soil conditions and weather than other perennial plants, the Company focused on minimizing weather risks such as drought and flood which impact productivity, quality and CCS. Specifically, to limit cane burning, farming staffs must actively monitor sugarcane fields, ensure appropriate irrigation measures or make the plan for early harvesting. In order to prevent floods, deep plowing work was carried out to create better roots for sugarcane, also help drain faster to avoid the flooding. Nevertheless, sugarcane was a plant with high biological capacity and strong regeneration potential. Sugarcane was capable of utilizing high sunlight during photosynthesis thanks to large coverage index. Sugarcane was a plant that can be rooted for many years, meaning once planting for harvesting in many crops. In addition, with the good adaptability, sugarcane could be grown on many types of soil with different ecological conditions, resistant to unfavorable conditions of nature and was suitable for different levels of production and processing.

IMPACT ON EMPLOYEES

To minimize physical risks to employees, the Company carried out supporting measures such as arranging the working area in a scientific way with ease of ventilation and rationalization; regularly cooling the working area, providing protective equipment for employees; applying regulations, setting up sanctions on labor safety in fire prevention and fighting; paying allowances and performing periodical healthchecks. During the past 8 years, the Company has had annually invited authorities to check the noise, vibration, dust,... to equip additional uniforms, protective equipment in order to limit environmental impacts on employees' health. Especially in FY 2017-2018, the Company completed the construction of a green-clean-beautiful working environment which exceeded expectations, resulting in a comfortable and creative space to enhance each employee's productivity. In addition, the Company had a medical aid station with a doctor and a nurse, and equipped with the ambulance and necessary material for initial medical examination and treatment. The Company also had policies for employees working in toxic places and provided toxic allowances in accordance with the State regulations.

GRI 201-4: FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

UNDER THE NATIONAL STRATEGIC ORIENTATION “VIETNAM IS A TOP 15 COUNTRY WITH THE MOST DEVELOPED AGRICULTURE IN THE WORLD, IN WHICH AGRICULTURAL PROCESSING ARE IN THE TOP 10 OF THE WORLD IN THE NEXT 10 YEARS”, TTC BIEN HOA HAS BEEN ALWAYS RECEIVING SIGNIFICANT SUPPORT FROM THE GOVERNMENT.

The Company only paid CIT at the rate of 10% of taxable income, compared to the rate of 20% for other fields. In addition, the Company is CIT exempted for income from cane sugar production from October 1st 2015 under the guidance of Circular No. 96/2015/TT-BTC issued by the Ministry of Finance on June 22nd 2015. The Subsidiaries have only obliged to pay CIT at the rate from 10% to common tax rate on taxable income. These Subsidiaries are also entitled to CIT exemption under the corresponding business registration and current taxation laws.

This is the Government’s positive support for Vietnam Agriculture in general and Sugar Industry in particular. The Government’s financial support, compared to the paid taxes, may be useful for creating a balanced image among companies in the Industry as well as TTC Bien Hoa with the Government. In the coming time, with the Government’s commitments to support the sugarcane Industry, the Company could confidently accomplish assigned objectives and contribute to overall development of the whole society.

GRI 203

INDIRECT ECONOMIC IMPACTS

IN THE LAST FINANCIAL YEAR, THE COMPANY SPENT MORE THAN VND 70 BILLION ON ACTIVITIES FOR THE UN’S SUSTAINABLE DEVELOPMENT GOALS, WITH OVER 40,000 BENEFICIARIES INCLUDING 25,000 LOCAL EMPLOYEES, 10,000 FARMERS, 5,000 EMPLOYEES AND THOUSANDS OF PEOPLE, WOMEN, CHILDREN... FROM ALL PROGRAMS.

In order to contribute to sustainable economic growth of the society, TTC Bien Hoa not only implemented economic development programs, but also supported natural environment protection as well as better society. This is a parameter to measure the Company’s financial contribution to the economy, through infrastructure investments and supported services, current or projected impacts on the community and local economy, investment and services for public purposes.

In addition to prioritizing local labor recruitment, combining training – scholarship granting and internship programs to raise income level and capacity of local HR at each raw material area; the Company applied a roadmap for mechanization, in combination with machinery support to ensure employment for this workforce. In addition, there were programs such as *Starvation eradication; Poverty eradication; Ensuring healthy lives and promoting well-being for all at all ages; Ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all; Achieving gender equality and empowering all women and girls; Ensuring availability and sustainable management of water and sanitation for all; Ensuring access to affordable, reliable, sustainable and modern energy for all; Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; Building resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; Reducing inequality within and among countries;*



Accompanying Farmers

Making cities and human settlements inclusive, safe, resilient and sustainable; Ensuring sustainable consumption and production patterns; Taking urgent action to combat climate change and its impacts; Conserve and sustainably use the oceans, seas and marine resources for sustainable development; Protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss; Promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels; and Strengthening the means of implementation and revitalizing the global partnership for sustainable development. These activities were carried out regularly and continuously across the Country, even expanded to Indochina Region including Laos, where TTC Bien Hoa has raw material area. In the last financial year, the Company spent more than VND 70 billion on activities for the UN’s Sustainable Development Goals, with over 40,000 beneficiaries including 25,000 Local employees, 10,000 Farmers, 5,000 Employees and thousands of people, women, children... from all programs.

GRI 204

PROCUREMENT PRACTICES

Stable and effective supply chain management was reflected by the Company's responsibilities with Stakeholders in a proactive manner. In general, suppliers play an important role in the supply chain. Through agricultural encouragement programs, regulations of investment and procurement, Code of Conduct, the Company strived to balance benefits for suppliers towards long-term partnership. TTC Bien Hoa could indirectly attract more investment and directly increase the local economy's income by supporting local suppliers. Companion with local suppliers was one of strategies that help ensure the supply and support the sustainability of local economy as well as maintain relationships with community.

GRI 204-1: PROPORTION OF SPENDING ON LOCAL SUPPLIERS

In terms of raw sugarcane purchasing, the Company had in-depth cooperation contracts with farmers, particularly, by off-take agreements, helping farmers to reduce selling price fluctuation risks. The Company committed to buy 100% raw sugarcane from farmers who sign guarantee clauses. In FY 2017-2018, although the Sugar Industry was unfavorable, the Company still kept the

commitments. In addition, the Company's purchase price was always higher than the recommended price from the Ministry of Agriculture and Rural Development.

In terms of other raw materials purchasing excluding sugarcane and services for production and business, the Company took supplier's quality standards, reputation, sustainability, social

responsibilities into account for evaluation. In FY 2017-2018, the proportion of domestic suppliers (providing ancillary materials, spare parts for maintenance and project items,...) accounted for 80% with total value before tax of VND 1,028 billion. As the result, many opportunities were given to "pure"Vietnamese suppliers with quality and strong brand to gain mutual development.

GRI 205

ANTI-CORRUPTION

THE CODE IS APPLIED UNIFORMLY TO ALL MEMBERS OF THE COMPANY FROM THE TOP MANAGEMENT LEVEL TO WORKERS IN DAILY COMMUNICATION WITH STAKEHOLDERS SUCH AS BUSINESS PARTNERS, INVESTMENT PARTNERS, COLLEAGUES...

Anti-corruption is considered as an indispensable part of the Company's governance process, illustrated with the first issuing of Code of Conduct in FY 2017-2018 under IFC's consultancy. The Code's purpose is to propagate, train and implement sanctions related to rules of communication and behavior, commitments to occupational ethics and anti-corruption. The Code is applied uniformly to all Members of the Company from the Top

Management Level to workers in daily communication with Stakeholders such as business partners, investment partners, colleagues... Through orientation training courses for all new employees, the Code's spirit and contents have been disseminated to each employee, helping to build internal and external awareness on necessary capacities to prevent corruption, with the further aim to reduce costs and enhance productivity.

The Company also monitors and receives the information about corruption by internal channels and external Stakeholders through Internal Audit Department. In addition, in order to protect the reporters, the Code also states that the Company prohibits revenge or punishment, and reproach to whom has honestly reported violations of occupational ethics, internal regulations and laws. Although the Code has not yet been officially promulgated, all the employees have always put integrity as the guideline in all activities. As the result, there has never been any corruption found during the Company's operation.



GRI 301

MATERIALS

IN THE SUGAR INDUSTRY, THE MOST IMPORTANT MATERIALS ARE SUGARCANE AND RAW SUGAR, WHICH ACCOUNTED FOR THE HIGHEST PROPORTION IN FY 2017-2018 COGS. IN ADDITION TO SUGARCANE CRUSHING AND SUGAR REFINERY FROM CANE, MANY FACTORIES OF TTC BIEN HOA CAN REFINE SUGAR FROM RAW SUGAR, WHICH HELPS TO LENGTHEN REFINERY DURATION AFTER THE SUGARCANE SEASONS TO OPTIMIZE OPERATION CAPACITY. THE KEY ISSUE TO BE ANALYZED IN THE MATERIALS SECTION IS MATERIALS USED BY WEIGHT OR VOLUME.



Sugarcane - the main material of Sugar production

GRI 301-1: MATERIALS USED BY WEIGHT OR VOLUME

SUGARCANE

At TTC Bien Hoa, sugarcane farmers are not only partners, but also a companion to the Company and an important link in the sugar production value chain. In terms of sugarcane materials, the Company's principle in all activities is that "if the farmers benefit, the factory will make profit".

Material area development is currently considered as the top priority, precondition for the Company's existence and growth. With the strategy to develop stable, sustainable, productive, high quality material areas, to take more control in material supply, in addition to sugarcane off-take agreements and invested farms, the Company implemented intensive investment in Raw material areas with the following prioritized programs: (1) Promoting application of modern techniques and

technology; (2) Promoting self-contained cultivation process from supply of sugarcane seedlings to harvesting; (3) Strengthening mechanization; (4) Developing agricultural science and technology research; (5) Developing new sugarcane seedlings for better yield... All the programs must comply with environmental protection regulations.

Currently, TTC Bien Hoa owns a total Raw material area of 58,600 ha in locations which have appropriate climate and soil for sugarcane development such as Tay Ninh (23,800 ha), Khanh Hoa (12,500 ha), Gia Lai (11,400 ha), Ninh Thuan (3,800 ha), Dong Nai (2,600 ha)..., making up a quarter of the whole Country's sugarcane Raw material area; and being expected to increase in the coming time. The Company's Raw material areas all locates near sugar refinery plants, which helps maintain high CCS, reduce

transportation costs and hence improve the profitability. The 22 owned farms have a total material area of 10,200 ha, soared by 636% compared to FY 2013-2014 to contribute 17% of the Company's total, which is 100% mechanized, harvested almost by large machinery. Following the M&A transaction with HAGL Sugar, the Company have one more refinery, TTC Attapeu Plant, with a crushing capacity of 7,500 TCD, producing 700 tons of Sugar per day along with a material area of 6,000 ha in Attapeu Province - Laos. In addition, the Company cooperates to invest in a total Raw material area of 48,400 ha (or 83% of total) across the three Indochina Countries of Vietnam - Laos - Cambodia, which is also being mechanized gradually. TTCS Tay Ninh Factory has the largest crushing and production capacity, which is 9,800 TCD and 1,000 tons of Sugar/day respectively.

GRI 301-1: MATERIALS USED BY WEIGHT OR VOLUME (continued)

SUGARCANE (continued)

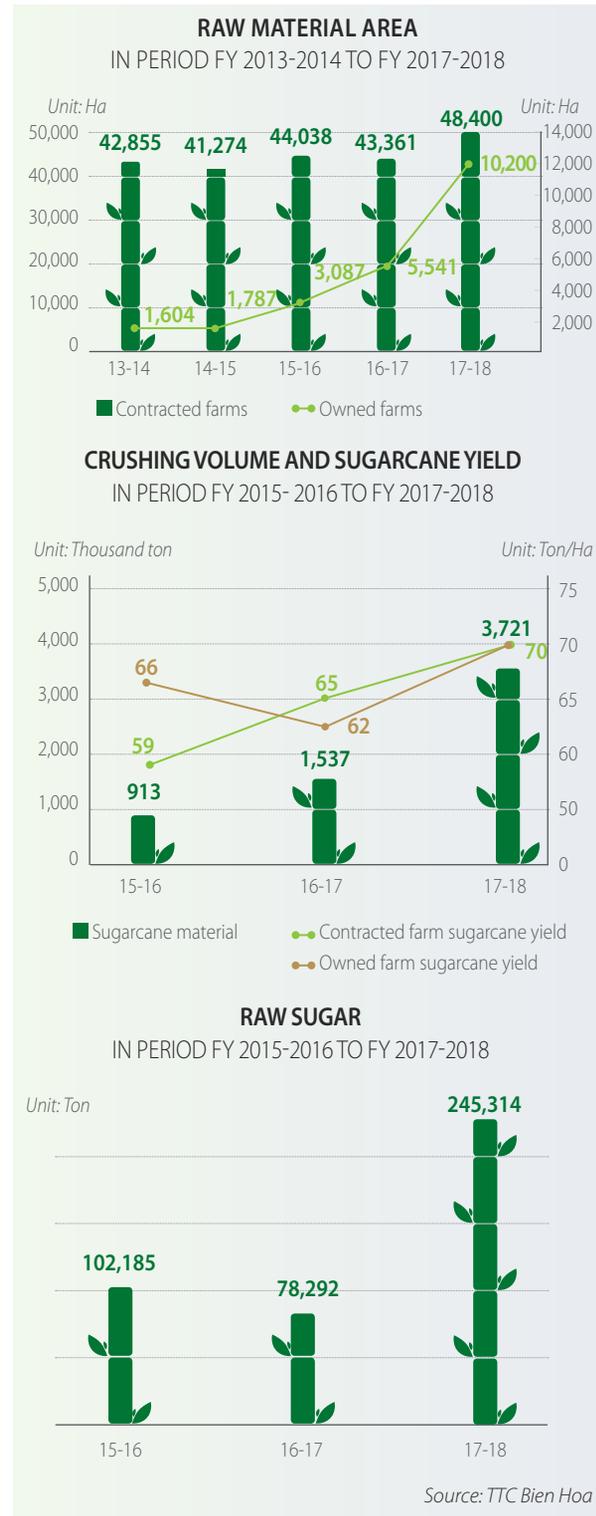
Raw sugarcane used tends to increase gradually from the rate of 68% in FY 2016-2017 to 142% in FY 2017-2018 due to production expansion. The increased sugarcane materials also led to a corresponding rise in bagasse volume which contributes noticeably to generate the electricity used for refinery after cropping season as well as cost saving. The Company's long-term strategy based on natural material sources, cultivation policies and technology improvements results in high commercial value By-products as well as cleans energy, helping minimize environmental impact.

TTC Bien Hoa aims to train qualified farmers in order to take advantage of the Company's favorable support to do agricultural economy professionally, to minimize damages and enhance competitiveness. In 2017-2018 crop year, adverse weather condition for sugarcane, competition from other crops as well as ATIGA information led to shrunk sugarcane cultivation area. However, TTC Bien Hoa's sugarcane farms maintained adequately raw material volume supplied to the plants, thanks to agricultural policies, co-investment with farmers to grow sugarcane and guides on tending to improve productivity.

RAW SUGAR

Raw Sugar volume recorded a rise of 214% from 78,292 tons in FY 2016-2017 to 245,314 tons in FY 2017-2018 due to post-merger expansion. Among 9 Sugar refinery factories with total crushing capacity of 37,500 TCD and total production capacity of 620,000 tons of Sugar/year, there are 4 factories capable of producing raw Sugar, of which 3 largest refinery centers refining raw Sugar are TTCS, Bien Hoa-Dong Nai and Bien Hoa-Ninh Hoa. Bien Hoa-Dong Nai is the only factory that can operate all the year round with a capacity of 400 tons of Sugar/day, enabling the Company to better control raw material supply, increase refinery duration as well as machinery performance. A large proportion of this raw Sugar was processed from raw sugarcane. Therefore, in addition to improving the production capacity, TTC Bien Hoa always strives to fulfill long-term commitments to farmers, social accountability in the localities where the Company has raw material area.

In addition to the main raw materials, the Company used food additives in the Sugar production process. With customer safety and environmental friendliness placing on the top priority, the Company commits to bring clean products to the market.



GRI 302

ENERGY

123 MILLION KWH

TOTAL COMMERCIAL ELECTRICITY

↗ 56% COMPARED TO PREVIOUS YEAR

THE COMPANY'S BUSINESS ACTIVITIES ASSOCIATED WITH A VARIETY OF ENERGY SOURCES SUCH AS NON-RENEWABLE ENERGY FROM FOSSIL FUELS SUCH AS D.O, BROWN COAL...; RENEWABLE ENERGY SUCH AS SOLAR, STEAM...; AND ENERGY GENERATED FROM BY-PRODUCTS, THAT WAS ALLOCATED SCIENTIFICALLY FOR INTERNAL USE AND COMMERCIAL PURPOSES. IN THIS ENERGY SECTION, ENERGY CONSUMPTION WITHIN THE ORGANIZATION AND REDUCTION OF ENERGY CONSUMPTION WERE EMPHASIZED BECAUSE THEY HAVE DIRECT IMPACTS ON PRODUCTION PERFORMANCE.

GRI 301-1: ENERGY CONSUMPTION WITHIN THE ORGANIZATION

FUEL CONSUMPTION - RENEWABLE SOURCES

The energy generated from bagasse, rice husk and ground wood supplied a total calorific value of over 35 million MJ in FY 2017-2018, almost eightfold over the previous year. The Company is having plans to fully utilize renewable energy sources and side-products by investment in modern equipment improvement. This Project not only helps the Company saving costs but also promote the environmental protection. Specifically, 8 out of 9 refineries of TTC Bien Hoa were able to generate electricity internally, which were both adequate for production activities and sale to the national electricity grid. In the last financial year, the Company's total commercial electricity reached 123 million kWh provided by 4 factories including TTCS, TTCS Gia Lai, Bien Hoa-Ninh Hoa and TTC Attapeu, a rise of 56% yoy. In particular, TTCS Factory with the largest crushing and production capacity contributed 38% of the Company's total electricity volume, 9% higher than the previous year.

FUEL CONSUMPTION - NON-RENEWABLE SOURCES

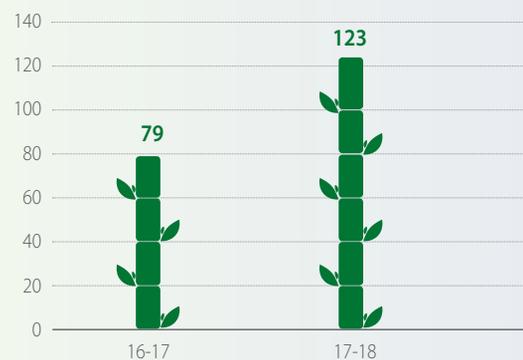
The non-renewable energy source is D.O used for mechanical machines (accounted for around 3%) and mostly brown coal for Sugar processing (accounted for 97%). Bien Hoa-Dong Nai Factory is the only one in TTC Bien Hoa's 9 factory system that can refine Sugar from raw Sugar and operate all year round, hence coal is mainly used for production activities at this factory.

GRI 302-4: REDUCTION OF ENERGY CONSUMPTION

Electricity consumption and steam consumption per ton of sugarcane showed noticeable improvements as compared to the previous financial year. In particular, FY 2017-2018 electricity consumption at TTCS Factory decreased by 2% over FY 2015-2016 and 9% over FY 2016-2017, thanks to the Company's efforts and control measures. In addition, steam consumption was controlled more effectively than the previous year, reduced by 5% and below the Company's norm thanks to VND 160 billion investment project to upgrade and renovate the Thermal Power Center.

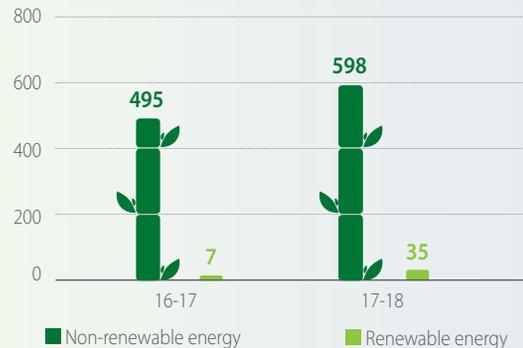
COMMERCIAL ELECTRICITY VOLUME
IN PERIOD FY 2016-2017 TO FY 2017-2018

Unit: Million kWh



FUEL CONSUMPTION BY RENEWABLE AND NON-RENEWABLE SOURCES
IN PERIOD FY 2016-2017 TO FY 2017-2018

Unit: MJ



Source: TTC Bien Hoa

GRI 302-4: REDUCTION OF ENERGY CONSUMPTION (continued)

33,000 KWH

**CONSUMPTION VOLUME OF SOLAR POWER
FY 2017-2018**

↗ **TWOFOLD OVER FY 2016-2017**



Trend of using Solar energy at TTC Bien Hoa

In addition to production activities, the Company has also promoted the use of Solar power in the office area. In particular, TTCS Factory, which has the highest sugarcane crushing and production capacity in the system of 9,800 TCD and 1,000 tons of Sugar/day, had total consumption volume of Solar power of more than 33,000 kWh in FY 2017-2018, more than 2 times over the previous year. As the result, the cost savings from using Solar power was over VND 47 million, 63% higher than last year. The figure was not significant, but it reflected the Company's efforts and preference in renewable and cheap energy sources.

With several Solar power projects that the Company is conducting feasible study, this kind of energy will significantly contribute to production cost and price reduction to enhance the Company's competitiveness on the market.

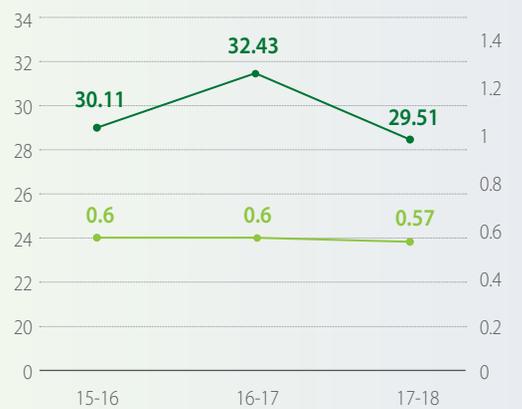
Solar power consumption volume at TTCS Factory

Financial year	Solar power (kWh/crop)	Cost savings (Million VND/crop)
2016-2017	16,113	29
2017-2018	33,536	47

ELECTRICITY AND STEAM CONSUMPTION RATE AT TTCS FACTORY

IN PERIOD FY 2015-2016 TO FY 2017-2018

Unit: kWh/Ton of sugarcane Unit: Ton of steam/Ton of sugarcane



● Electricity consumption/Ton of sugarcane (kWh/Ton of sugarcane)
● Steam consumption (Ton of steam/Ton of sugarcane)

Source: TTC Bien Hoa

In FY 2017-2018, it is our common responsibility to reduce consumption and minimize wastes to benefit the society at large; the Company took a lot of measures to successfully reduce the consumption of energy of all kinds as compared to the previous year. For instance, the steam consumption at TTCS Factory decreased from 8.15 tons of steam/kWh to 6.15 tons of steam/kWh, equivalent to an efficiency of 25% thanks to the boiler upgrade to increase the operation pressure as well as corresponding superheated steam temperature. In addition, with more stable supply of input sugarcane, the crushing process was carried out constantly and thus, electricity use was also improved significantly, seeing a decline of 6.38 kWh/ton of finished Sugar, equivalent to 22,935 KJ

Reduction of steam and energy consumption at TTCS Factory

Criteria	Steam consumption (Ton of steam/kWh)	Electricity consumption (kWh/Ton of finished Sugar)
2016-2017	8.15	37.57
2017-2018	6.15	31.19
Saving	2	6.38
Conversion (kJ/ton of finished sugar)		22,935

GRI 303

WATER AND EFFLUENTS

FULLY BEING AWARE OF THE IMPORTANCE OF WATER RESOURCES FOR COMMUNITY AND ENVIRONMENT IN GENERAL, TTC BIEN HOA FOCUS ON BOTH WATER MANAGEMENT ITEMS OF WATER WITHDRAWAL BY SOURCE AND WATER RECYCLED AND REUSED WITH THE MOTTO OF SAVING, EFFICIENCY AND REUSE. IN FY 2017-2018, TTC BIEN HOA STRENGTHENED WATER SAVING MEASURES, OPTIMIZED MEASURES TO INCREASE THE USE OF RECYCLED WATER AND REVIEWED DOMESTIC ACTIVITIES IN ORDER TO ACHIEVE THE OBJECTIVES OF SAVING AND APPROPRIATENESS.

GRI 303-1: WATER WITHDRAWAL BY SOURCE

The Company mainly used water buying from external partners through canals and reused water after treatment. In the last crop, weather change with more rain during the production season caused unstable supply of raw sugarcane, and hence more water used in machinery cleaning due to more frequent suspension. Nevertheless, the Company had flexible measures to recycle the water from sewage treatment system to supply the cooling system, resulting in reduction of water consumption. Indicators such as total water volume for production and average water consumption per day or per ton of finished Sugar were all improved in FY 2017-2018. Typically, average water consumption at TTCS Factory

GRI 303-3: WATER RECYCLED AND REUSED

Water has high temperature after passing the cooling system, thus it can not be used and must be discharged, and then the water bought from outside canals is used to provide for cooling purpose. In order to save water and recycle water from the cooling system, the Company invested in the Cooling Tower system in early 2010 to circulate the used water after the cooling process to cut down purchased water and corresponding expenses. In total, this system helped the Company reduce 73% of water buying expenses. Especially, 100% sewage was recycled and an amount of VND 399 million was saved (443,060 m³ x VND 900) in FY 2017-2018.

In general, increasing use of recycled water showed the Company's full awareness and responsibilities for sustainable development. It reflected in 67% increase in recycled water volume as well as 26% proportion of recycled water over total input water in FY 2017-2018, soared by 84% over the same period.

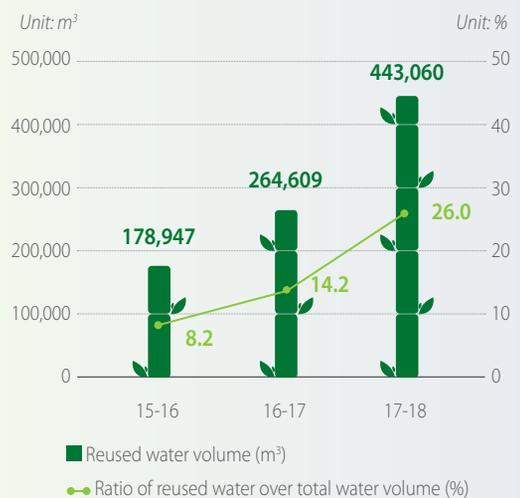


Water consumption at TTCS Factory In period FY 2015-2016 to FY 2017-2018

Financial year	Water for production (m ³)	Average (m ³ /day)	Volume of water used (m ³ /Ton of finished Sugar)
2015-2016	2,172,960	11,087	12
2016-2017	1,870,560	11,337	12.10
2017-2018	1,706,400	10,280	11.52

was reduced by more than 1,000 m³/day, equivalent to 9.3% of average daily water consumption, contributed considerably to lower the Company's product price.

REUSED WATER VOLUME AND RATIO OF REUSED WATER OVER TOTAL WATER VOLUME IN PERIOD FY 2015-2016 TO FY 2017-2018



Source: TTC Bien Hoa

GRI 305

EMISSIONS

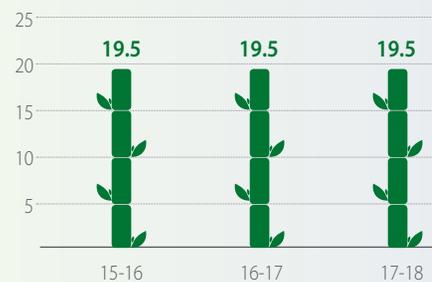
AS A LEADING COMPANY IN THE SUGAR INDUSTRY AND A RESPONSIBLE PRODUCER, TTC BIEN HOA ALWAYS ENSURES ABSOLUTE COMPLIANCE WITH LEGAL REGULATIONS, ESPECIALLY IN THE FIELD OF ENVIRONMENTAL PROTECTION SUCH AS LAW ON ENVIRONMENTAL PROTECTION IN 2014, DECREE NO.38/2015/ND-CP ON MANAGEMENT OF WASTE AND DISCARDED MATERIAL. THERE WERE IMPLEMENTATION OF SEVERAL MEANINGFUL PROJECTS OF CLEAN FUELS AND TOXIC EMISSION MINIMIZATION AS WELL AS INTERNAL REGULATIONS ON ENVIRONMENTAL SAFETY.

GRI 305-1: DIRECT GHG EMISSIONS

In respect of boiler technology, TTC Bien Hoa's factories used boilers fuelled by bagasse rather than coal, significantly helping minimize CO₂ emission volume. In addition, in respect of Sugar production technology, TTC Bien Hoa mainly used carbonation technology, which CO₂ and lime were used to clarify impurities, thus most of generated CO₂ was subtracted from the boiler emission treatment system to reuse. In three consecutive FY from 2015-2016 to 2017-2018, the rate of recycled CO₂ stayed stable at 19.5 m³ per ton of finished Sugar and is expected to maintain in the coming years.

REUSED CO₂ AT TTCS FACTORY
IN PERIOD FY 2015-2016 TO FY 2017-2018

Unit: M³/Ton of finished goods



Source: TTC Bien Hoa

GRI 306

EFFLUENTS AND WASTE

ENVIRONMENTAL PROTECTION IS DRAWING A GREAT DEAL OF SCRUTINY IN THE WHOLE SOCIETY. TTC BIEN HOA ALWAYS PLACES THE IMPORTANCE ON ENVIRONMENTAL PROTECTION AND HAS BEEN ACHIEVING A LOT OF PERFORMANCES, IN ORDER TO DEVELOP THE GREEN ECONOMY IN A SUSTAINABLE MANNER. MOST OF WASTE GENERATED IN THE PRODUCTION PROCESS WERE UTILIZED AND DEVELOPED TO BECOME COMPETITIVE ADVANTAGES. THEREFORE, ONLY WATER DISCHARGE BY QUALITY AND DESTINATION AND WASTE BY TYPE AND DISPOSAL METHOD WERE PRESENTED IN THIS SECTION.

GRI 306-1: WATER DISCHARGE BY QUALITY AND DESTINATION

In the Sugar production, one of the environmental concerns are sewage, emission, bagasse, mud and ash. TTC Bien Hoa's sewage treatment system met the current legal requirements of QCVN 40:2011/BTNMT. Treated sewage was 100% reused, helping save costs for the Company and contribute to protection of water resources.



Sewage treatment Lake at Bien Hoa-Dong Nai Factory



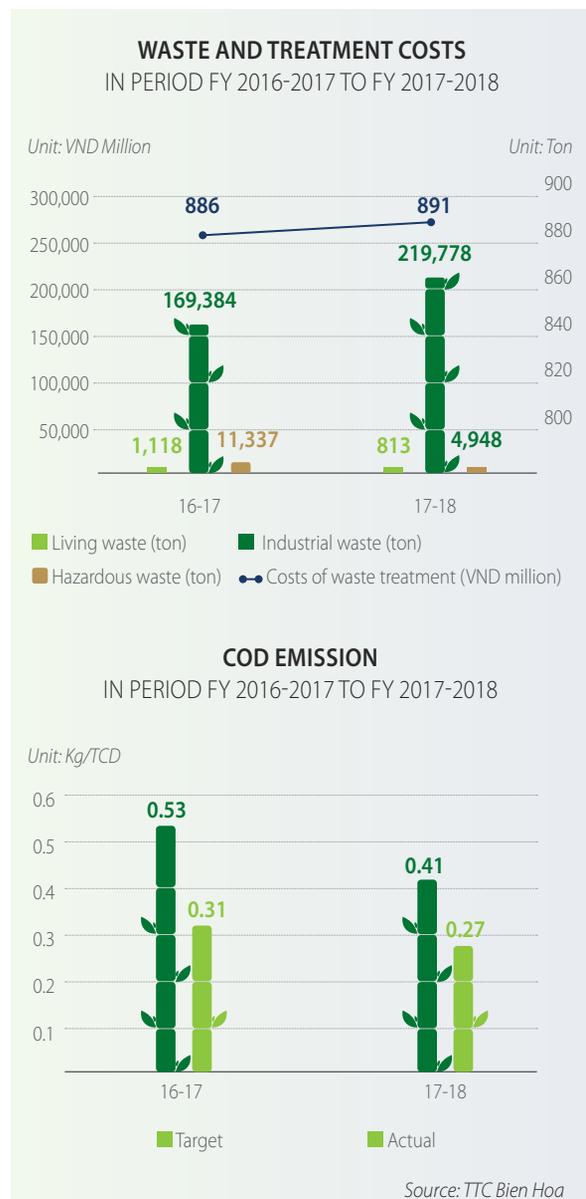
Sewage treatment at TTCS Factory

GRI 306-2: WASTE BY TYPE AND DISPOSAL METHOD

After Sugar production process, bagasse was utilized to refuel the boilers, provide steam and generate electricity for plant's production activities as well as for sale to the national electricity grid, bringing in income. Biomass fuel i.e. bagasse helped minimize the emission of CO₂ and other gases that negatively impact the environment. Meanwhile, after passing the emission treatment system, CO₂ from boilers was used to remove impurities in Sugar, resulting in cost saving as well as environmental protection. Boiler ash and mud were used to produce microbial enzymes and fertilizers to improve farmland, increase soil fertility and enhance sugarcane yield.

Wastes in the production process were divided into 3 categories such as Living waste, Industrial waste and Hazardous waste. Along with the output increase, Industrial waste amount also went up by 30% over the previous year. However, Living waste and especially Hazardous waste dropped by 27% and 56% respectively, which contributed to decline of direct impact on environment. Despite a 24% rise in waste volume, the treatment expense only increased marginally by 0.6%.

Chemical Oxygen Demand (COD) is the amount of oxygen needed to oxidize all organic matters in effluents, including organic matters not biodegradable and determined by bicromat method in sunfuric acid condition with silver sulfate catalyst, unit of mg O₂/l. COD was widely used to indirectly measure amount of organic matters contained in water. Low amount of COD emission helped the sewage treatment system which operated more easily and less costly. In both recent financial years, the COD performance was significantly lower than the target thanks to control measures at each plant, which not only reduced environment impact but also contributed to cost reduction. In FY 2017-2018, COD emission was only 0.27 kg/TCD, equivalent to a 34% decline over the annual plan and downed by 16% compared to FY 2016-2017.



FOR COMMUNITY DEVELOPING LOCALITIES

TTC BIEN HOA'S SUSTAINABLE ECONOMIC GROWTH STRATEGY IS DESIGNED TO HARMONIZE WITH SOCIAL, COMMUNITY DEVELOPMENT, FOR A SAFE AND SUSTAINABLE RESIDENTIAL AREA AND COMMUNITY. STAKEHOLDERS ENGAGED IN KEY AREAS SUCH AS *EMPLOYMENT; OCCUPATIONAL HEALTH AND SAFETY; TRAINING AND EDUCATION; DIVERSITY AND EQUAL OPPORTUNITY; LOCAL COMMUNITIES; CUSTOMER HEALTH AND SAFETY* ARE ALWAYS ATTENDED TO, AND THE COMPANY IS MAKING CERTAIN CONTRIBUTIONS TO SOCIETY.



GRI 401

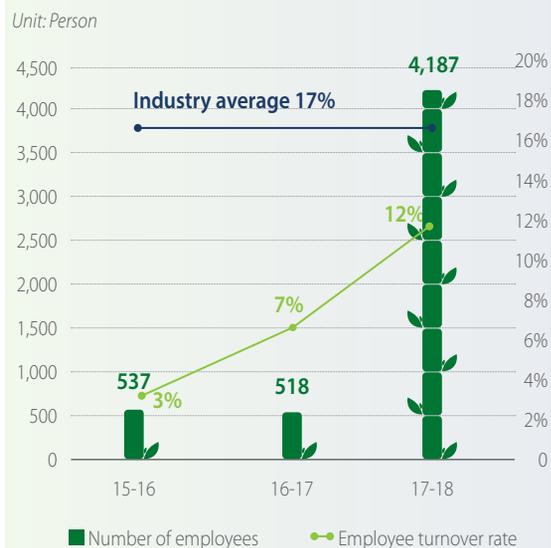
EMPLOYMENT

GRI 401-1: NEW EMPLOYEE HIRE AND EMPLOYEE TURNOVER

Personnel policies are fully defined in the Company's organizational and operating regulations, in compliance with the Labor Law, relevant laws and regulations of Vietnam, and similar laws in Laos, Cambodia where TTC Bien Hoa has the Raw material area and directly employs labor force. HR Department was headed by a Director, who was responsible for developing and deploying the policies in accordance with BOD's directions.

With 26 Member Companies, TTC Bien Hoa created employment for 4,187 employees excluding temporary employees, a record increase of 708% compared to 518 employees of the previous year, following the merger with BHS and other Sugar plants according to BOD's strategic orientations. TTC Bien Hoa had a system of effective personnel policies and procedures in the efforts to ensure stable human resources for continuous production process. The Company's employee turnover rate in FY 2017-2018 was only 12%, well below the 17% average in the Production/Agriculture Industry thanks to good benefit policies and working environment improvements in the last year.

NUMBER OF EMPLOYEES AND EMPLOYEE TURNOVER IN PERIOD FY 2015-2016 TO FY 2017-2018



Source: TTC Bien Hoa



A training course for Middle Managers in Agriculture Line



Mr. Pham Hong Duong - Chairman of TTC Bien Hoa (middle) and Ms. Do Thu Ngan - TTC Group's Deputy CEO participated in a relief program in Attapeu Province, Laos

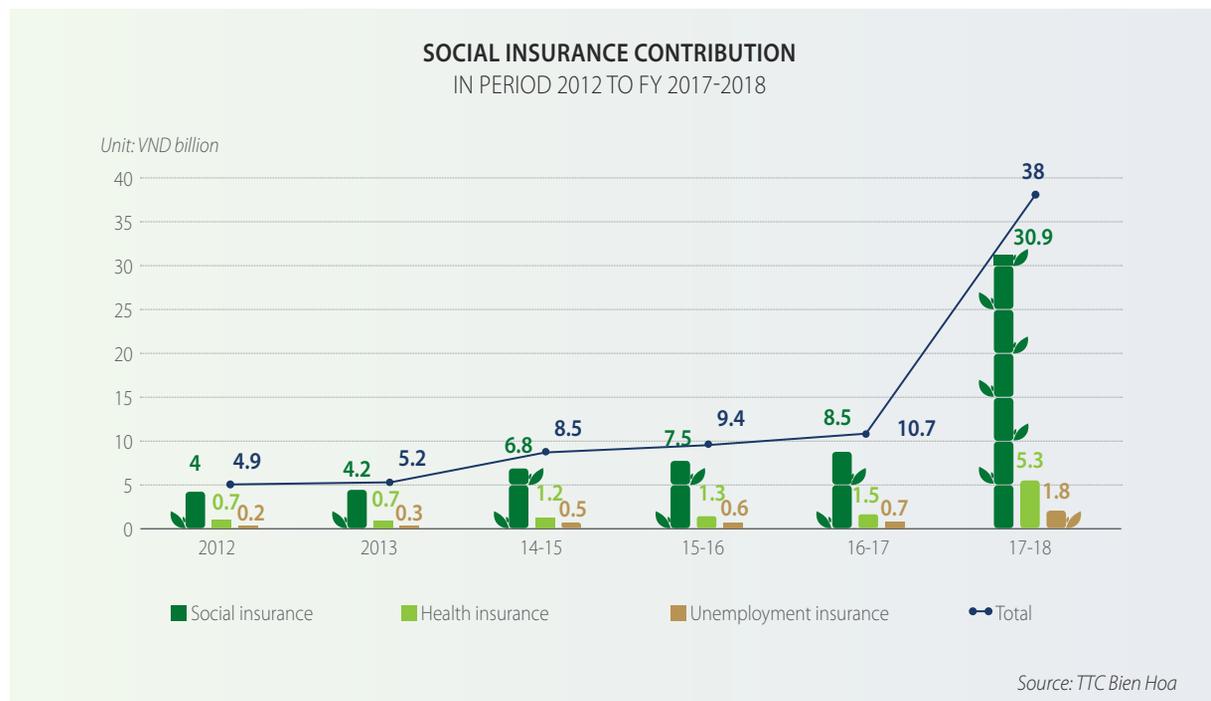
GRI 401-2: EMPLOYEE'S BENEFITS

In addition to more competitive salary compared to Industry peers, the Company also paid special attention to other welfare regimes, which was represented in Material value such as bonus, gifts on special occasions,...; Spiritual value such as friendly working environment, teambuilding activities as birthday parties, travel, gathering...; in order to create the best working conditions for all employees as well as attract and retain talents. In addition, there were other Intangible values such as training courses, promotion opportunities... to build succession plans for the Company's sustainable development.

In compliance with legal regulations such as social insurance, health insurance, unemployment insurance, trade union fee, the Company expended VND 38 billion for such contributions in FY 2017-2018, surged by 255% over the same period. The Company also offered additional health care, insurance packages to ensure employee's good health such as periodical health check in July, occupational health check in September, health insurance, accident insurance. Besides, there were other regimes such as lunch, high-quality shift meal, birthday gift, 13th month salary, travel... Particularly, in FY 2017-2018, the Company spent nearly VND 28 billion for 13th month salary and VND 14 billion travel, relax and recreation activities.

The Company also tried to improve toxic allowances for employees and regularly inspect the working conditions such as noise, vibration, dust to ensure a safe and effective working environment. Total expenses for these activities were approximately VND 3 billion, sharply increased over the previous year.

In addition, the Company applied Collective Labor Agreement, disseminates salary and allowance regimes, ensuring the employee's regimes and welfare policies to be fully respected and implemented. The Company promulgated welfare regimes by personnel hierarchy to ensure fairness and competitiveness.



GRI 403

OCCUPATIONAL HEALTH AND SAFETY

TTC BIEN HOA ALWAYS ENSURE THE WORKING ENVIRONMENT TO MEET REQUIREMENTS OF SPACE, VENTILATION, DUST, STEAM, TOXIC GAS, RADIATION, ELECTROMAGNETIC FIELD, HEAT, HUMIDITY, NOISE, VIBRATION AND OTHER HARMFUL FACTORS SPECIFIED IN THE RELEVANT TECHNICAL REGULATIONS; AND THESE FACTORS ARE SUBJECTIVE TO PERIODICAL MEASUREMENT AND INSPECTION.

Annually, the Company invites authorities to inspect the noise, vibration, dust... for a base used to do research and equip protective equipment, uniforms in order to limit the environmental impact on employee's health. In addition, dangerous and harmful factors were always inspected and evaluated by the Company to improve working conditions and health care for employees; and machines, equipment, workshops, warehouses were also periodically examined and maintained.

In order to facilitate the initial medical examination and treatment, the Company invested in the medical station at TTCS Factory in Tay Ninh Province, with a doctor and a nurse, equipped with an ambulance and necessary material. In the past year, the Company issued Labor Safety Handbook applicable in all plants to raise awareness about health and safety in workplace. Total cost for employee's occupational health and safety was approximately VND 2.2 billion in FY 2017-2018



Factory staffs prepared for the periodical health check in FY 2017-2018

In order to promote environmental protection as well as enhance creativity at work, the Company planted trees in the plant, office area; and built a Green-Clean-Beautiful working environment with the motto "Each floor - One Singapore" to create the best working conditions for employees.

GRI 404

TRAINING AND EDUCATION

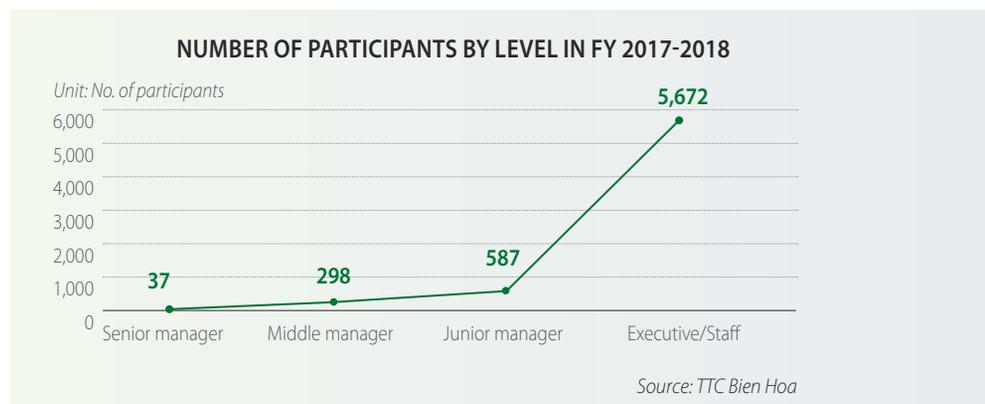
GRI 404-1: AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

SKILLED HR IS AN IMPORTANT FACTOR FOR THE COMPANY'S STABLE AND SUSTAINABLE DEVELOPMENT.

The Company annually develops and deploys training plans for employees from staff/executive level to Management Level according to the main course categories based on Company's demands in each period. In FY 2017-2018, TTC Bien Hoa spent nearly VND 2 billion on training activities with 147 courses and 6,594 participants, soared by 206% over the last year, including 28% of internal

training and 72% outsourcing. On average, with 45 participants per training course to maintain the quality,

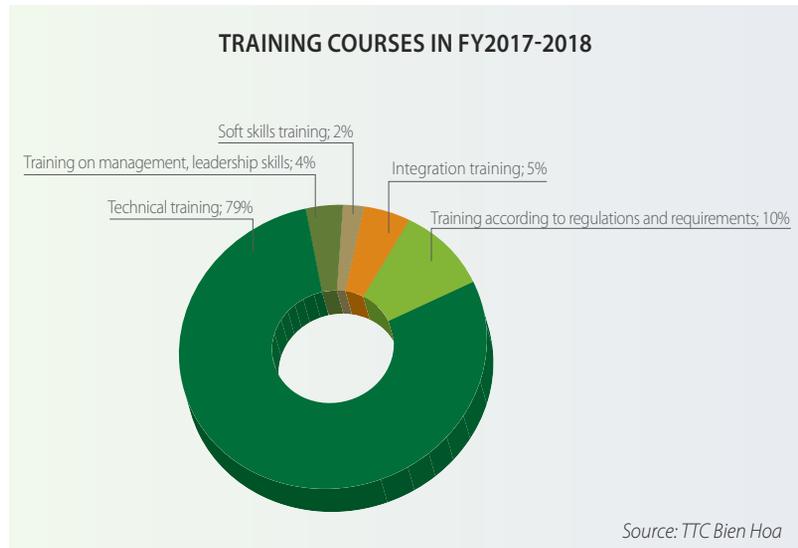
the Company strived to provide training for all 4,000 employees to improve their personal capability.



GRI 404-2: PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

FOR AN EFFECTIVE TRAINING AND HR DEVELOPMENT, THE COMPANY REGULATED THE TRAINING FRAMEWORK FOR EACH TITLE POSITION. WITH THIS TRAINING FRAMEWORK, MANAGERS AND LEADERS WOULD HAVE AN OVERVIEW OF THE COMPANY'S TRAINING AND HR DEVELOPMENT ACTIVITIES.

The Company split the training courses between 5 main categories such as (1) *Technical training to provide necessary knowledge and skills related to work/profession*; (2) *Training according to regulations and requirements by standards and quality certification agencies to meet legal requirements on qualifications as well as knowledge*; (3) *Integration training to introduce information about the Company, and provide necessary instructions for new employees*; (4) *Training on management, leadership skills to strengthen knowledge, improve management and leadership skills for management levels*; (5) *Soft skills training to strengthen knowledge, improve soft skills to enhance individual work efficiency, and a supplemental form being Development and succession training which combines a variety of training contents to develop potential and outstanding employees to become Middle and Senior Managers in the future*. In the following years, these courses will continue to be improved in terms of contents and teaching methods in order to attract more participants.



FY 2017-2018 is the first year in the post-merger stage, and the Company needed qualified employees to meet the challenges; therefore, technical and professional training courses accounted for the highest proportion of 79%. The training courses peaked in October to December, the preparation time for new production season, thus employees needed to be

trained and retrained on contents related to Occupational health and safety, Food safety as well as updated technical knowledge and production process. In the year, most training courses focused on improvement of working skills and team development. Succession training such as Mobile Director Program or TTC Talent competition was also encouraged for long-term HR planning.



GRI 405

DIVERSITY AND EQUAL OPPORTUNITY

GRI 405-1: DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

896 PEOPLE

**TOTAL FEMALE EMPLOYEES
FY 2017-2018**

50%

FEMALE RATIO IN THE BOD

FY 2017-2018

↗25% COMPARED TO FY 2016-2017

↗40% COMPARED TO FY 2015-2016

The Company had a young, dynamic, enthusiastic staff with 54% of below 37 year old, and 6% of over 53 year old. This was the basis for Company to set ambitious goals, but there were still experienced members giving punctual advice and valuable lessons.

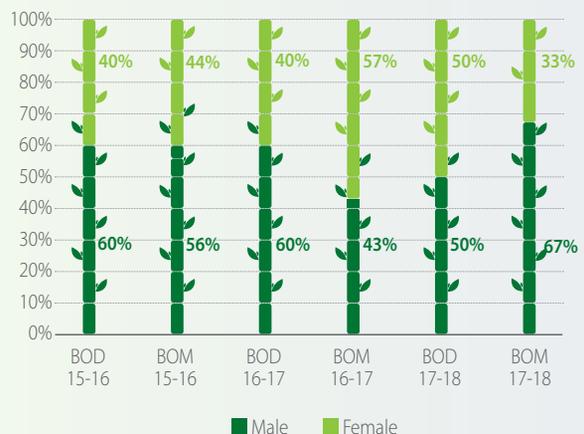
With the particularity of a Sugarcane company that needed healthy employees for many production positions, male employees accounted for 79% and 21% for female. The rate of female employees maintained stably at 22% and 19% in FY 2016-2017 and FY 2015-2016 respectively. Total number of female employees in FY 2017-2018 was 896 people who were received equal promotion opportunities with 20% of female being the Strategic and Senior Management. Particularly, FY 2017-2018 recorded the female proportion in BOD of 50%, 25% higher than last year and surged by 40% compared to FY2015-2016.

Although the proportion of employees from Executive to Senior Management Level was 29%, the employees with qualification from College Degree and above reached 35%. This is the effort of HR Department in ensuring personnel quality, which reflects the Company's comprehensive preparation for integration as well as regional outreach in the coming years.

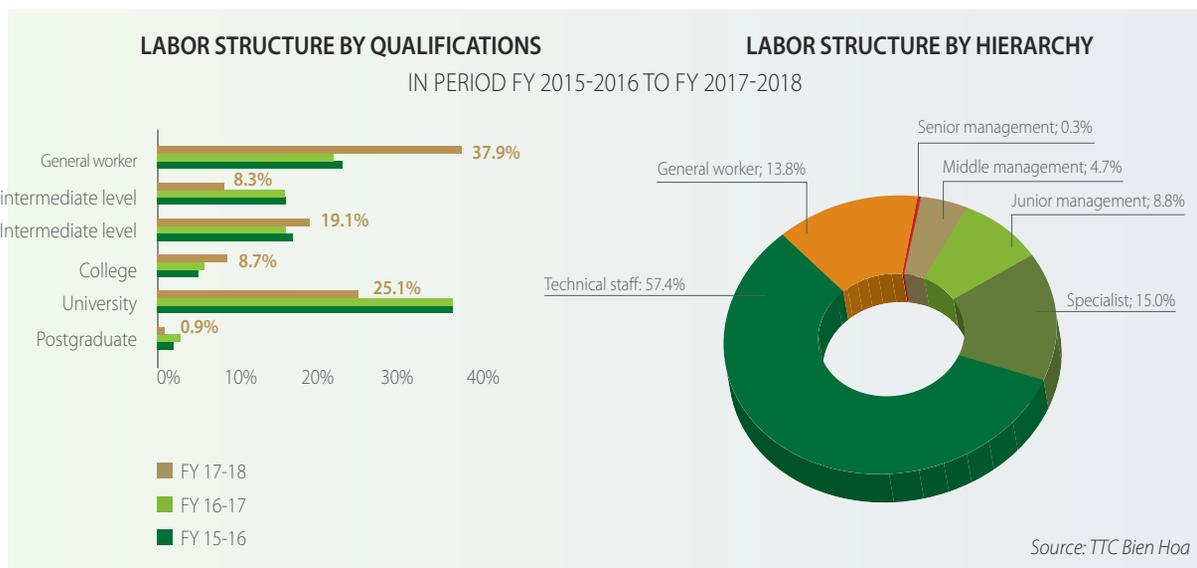
LABOR STRUCTURE BY GENDER
IN PERIOD FY 2015-2016 TO FY 2017-2018



PROPORTION OF FEMALE IN BOD AND BOM
IN PERIOD FY 2015-2016 TO FY 2017-2018



Source: TTC Bien Hoa



GRI 405-2: RATIO OF THE BASIC SALARY AND REMUNERATION OF FEMALE TO MALE EMPLOYEES

Similar to previous years, the average salary of female employees was slightly higher than male's. Due to the characteristics of a production company, majority of workforce was workers and general workers worked in plants accounting for 38%. Meanwhile, female employees accounted for less than 21% of total employees, but the majority of them were white-collar labor working in the office area.

GRI 413

LOCAL COMMUNITIES

GRI 413-1: OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

"DEVELOPING LOCALITIES" HAS ALWAYS BEEN A PRIORITY TARGET IN TTC BIEN HOA'S CSR ACTIVITIES.

The Company always accompanies local authorities in *Poverty reduction, life stabilization; Ensuring healthy lives and promoting well-being for all at all ages; Ensuring inclusive and equitable quality education and promoting learning opportunities for all; Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; and Achieving gender equality and building a safe and sustainable community.*

TTC Bien Hoa owned 9 Sugar refineries in Gia Lai, Binh Thuan, Khanh Hoa, Dong Nai, Tay Ninh, Attapeu (Laos), and the Raw material areas across Vietnam-Laos-Cambodia. TTC Bien Hoa's Sugar products were presented nationwide and most concentrated in the South Region. In areas where the Sugar refineries are located, TTC Bien Hoa created stable employment for the local labor force with more than 40,000 people, contributing to improve the local income and economic development as well as bringing positive impacts to the community. For the Raw material areas owned



by TTC Bien Hoa, the Company created stable employment for Farmers, oriented Farmers to become "agricultural workers" with modern thinking and behavior, and earned higher income as well as good welfare policies. In terms of collaborated sugarcane farms, TTC Bien Hoa signed off-take agreements, provided cane seedlings and gave instructions on cultivation techniques for Farmers. In order to promote mechanization, the Company develops financial support mechanism that helped Farmers purchase modern machinery and equipment to free the manual labor as well as improve the productivity and CCS.

GRI 413

LOCAL COMMUNITIES (continued)

GRI 413-1: OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS (continued)

In terms of laws and regulations, all full-time, temporary, daily... employment were compliant with the Labor law. Workers at plants and farms were trained adequately as well as provided with labor protection equipment. Collaboration, off-take agreement, technique and financial support for farmers were formulated in a clear

policy system, and had contract in place with both mutual benefit as well as risk sharing provisions.

In terms of sales, TTC Bien Hoa's products were gradually replacing smuggled products and products with unknown origin in all distribution areas. This had impacted significantly the community's consumption behaviors. According to some independent surveys, local people's living conditions have changed positively while working or cooperating with TTC Bien Hoa, comprising improved income, stable employment, technology access, new cultivation techniques, and improved working environment.



"Beloved Attapeu - Laos", one of TTC Bien Hoa's Community and Society Programs

No.	Main objective	Typical activities	Beneficiary	Costs
1	Poverty reduction, life stabilization	<ul style="list-style-type: none"> » Constructing and repairing rural roads in provinces/cities where the Company operates » Supporting flood victims in the Central region every year » Relief for victims of dam breaking in Attapeu (Laos) » Charity gifts » Supporting and donating to campaigns for the poor, and poverty reduction across the Country » Giving gifts to the poor on Tet, Mid-Autumn and other holidays in the year » Organizing "Beloved Attapeu - Laos" program » Building charity houses for poor families » Supporting cow breeds for poor farmers » Supporting sugarcane seedlings, giving cow breeds and agricultural materials, instructing cultivating techniques 	COMMUNITY POOR PEOPLE FARMERS	~ VND 2.6 BILLION
2	Ensuring healthy lives and promoting well-being for all at all ages	<ul style="list-style-type: none"> » Periodical health examination » Annual travel » Training on food hygiene and safety, labor safety » Voluntary blood donation » Free medical examination and treatment in localities » Support fees for blood cancer treatment » "Join hands to protect our children against sexual abuse" Program Supporting » "Raising awareness about food defense" Seminars organized annually for customers 	EMPLOYEES POOR PEOPLE CHILDREN CUSTOMERS	VND 14+ BILLION
3	Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all	<ul style="list-style-type: none"> » Supporting local study encouragement funds nationwide » Giving books, notebooks » "White uniforms for our beloved pupils" Program » Supporting fees for implementing "Building green library" Program » Participating in training courses compulsorily required by laws » Practical training » Periodical internal training » Improving management capacity » Developing succession team 	CHILDREN PUPILS EMPLOYEES	VND 2.3+ BILLION
4	Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> » Creating direct and indirect employment for society » Supporting capital, cultivation techniques... for local sugarcane farmers 	WORKERS FARMERS	40,000+ PEOPLE
5	Achieving gender equality and building a safe and sustainable community	<ul style="list-style-type: none"> » Supporting people with disabilities, homeless people, elders » Creating employment opportunities for people with disabilities, employees who are social policy beneficiaries, retired laborers, trainees... » Creating equal opportunities of employment and promotion for female employees » Ensuring stable employment for local labor 	DISADVANTAGED PEOPLE STUDENTS FEMALES LOCAL PEOPLE FARMERS	VND 400 MILLION 35,000+ PEOPLE

Source: TTC Bien Hoa

GRI 413

LOCAL COMMUNITIES (continued)

GRI 413-2: OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

DUE TO THE SPECIAL CHARACTERISTICS OF CULTIVATION AND PRODUCTION ACTIVITIES INCLUDING POTENTIAL THREATS TO ENVIRONMENT AND COMMUNITY, TTC BIEN HOA IS ALWAYS AWARE OF RISKS THAT CAN HAPPEN TO SURROUNDING COMMUNITY IN ORDER TO TAKE APPROPRIATE MEASURES TO PREVENT RISKS AS WELL AS MINIMIZE NEGATIVE IMPACTS.

IDENTIFYING RISKS AND RISK MITIGATION

Key factor	Risk	Action
SUGARCANE CULTIVATION	<ul style="list-style-type: none"> » Deforestation for cultivating land » Pollution of soil, water » Local ecological imbalance » Imbalance of plant area 	<ul style="list-style-type: none"> » Ensuring cultivated land not to violate forest land » Strictly controlling the use of fertilizers and plant protection products » Ensuring no toxic residues in soil and water » Minimizing impacts of cultivation activities on the fauna and flora » Bird and insect natural enemies being encouraged to develop » Flowers being planted along edges of sugarcane fields » Expanding the material areas under guidelines and agriculture planning of the local government » Proportion of sugarcane cultivating area being determined in most beneficial manner to people
PRODUCTION ACTIVITIES	<ul style="list-style-type: none"> » Pollution of soil, water source, air, noise » Unemployment 	<ul style="list-style-type: none"> » <i>In terms of sewage:</i> Investing in a modern sewage treatment system to ensure not cause pollution » <i>In terms of solid waste:</i> Utilizing most of by-products generated in production process for various purposes » <i>In terms of air and noise pollution:</i> Detailed regulations in machinery and equipment operation, ensuring emissions without significant dusts and noise » Prioritizing local labor recruitments » Retaining capable employees after the merger or restructuring » Providing transportation means and accommodation for employment relocation.

Source: TTC Bien Hoa



Farmers plant flowers at a sugarcane farm

GRI 416

CUSTOMER HEALTH AND SAFETY

GRI 416-1: ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

“Bring clean Sugar products to all families” is TTC Bien Hoa’s motto; therefore consumer health and safety are a priority that the Company adheres to in the production process. TTC Bien Hoa’s Sugar products were produced in accordance with European technology, ISO 9001 and ISO 22000 standards. The Company was also the first Sugar Company in Vietnam exporting products to the US subsequent to FDA’s certification and proved European technology with the strict standards in production.

In addition to product diversification to meet customer demands especially health and safety, the Company was promoting development of Organic Sugar product line, which

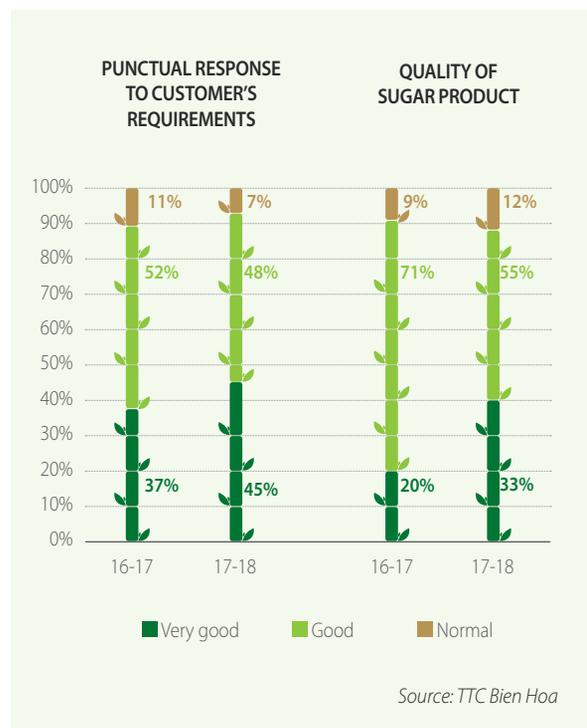
not only brought in great added value, but also contributed to improve consumer’s health. The production technology for this product line produced “clean” Sugar grains under international standards, making from sugarcane without chemical fertilizers and pesticides, being good for consumer health thanks to the higher levels of nutrient and materials than conventional Sugars.

The Company’s efforts for assurance of customer health and safety were evidenced by a series of international certification such as *FSSC 22000 Certificate* by Bureau Veritas, *the Middle East Food Hygiene Certificate* by HCA Vietnam, and *Best Spices Brand of the Year 2018* by CMO Asia.

GRI 416-2: INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES

In FY 2017-2018, the quality assurance results exceeded assigned targets when indicators related to *Quality - Products complained by customers (legitimate errors), Inappropriate products in production, and Inappropriate products in storage and delivery* were also well evaluated with corresponding rates of 0.1%, 0.34% and 0.12%, down 70%, 45% and 43% respectively compared to the targets. Particularly, the criteria of *Food safety and hygiene, including Products returned by customers due to safety and hygiene complaints (infection of Coliform, heavy metals in finished products)* was excellent when no case occurred.

Annually, the Company conducted a survey on product quality through Customer Satisfaction Survey to make punctual adjustments. In FY 2017-2018, continuing product quality as well as customer service improvement, TTC Bien Hoa made a diversified assessment of over 40 customers in all consumption channels including B2B, Trading, B2C and Export. According to the survey’s results, the rate of customer satisfaction reached 93% of Good and Very good in terms of Punctual response to customer’s requirements, improved by 5% compared to FY 2016-2017 assessment. In terms of Quality of Sugar product, the Good and Very good assessments were 88%. Remarkably, all these indicators improved significantly in the Very good evaluation over the previous year. Specifically, Punctual response to customer’s requirements achieved 45% of 100%, improved by 22%; Quality of Sugar product was 33%, surged by 65%. These figures will be the driving force for TTC Bien Hoa



to further strengthen the protection of customer health and safety in FY 2018-2019, striving to reach all surveyed indicators of over 90%, and targeting 50% market share of Vietnam Sugar Industry in FY 2020-2021.

Solidity - Transparency

MOVING FORWARD, REACHING OUT TO THE WORLD MARKET

The international reporting standards and advanced governance model according to best practices are being applied, gradually bringing TTC Bien Hoa's brand name to reach out to the regional and global market.





05

FINANCIAL STATEMENTS

Audited Consolidated Financial Statements Fiscal Year 2017-2018	202
Audited Separate Financial Statements Fiscal Year 2017-2018	256

CONSOLIDATED FINANCIAL STATEMENTS
(2017-2018)
as at and for the year ended 30 June 2018

GENERAL INFORMATION

THE COMPANY

Thanh Thanh Cong - Bien Hoa Joint Stock Company, formerly known as Thanh Thanh Cong Tay Ninh 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 was 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 registered 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 Nguyen Thi Hoa	Permanent Vice Chairman	
Mr Le Van Dinh	Vice Chairman	resigned on 20 November 2017
Ms Dang Huynh Uc My	Member	
Mr Henry Chung	Member	
Ms Nguyen Thuy Van	Member	appointed on 20 November 2017
Mr See Beow Tean	Member	appointed on 20 November 2017

AUDIT FUNCTION UNDER THE BOARD OF DIRECTOR

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

Ms Nguyen Thuy Van	Head of the Board
Mr Henry Chung	Member
Mr See Beow Tean	Member

GENERAL INFORMATION (continued)

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	
Ms Duong Thi To Chau	Deputy General Director	
Mr Nguyen Quoc Viet	Deputy General Director	appointed on 1 July 2017
Mr Tran Quoc Thao	Deputy General Director	appointed on 7 July 2017 resigned on 22 January 2018 appointed on 12 February 2018
Mr Le Quang Hai	Deputy General Director	appointed on 5 December 2017
Mr Truong Thanh	Deputy General Director	appointed on 22 January 2018 resigned on 30 April 2018
Mr Nguyen Anh Vu	Relationship and Investment Director	appointed on 1 August 2018
Mr Le Duc Ton	Factory Director	
Mr Le Huy Thanh	Acting Branch Director Agricultural Director cum acting Material Development Director – Zone 1	appointed on 22 May 2018 appointed on 1 July 2017
Ms Truong Thi Kim Phuong	Business Director	appointed on 12 February 2018
Mr Nguyen Trong Hoa	Material Development Director – Zone 3	appointed on 1 July 2017 resigned on 9 May 2018
Mr Tran Huy Hao	Director of Commercial Center TTC Plaza Tay Ninh	appointed on 1 September 2017
Mr Truong Tri Cuong	Management System Director	appointed on 2 May 2018 resigned on 22 August 2018
Ms Doan Vu Uyen Duyen	Finance and Accounting Director	appointed on 5 September 2018
Ms Nguyen Thi Thuy Tien	Finance and Accounting Director	resigned on 31 March 2018
Mr Huynh Van Phap	Branch Deputy Director Business Director	appointed on 1 April 2018
Mr Trang Thanh Truc	Public Relationship Director	
Mr Thai Ba Hoa	Material Director	resigned on 1 July 2017
Mr Nguyen Hung Viet	Management Director	resigned on 26 December 2017
Mr Nguyen Viet Hung	Material Development Director – Zone 2 Deputy General Director of Material	appointed on 1 July 2017 resigned on 1 September 2017 resigned on 1 July 2017

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 2018 in accordance with the Decision No. 31/2017/QĐ – CT.HDQT dated 31 December 2017.

AUDITORS

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

REPORT OF BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors and Management of Thanh Thanh Cong - Bien Hoa Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2018.

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.

STATEMENT BY BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors and Management hereby state that, in their opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of the consolidated results of its operations and its consolidated cash flows for the year ended 30 June 2018 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of Board of Directors and Management:



Pham Hong Duong
Chairman

Ho Chi Minh City, Vietnam
25 September 2018

Reference: 61248763/19833928/HN

INDEPENDENT AUDITORS' REPORT

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, formerly known as Thanh Thanh Cong Tay Ninh Joint Stock Company (“the Company”) and its subsidiaries (collectively referred to as “the Group”), as prepared on 25 September 2018 and set out on pages 6 to 80 which comprise the consolidated balance sheet as at 30 June 2018, 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 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 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 2018, 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 preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



Le Quang Minh

Deputy General Director

Audit Practicing Registration Certificate
No. 0426-2018-004-1

Ho Chi Minh City, Vietnam
25 September 2018

Vuong Van Minh

Auditor

Audit Practicing Registration Certificate
No. 3446-2015-004-1

CONSOLIDATED BALANCE SHEET

as at 30 June 2018

B01-DN/HH

VND

Code	ASSETS	Notes	Ending balance	Beginning balance (as restated – Note 37)
100	A. CURRENT ASSETS		9,813,282,063,081	4,414,791,304,183
110	I. Cash and cash equivalents	5	324,968,354,928	202,593,033,644
111	1. Cash		270,968,354,928	202,593,033,644
112	2. Cash equivalents		54,000,000,000	-
120	II. Short-term investments		614,337,054,432	112,385,986,079
121	1. Held-for-trading securities	6	147,759,126,842	115,587,852,769
122	2. Provision for held-for-trading securities	6	(8,622,072,410)	(3,701,866,690)
123	3. Held-to-maturity investments	7	475,200,000,000	500,000,000
130	III. Current accounts receivable		4,714,794,529,834	2,067,763,576,522
131	1. Short-term trade receivables	8.1	1,585,814,700,457	562,526,221,534
132	2. Short-term advances to suppliers	8.2	2,327,714,818,742	1,161,739,185,942
135	3. Short-term loan receivables	9	215,317,000,000	285,800,000,000
136	4. Other short-term receivables	10	661,365,229,237	97,453,892,875
137	5. Provision for short-term doubtful debts	8, 10	(75,417,218,602)	(39,755,723,829)
140	IV. Inventories	11	3,971,722,969,990	1,958,094,882,102
141	1. Inventories		4,009,377,285,392	1,959,735,521,352
149	2. Provision for obsolete inventories		(37,654,315,402)	(1,640,639,250)
150	V. Other current assets		187,459,153,897	73,953,825,836
151	1. Short-term prepaid expenses	12	126,639,033,019	63,048,737,092
152	2. Value added tax deductible		45,214,465,625	1,097,290,925
153	3. Tax and other receivables from the State		15,605,655,253	9,807,797,819

VND

Code	ASSETS	Notes	Ending balance	Beginning balance (as restated – Note 37)
200	B. NON-CURRENT ASSETS		7,880,275,890,655	3,333,549,293,991
210	I. Long-term receivables		542,698,458,694	247,604,257,836
212	1. Long-term advances to suppliers	8.2	129,111,796,826	87,265,337,933
215	2. Long-term loan receivables		-	200,000,000
216	3. Other long-term receivables	10	413,586,661,868	160,138,919,903
220	II. Fixed assets		4,698,440,525,940	1,442,294,352,074
221	1. Tangible fixed assets	13	4,506,630,843,371	1,223,071,433,345
222	Cost		8,483,696,268,432	3,148,451,311,003
223	Accumulated depreciation		(3,977,065,425,061)	(1,925,379,877,658)
224	2. Finance leases	14	119,133,104,380	62,692,225,631
225	Cost		151,725,361,276	73,767,448,385
226	Accumulated depreciation		(32,592,256,896)	(11,075,222,754)
227	3. Intangible assets	15	72,676,578,189	156,530,693,098
228	Cost		106,932,919,031	172,777,949,697
229	Accumulated amortisation		(34,256,340,842)	(16,247,256,599)
230	III. Investment properties	16	181,161,531,163	131,118,256,994
231	1. Cost		205,807,780,825	138,061,019,789
232	2. Accumulated depreciation		(24,646,249,662)	(6,942,762,795)
240	IV. Long-term asset in progress		134,062,023,484	78,656,574,346
242	1. Construction in progress	17	134,062,023,484	78,656,574,346
250	V. Long-term investments	18	637,130,825,071	1,372,916,355,311
252	1. Investments in associates	18.1	192,557,122,221	1,372,916,355,311
253	2. Investments in other entities	18.2	445,314,919,184	770,062,384
254	3. Provision for long-term investments		(741,216,334)	(770,062,384)
260	VI. Other long-term assets		1,686,782,526,303	60,959,497,430
261	1. Long-term prepaid expenses	12	1,500,510,998,039	44,416,155,370
262	2. Deferred tax asset	34.3	15,853,707,016	573,205,126
269	3. Goodwill	19	170,417,821,248	15,970,136,934
270	TOTAL ASSETS		17,693,557,953,736	7,748,340,598,174

CONSOLIDATED BALANCE SHEET (continued)

as at 30 June 2018

B01-DN/HN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance (as restated – Note 37)
300	C. LIABILITIES		11,596,198,019,420	4,686,930,142,777
310	I. Current liabilities		8,901,828,418,619	3,163,682,467,090
311	1. Short-term trade payables	20	357,620,227,232	125,823,866,896
312	2. Short-term advances from customers	21	189,075,241,605	90,045,951,574
313	3. Statutory obligations	22	159,302,208,063	11,094,258,042
314	4. Payables to employees		26,482,285,100	8,634,282,071
315	5. Short-term accrued expenses	23	299,200,761,237	54,505,220,916
318	6. Short-term unearned revenues		6,717,903,350	3,466,732,320
319	7. Short-term other payables	24	80,757,931,129	7,293,806,406
320	8. Short-term loans and finance lease obligations	25	7,702,811,475,586	2,849,665,687,097
321	9. Short-term provisions		3,862,913,000	-
322	10. Bonus and welfare fund		75,997,472,317	13,152,661,768
330	II. Non-current liabilities		2,694,369,600,801	1,523,247,675,687
336	1. Long-term unearned revenues		12,946,654,043	15,600,295,440
337	2. Other long-term liabilities	24	6,679,256,280	6,338,567,960
338	3. Long-term loans and finance lease obligations	25	2,581,878,050,298	1,501,308,812,287
341	4. Deferred tax liabilities	34.3	90,300,433,513	-
342	5. Long-term provision		565,206,667	-
343	6. Scientific and technological development fund		2,000,000,000	-
400	D. OWNERS' EQUITY		6,097,359,934,316	3,061,410,455,397
410	I. Capital		6,097,359,934,316	3,061,410,455,397
411	1. Share capital	26.1	5,570,186,730,000	2,531,882,680,000
411a	- Shares with voting rights		5,570,186,730,000	2,531,882,680,000
412	2. Share premium	26.1	6,243,045,915,565	75,894,194,065
414	3. Consolidation reserve	26.1	(5,534,410,411,336)	-
415	4. Treasury shares	26.1	(1,099,985,561,092)	-
417	5. Foreign exchange differences reverse	26.1	(60,609,170,380)	6,812,245,007
418	6. Investment and development fund	26.1	69,863,681,464	39,217,460,174
421	7. Undistributed earnings	26.1	856,496,451,241	395,854,229,859
421a	- Undistributed earnings up to the end of prior year		308,122,494,453	111,025,631,641
421b	- Profit of current year		548,373,956,788	284,828,598,218
429	8. Non-controlling interests	27	52,772,298,854	11,749,646,292
440	TOTAL LIABILITIES AND OWNERS' EQUITY		17,693,557,953,736	7,748,340,598,174



Nguyen Thuy Trang

Preparer

25 September 2018



Le Phat Tin

Chief Accountant



Nguyen Thanh Ngu

General Director

CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2018

B02-DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year (as restated – Note 37)
01	1. Revenues from sale of goods and rendering of services	28.1	10,325,400,666,889	4,502,976,571,901
02	2. Deductions	28.1	(40,705,067,180)	(4,593,193,827)
10	3. Net revenues from sale of goods and rendering of services	28.1	10,284,695,599,709	4,498,383,378,074
11	4. Cost of goods sold and services rendered	29	(8,958,611,031,521)	(3,942,241,645,355)
20	5. Gross profit from sale of goods and rendering of services		1,326,084,568,188	556,141,732,719
21	6. Finance income	28.2	712,478,611,133	221,886,524,205
22	7. Finance expenses	30	(806,070,490,610)	(280,225,773,821)
23	<i>In which: Interest expense</i>		(714,074,144,851)	(256,785,222,928)
24	8. Shares of profit of associates		60,942,913,700	40,212,488,665
25	9. Selling expenses	31	(317,657,679,907)	(87,356,899,046)
26	10. General and administrative expenses	31	(436,326,601,038)	(149,592,462,244)
30	11. Operating profit		539,451,321,466	301,065,610,478
31	12. Other income	33	178,470,049,565	18,912,677,772
32	13. Other expenses	33	(35,629,630,048)	(10,375,487,711)
40	14. Other profit	33	142,840,419,517	8,537,190,061
50	15. Accounting profit before tax		682,291,740,983	309,602,800,539
51	16. Current corporate income tax expense	34.1	(149,395,403,503)	(22,108,146,430)
52	17. Deferred tax income (expense)	34.3	12,193,387,854	(278,190,193)
60	18. Net profit after tax		545,089,725,334	287,216,463,916
61	19. Net profit after tax attributable to shareholders of the parent		544,871,022,423	287,703,220,863
62	20. Net profit (loss) after tax attributable to non-controlling interests		218,702,911	(486,756,947)
70	21. Basic earnings per share	26.4	974	939
71	22. Diluted earnings per share	26.4	974	939



Nguyen Thuy Trang

Preparer



Le Phat Tin

Chief Accountant



Nguyen Thanh Ngu

General Director

25 September 2018

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2018

B03-DN/HH

VND

Code	ITEMS	Notes	Current year	Previous year (as restated – Note 37)
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		682,291,740,983	309,602,800,539
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets (including amortization of goodwill)	13, 14, 15, 16, 19	629,119,582,515	199,931,775,661
03	Provisions		59,778,780,260	1,799,007,212
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currencies		685,718,668	228,630,602
05	Profit from investing activities		(834,844,728,106)	(248,674,307,088)
06	Interest expense	30	714,074,144,851	256,785,222,928
08	Operating profit before changes in working capital		1,251,105,239,171	519,673,129,854
09	Decrease (increase) in receivables		726,047,615,035	(133,478,152,810)
10	Decrease (increase) in inventories		109,490,373,651	(625,639,249,669)
11	(Decrease) increase in payables		(432,206,135,109)	119,012,667,901
12	Decrease (increase) in prepaid expenses		148,580,746,790	(22,317,933,836)
13	Decrease (increase) in held-for-trading securities		17,637,697	(61,471,251,902)
14	Interest paid		(574,728,514,548)	(253,009,593,869)
15	Corporate income tax paid		(118,970,300,226)	(26,193,402,027)
17	Other cash outflows for operating activities		(23,939,198,356)	(48,617,968,424)
20	Net cash flows from (used in) operating activities		1,085,397,464,105	(532,041,754,782)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(479,534,685,000)	(183,499,708,180)
22	Proceeds from disposals of fixed assets		79,678,702,438	8,558,550,022
23	Loans to other entities		(682,600,000,000)	(1,248,380,000,000)
24	Collections from borrowers		1,424,125,000,000	1,095,380,000,000
25	Payments for investments in other entities		-	(834,605,279,975)
26	Proceeds from sale of investments in other entities		317,063,186,329	355,792,706,726
27	Interest and dividends received		116,651,561,966	111,174,717,491
30	Net cash flows from (used in) investing activities		775,383,765,733	(695,579,013,916)

VND

Code	ITEMS	Notes	Current year	Previous year (as restated – Note 37)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Reissuance of treasury shares		-	107,097,422,535
32	Capital redemption	26.1	(1,099,985,561,092)	-
33	Drawdown of borrowings		14,288,029,800,620	5,957,144,296,648
34	Repayment of borrowings		(14,895,977,008,106)	(5,480,015,161,840)
35	Finance lease principal paid		(29,384,431,079)	(9,162,829,080)
36	Dividends paid	26.2	(12,074,600)	(63,122,250)
40	Net cash flows (used in) from financing activities		(1,737,329,274,257)	575,000,606,013
50	Net increase (decrease) in cash and cash equivalents for the year		123,451,955,581	(652,620,162,685)
60	Cash and cash equivalent at beginning of year		202,593,033,644	855,375,120,630
61	Impact of exchange rate fluctuation		(1,076,634,297)	(161,924,301)
70	Cash and cash equivalents at end of year	5	324,968,354,928	202,593,033,644



Nguyen Thuy Trang
Preparer

25 September 2018



Le Phat Tin
Chief Accountant



Nguyen Thanh Ngu
General Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 30 June 2018

B09-DN/HH

1. CORPORATE INFORMATION

Thanh Thanh Cong - Bien Hoa Joint Stock Company, formerly known as Thanh Thanh Cong Tay Ninh 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 was 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 registered 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 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 2018 was 4,217 (30 June 2017: 1,367).

Corporate structure

As at the balance sheet date, the Group's corporate structure includes 6 direct subsidiaries and 16 indirect subsidiaries, as follows:

Name of subsidiaries	Head office	Business activities	Status of operation	(%) holding	(%) voting right
Direct subsidiaries					
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	Operating	90.00	90.00
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	Operating	100.00	100.00
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	Operating	100.00	100.00
Gia Lai Thermolectricity One Member Company Limited	Ayunpa District, Gia Lai Province	Manufacturing, transmitting and distributing electricity	Operating	100.00	100.00
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	Operating	100.00	100.00
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	Operating	100.00	100.00

Corporate structure (continued)

As at the balance sheet date, the Group's corporate structure includes 6 direct subsidiaries and 16 indirect subsidiaries, as follows: (continued)

Name of subsidiaries	Head office	Business activities	Status of operation	(%) holding	(%) voting right
Indirect subsidiaries					
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	Operating	100.00	100.00
Ninh Hoa Thermolectricity One Member Limited Liability Company	Ninh Hoa District, Khanh Hoa Province	Manufacture and sell electricity; and provide electricity system installation service	Operating	100.00	100.00
Tay Ninh Sugar Joint Stock Company	Tan Chau District, Tay Ninh Province	Plant sugar cane, produce and trade sugar, tapioca and rubber	Operating	99.88	99.88
Nuoc Trong Sugar Joint Stock Company	Tan Chau District, Tay Ninh Province	Producing sugar; planting sugar cane, wheat, rubber trees and agricultural products; processing agriculture products, food and alcoholic beverages; processing, manufacturing and installing food industry machineries; importing and exporting businesses	Operating	81.47	81.53
Nuoc Trong Rubber Joint Stock Company	Tan Chau District, Tay Ninh Province	Production of plastics and synthetic rubber in primary forms; wholesale of agricultural and forestry products of raw materials (from wood, bamboo and cork) and live animals, wholesale of foodstuffs, rubber plantation, production and wholesale of rubber products, machinery	Operating	53.93	53.00
TTC Bien Hoa - Dong Nai Sugar One Member Limited Company	Bien Hoa City, Dong Nai Province	Produce and trade sugar, plant sugar cane, by-products from sugar, producing and trading in fertilizers and agricultural materials; production and sale of electricity; and technical and management consultancy in the sugar industry	Operating	100.00	100.00
NHSS Private Limited Company	Singapore	Trade sugar, other by-products from sugar cane and agriculture products	Operating	100.00	100.00
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	Operating	94.51	91.59
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	Operating	98.00	98.00
Bien Hoa Import Export Trading Joint Stock Company	Phu Nhuan District, Ho Chi Minh City	Trade sugar and products using sugar as material, foods and beverages	Operating	98.00	98.00
TTC Attapeu Cane Sugar Limited Company	Gia Lai Province	Trade sugar and other by-products from sugar cane	Operating	100.00	100.00
TTC Attapeu Sugar Cane Sole Co., Ltd	Attapeu Province, Laos	Plant sugar cane; produce and trade sugar and other by-products from sugar cane	Operating	100.00	100.00
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	Operating	100.00	100.00
BTCO Co., Ltd	Tan Binh District, Ho Chi Minh City	Trade sugar and products using sugar as material, foods and beverages	Operating	98.00	98.00
Mien Trung Bovine Breeding Joint Stock Company	Ninh Hoa District, Khanh Hoa Province	Breed cows; plant sugar cane and other industrial crops	Operating	91.59	91.59
Kon Tum Import Export Trading One Member Limited Liability Company (*)	Kon Tum City, Kon Tum Province	Trade sugar and products using sugar as material, foods and beverages	Inactive	100.00	100.00

(*) As at balance sheet date, Kon Tum Import Export Trading One Member Limited Liability Company is in the process of dissolution.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2018

B09-DN/HN

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 Standard issued by the Ministry of Finance as per:

- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QĐ-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 Company'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 Group'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 2018.

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 less 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories (continued)

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, 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 expense 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3.5 *Leased assets (continued)*

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.

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 comprises all directly attributable costs of bringing the land lot to the condition available for its intended use.

3.7 *Depreciation and amortisation*

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

Land use rights	50 years
Buildings and structures	5 - 30 years
Machineries and equipment	3 - 20 years
Office equipment	3 - 5 years
Computer software	2 - 6 years
Means of transportation	5 - 6 years
Others	4 - 15 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING (continued)

3.8 *Investment properties* (continued)

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

Buildings and structures	6 - 25 years
Land use right	50 years

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.

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the 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.

The prepaid land rental represents the unamortised balance of advance payment. 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.

Pre-season overhaul costs are calculated and amortised to production costs based on the actual volume of sugar produced during the year.

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 on consolidation (i.e. consolidation reserve in the consolidated balance sheet).

When the business combinations involving entities or businesses under common control, the pooling of interest method is applied as follows:

- The assets and liabilities of the combining entities are consolidated at their carrying amounts;
- No new goodwill is recognized as a result of the combination; and
- The consolidated income statement reflects the results of the combining 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 and are recorded as expense during the year in which they are incurred.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized 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 capitalized 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

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 follow:

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

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign subsidiary 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, 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.

3.17 Earnings per share

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 periods 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Taxation (continued)

Deferred tax (continued)

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. BUSINESS COMBINATION

(i) Swap shares of TTC Bien Hoa – Dong Nai Sugar Company Limited ("TTC Bien Hoa")

On 6 September 2017, the Company completed the issuance of 303,830,405 new shares to swap the entire shares of TTC Bien Hoa – Dong Nai Sugar Company Limited, formerly known as Bien Hoa Sugar Joint Stock Company ("TTC Bien Hoa") at a ratio of 1:1.02. This increase in share capital was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the fifth amended BRC dated 18 September 2017. Accordingly, the Company owns 100% interest in this company.

The said transactions were determined to be business combinations under common control because the Company (the acquirer) and TTC Bien Hoa (the acquired entity) are under common control of Thanh Thanh Cong Investment Joint Stock Company. Accordingly, TTC Bien Hoa was consolidated in the Group's consolidated financial statements in accordance with the pooling-of-interest method as presented in Note 3.11. Differences between acquisition costs versus the net carrying values of assets acquired amounting to VND 5,534,410,411,336 was presented as a consolidation reserve in the consolidated balance sheet (Note 26.1).

In addition, this transaction increases the Group's ownership interest in the following entities and as a result, they became subsidiaries of the Company.

	% ownership before the swap	% ownership after the swap	% voting rights
TTC Attapeu Cane Sugar Limited Company	40.00	100.00	100.00
Tay Ninh Sugar Joint Stock Company	39.23	82.43	82.43
Nuoc Trong Sugar Joint Stock Company	30.53	72.57	81.53
Nuoc Trong Rubber Joint Stock Company	-	43.69	53.00
Thanh Thanh Cong Sugarcane Research and Application Joint Stock Company	62.00	100.00	100.00

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4. BUSINESS COMBINATION (continued)

(ii) Purchase of additional shares of Tay Ninh Sugar Joint Stock Company ("Tani Sugar")

On 29 January 2018, the Group completed the purchase of additional 4,993,680 shares of Tani Sugar and thus increased ownership interest in this company to 99.88%. In addition, the purchase also increased the Group's ownership interest in Tani Sugar's subsidiaries, namely Nuoc Trong Sugar Joint Stock Company and Cao Su Rubber Joint Stock Company to 81.47% and 52.94%, respectively. Accordingly, difference between the additional consideration and the carrying value of the interest acquired amounting to VND 3,939,103,024 has been recognised in undistributed earnings of the consolidated balance sheet.

(iii) Purchase of charter capital of Hai Vi Limited Company ("Hai Vi")

On 13 April 2018, the Group completed the purchase of 99% charter capital of Hai Vi amounting to VND 22,196,662,710, increased the Group's ownership interest in this company from 1% to 100% and Hai Vi became the Group's subsidiary as at this date. Accordingly, the Group recognized goodwill amounting to VND 16,556,125,625.

(iv) Purchase of charter capital of BTCO Co., Ltd ("BTCO")

On 23 February 2018, the Group completed the purchase of 98% charter capital of BTCO amounting to VND 9,000,000,000, and BTCO became the Group's subsidiary as at this date. Accordingly, the Group recognized goodwill amounting to VND 772,462,143.

5. CASH AND CASH EQUIVALENTS

	Ending balance	Beginning balance
Cash on hand	3,114,542,175	2,051,075,445
Cash in banks	267,853,812,753	200,541,958,199
Cash equivalents (*)	54,000,000,000	-
TOTAL	324,968,354,928	202,593,033,644

(*) Cash equivalents represent one-month term deposit at a commercial bank which earn interest at 5% per annum.

Additional information regarding the cash flow statement:

	Current year	Previous year
Significant non-cash transactions that are excluded from the cash flow statement in the future:		
Acquisition of a subsidiary by swapping new issued shares	9,205,455,771,500	-

6. HELD-FOR-TRADING SECURITIES

VND

	Ending balance		Beginning balance	
	Share	Value	Share	Value
Listed shares				
- Thanh Thanh Cong Tourist Joint Stock Company ("VNG") (*)	6,588,880	99,746,443,455	-	-
- Hoa Binh Group Construction JSC ("HBC")	55,000	2,514,265,753		
- Sai Gon – Nghe Tinh Beer Joint Stock Company ("SB1")	1,000	15,022,500		
- Vietnam Dairy Products Joint Stock Company ("VNM")	-	-	217,400	32,072,009,925
- Ho Chi Minh Infrastructure Development Joint Stock Company ("CIH")	-	-	421,100	16,296,563,595
- Song Da Urban & Industrial Zone Investment and Development Joint Stock Company ("SJS")	-	-	523,650	15,825,065,546
- Asia Commercial Bank ("ACB")	-	-	200,000	5,186,327,840
Other investments		45,483,395,134		46,207,885,863
TOTAL		147,759,126,842		115,587,852,769
Provision for held-for-trading securities		(8,622,072,410)		(3,701,866,690)
NET		139,137,054,432		111,885,986,079

(*) 6,588,880 shares of Thanh Thanh Cong Tourist Joint Stock Company were pledged as collateral for short-term loans obtained from Vietnam Prosperity Joint Stock Commercial Bank (Note 25.1).

7. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent deposits at commercial banks with original terms from 6 to 12 months and earn interest at rates ranging from 4.7% to 6.9% per annum.

Held-to-maturity investments amounting to VND 264,000,000,000 was pledged as collateral for 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	
Due from other parties		685,384,408,853		345,338,250,199
<i>In which:</i>				
- Nutrition Food Joint Stock Company		181,999,954,501		5,392,560,600
- Suntory PepsiCo Vietnam Beverage Limited Company		60,169,642,050		63,752,010,000
- Others		443,214,812,302		276,193,679,599
Due from related parties (Note 35)		900,430,291,604		217,187,971,335
TOTAL		1,585,814,700,457		562,526,221,534
Provision for doubtful receivables		(3,095,617,778)		-
NET		1,582,719,082,679		562,526,221,534

Short-term trade receivables amounting to VND 1,585,814,700,457 were pledged as collateral for the short-term loans obtained from commercial banks (Note 25.1).

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8. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

8.1 Short-term trade receivables (continued)

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

	VND	
	Current year	Previous year
Beginning balance	-	-
Increase due to business combination	2,652,452,334	-
Provision made during the year	464,197,452	-
Reversal during the year	(21,032,008)	-
Ending balance	3,095,617,778	-

8.2 Advances to suppliers

	VND	
	Ending balance	Beginning balance
Short-term	2,327,714,818,742	1,161,739,185,942
Advances to related parties (Note 35)	1,735,651,980,265	578,198,519,644
Advances to other parties	592,062,838,477	583,540,666,298
<i>In which:</i>		
- Farmers (*)	482,285,135,924	492,196,315,484
- Others	109,777,702,553	91,344,350,814
Long-term	129,111,796,826	87,265,337,933
Advances to farmers (*)	129,111,796,826	87,265,337,933
TOTAL	2,456,826,615,568	1,249,004,523,875
Provision for doubtful short-term advances to suppliers	(58,036,481,816)	(29,822,442,780)
NET	2,398,790,133,752	1,219,182,081,095

(*) Advances to sugar cane farmers are partially secured by the farmers' land use rights and earned interest at rate ranging from 7% to 14% per annum.

Advances to suppliers amounting to VND 142,885,000,000 were pledged as collateral for the short-term loans obtained from commercial banks (Note 25.1).

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

	VND	
	Current year	Previous year
Beginning balance	29,822,442,780	24,882,892,556
Increase due to business combination	19,760,946,415	-
Provision made during the year	18,109,655,845	9,620,395,279
Reversal during the year	(9,656,563,224)	(4,680,845,055)
Ending balance	58,036,481,816	29,822,442,780

9. SHORT-TERM LOAN RECEIVABLES

VND

	Ending balance	Beginning balance
Due from related parties (Note 35)	93,600,000,000	285,800,000,000
Due from other parties (*)	121,717,000,000	-
TOTAL	215,317,000,000	285,800,000,000

(*) These represent the short-term loan receivables with the term of 12 months and earn interest at the rates ranging from 6.0% to 8.5% per annum.

10. OTHER RECEIVABLES

VND

	Ending balance	Beginning balance
Short-term	661,365,229,237	97,453,892,875
Receivables from disposal of investment	399,807,803,729	13,349,424,000
Interest receivables	174,714,797,661	50,394,140,217
Deposits	40,207,961,926	1,087,096,000
Staff advances	17,086,945,451	15,427,146,238
Dividend receivables	-	7,288,838,895
Others	29,547,720,470	9,907,247,525
Long-term	413,586,661,868	160,138,919,903
Deposits	411,429,606,926	147,431,494,903
Receivables from Svayrieng project in Cambodia	-	12,707,425,000
Others	2,157,054,942	-
TOTAL	1,074,951,891,105	257,592,812,778
Provision for doubtful other short-term receivables	(14,285,119,008)	(9,933,281,049)
NET	1,060,666,772,097	247,659,531,729
<i>In which:</i>		
Other receivables from other parties	180,829,112,364	154,928,057,701
Other receivables from related parties (Note 35)	879,837,659,733	92,731,474,028

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

VND

	Current year	Previous year
Beginning balance	9,933,281,049	9,835,999,158
Increase due to business combination	132,462,138	-
Provision made during the year	4,756,801,329	1,968,471,294
Reversal during the year	(537,425,508)	(1,871,189,403)
Ending balance	14,285,119,008	9,933,281,049

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11. INVENTORIES

VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Raw materials	1,094,134,341,626	(956,559,197)	226,442,965,630	-
Finished goods	1,254,207,156,953	(30,190,412,121)	1,623,410,045,466	(350,426,675)
Merchandise goods	1,232,865,151,504	-	64,744,311,694	-
Work in progress	379,478,590,609	-	37,815,300,158	-
Tools and supplies	44,365,292,721	(6,507,344,084)	5,413,700,752	(1,290,212,575)
Goods on consignment	4,326,751,979	-	1,909,197,652	-
TOTAL	4,009,377,285,392	(37,654,315,402)	1,959,735,521,352	(1,640,639,250)

Inventories amounting to VND 3,604,222,907,328 were pledged as collateral for the short-term loans obtained from commercial banks (Note 25).

Details of movements of provision for obsolete inventories:

VND

	Current year	Previous year
Beginning balance	1,640,639,250	819,491,576
Increase due to business combination	11,315,181,129	-
Provision made during the year	24,698,495,023	821,147,674
Ending balance	37,654,315,402	1,640,639,250

12. PREPAID EXPENSES

VND

	Ending balance	Beginning balance
Short-term	126,639,033,019	63,048,737,092
Fee for development of sugar cane plant area	8,703,551,892	39,628,442,299
Pre-season overhaul costs	81,046,894,341	16,234,914,961
Land rental	19,463,476,655	-
Others	17,425,110,131	7,185,379,832
Long-term	1,500,510,998,039	44,416,155,370
Plantation area and tree on land (*)	1,122,957,137,501	-
Prepaid land rental	313,197,465,446	28,952,284,022
Tools and supplies	45,653,367,511	2,126,710,740
Others	18,703,027,581	13,337,160,608
TOTAL	1,627,150,031,058	107,464,892,462

(*) Plantation area and tree on land represent land expenses and expenses for developing of sugar cane farm of the Group located at Attapeu Province, Lao People's Democratic Republic and revaluated amount from the fair value's adjustments corresponding to assets of TTC Attapeu Cane Sugar Limited Company, a subsidiary acquired in May 2017 in accordance with Appraisal Letter No. 177/017/CT/TDGSG dated 15 August 2017 (Note 19) and be allocated during land rental duration of 44 years.

13. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Other assets	Total
Cost						
Beginning balance	482,570,872,562	2,541,179,284,521	48,706,683,631	12,814,990,998	63,179,479,291	3,148,451,311,003
Increase due to business combination	1,176,190,654,645	3,360,818,568,501	246,576,789,687	28,211,137,767	12,716,894,686	4,824,514,045,286
New purchase	5,749,506,262	142,121,212,140	9,265,310,725	2,423,107,731	788,489,170	160,347,626,028
Transfer from construction in progress	83,944,593,646	370,606,717,913	4,862,105,628	7,185,449,269	7,557,952,024	474,156,818,480
Write-off	(619,126,497)	(101,274,577,335)	(2,061,863,483)	(1,089,487,066)	-	(105,045,054,381)
Disposal	(472,814,483)	(21,119,204,936)	(14,643,792,746)	(1,002,981,535)	-	(37,238,793,700)
Transfer to investment properties	(7,872,406,813)	-	-	-	-	(7,872,406,813)
Impact from foreign exchange difference	9,454,892,746	14,640,522,318	2,186,501,582	37,620,021	63,185,862	26,382,722,529
Ending 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
<i>In which:</i>						
<i>Fully depreciated</i>	<i>100,959,652,898</i>	<i>377,148,786,292</i>	<i>28,694,699,204</i>	<i>9,727,065,140</i>	<i>58,493,250,530</i>	<i>575,023,454,064</i>
Accumulated depreciation						
Beginning balance	253,340,065,442	1,583,082,034,461	21,658,460,904	8,433,759,500	58,865,557,351	1,925,379,877,658
Increase due to business combination	335,444,610,868	1,147,369,328,781	96,800,820,752	12,896,065,614	6,282,766,345	1,598,793,592,360
Depreciation for the year	123,186,901,604	430,021,989,570	22,252,248,134	6,615,028,657	1,992,644,267	584,068,812,232
Write-off	(619,126,497)	(101,258,330,544)	(2,061,863,483)	(1,089,487,066)	-	(105,028,807,590)
Disposal	(361,581,413)	(17,281,931,065)	(9,753,209,008)	(342,681,777)	-	(27,739,403,263)
Transfer to investment properties	(2,068,870,568)	-	-	-	-	(2,068,870,568)
Impact from foreign exchange difference	1,328,644,189	1,787,086,220	533,298,708	65,438	11,129,677	3,660,224,232
Ending 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
Net carrying amount						
Beginning balance	229,230,807,120	958,097,250,060	27,048,222,727	4,381,231,498	4,313,921,940	1,223,071,433,345
Ending 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
<i>In which:</i>						
<i>Pledged as loan security (Note 25)</i>	<i>812,583,676,461</i>	<i>1,633,350,224,891</i>	<i>111,791,703,979</i>	<i>1,393,538,202</i>	<i>3,533,507,621</i>	<i>2,562,652,651,154</i>

14. FINANCE LEASES

VND

	Machineries and equipment
Cost	
Beginning balance	73,767,448,385
Increase due to business combination	77,957,912,891
Ending balance	151,725,361,276
Accumulated depreciation	
Beginning balance	11,075,222,754
Increase due to business combination	11,697,309,778
Depreciation for the year	9,819,724,364
Ending balance	32,592,256,896
Net carrying amount	
Beginning balance	62,692,225,631
Ending balance	119,133,104,380

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15. INTANGIBLE FIXED ASSETS

VND

	Land use rights	Computer software	Others	Total
Cost				
Beginning balance	156,965,788,459	15,812,161,238	-	172,777,949,697
Increase due to business combination	44,659,371,037	2,509,271,865	7,806,284,442	54,974,927,344
New purchase	7,410,755,403	6,953,083,227	-	14,363,838,630
Disposal	(134,983,796,640)	(200,000,000)	-	(135,183,796,640)
Ending balance	74,052,118,259	25,074,516,330	7,806,284,442	106,932,919,031
<i>In which:</i>				
<i>Fully amortised</i>	5,869,907,479	5,725,488,081	-	11,595,395,560
Accumulated amortisation				
Beginning balance	8,886,205,537	7,361,051,062	-	16,247,256,599
Increase due to business combination	11,188,556,202	2,109,448,062	3,251,824,391	16,549,828,655
Amortisation for the year	5,789,479,402	2,722,832,219	241,981,248	8,754,292,869
Disposal	(7,294,258,319)	(778,962)	-	(7,295,037,281)
Ending balance	18,569,982,822	12,192,552,381	3,493,805,639	34,256,340,842
Net carrying amount				
Beginning balance	148,079,582,922	8,451,110,176	-	156,530,693,098
Ending balance	55,482,135,437	12,881,963,949	4,312,478,803	72,676,578,189
<i>In which:</i>				
<i>Pledged as loan security (Note 25)</i>	539,725,701	-	-	539,725,701

16. INVESTMENT PROPERTIES

VND

	Buildings and structures	Land use right	Total
Cost			
Beginning balance	108,764,596,789	29,296,423,000	138,061,019,789
Increase due to business combination	42,533,352,370	36,372,780,600	78,906,132,970
Transfer from construction in progress	30,824,520,571	10,237,696,182	41,062,216,753
Transfer from tangible fixed assets	7,872,406,813	-	7,872,406,813
Disposal	(42,533,352,370)	(17,560,643,130)	(60,093,995,500)
Ending balance	147,461,524,173	58,346,256,652	205,807,780,825
Accumulated depreciation and amortisation			
Beginning balance	2,157,412,824	4,785,349,971	6,942,762,795
Increase due to business combination	2,835,556,825	9,570,553,470	12,406,110,295
Depreciation and amortisation for the year	5,934,647,841	1,800,907,827	7,735,555,668
Transfer from tangible fixed assets	2,068,870,568	-	2,068,870,568
Disposal	(3,190,001,428)	(1,317,048,236)	(4,507,049,664)
Ending balance	9,806,486,630	14,839,763,032	24,646,249,662
Net carrying amount			
Beginning balance	106,607,183,965	24,511,073,029	131,118,256,994
Ending balance	137,655,037,543	43,506,493,620	181,161,531,163
<i>In which:</i>			
<i>Pledged as loan security (Note 25)</i>	137,655,037,543	43,432,963,002	181,088,000,545

The fair values of the investment property as at 30 June 2018 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 has been almost fully rented out as at the balance sheet date.

17. CONSTRUCTION IN PROGRESS

VND

	Ending balance	Beginning balance
Sugar cane planting area project in Cambodia	39,682,376,555	-
Factories and offices renovation	43,178,950,607	3,271,803,998
Machineries and equipment under installation	13,448,632,163	40,287,428,624
Espace Bourbon Tay Ninh project	-	16,454,088,618
Others	37,752,064,159	18,643,253,106
TOTAL	134,062,023,484	78,656,574,346

18. LONG-TERM INVESTMENTS

VND

	Ending balance	Beginning balance
Investments in associates (Note 18.1)	192,557,122,221	1,372,916,355,311
Investments in other entities (Note 18.2)	445,314,919,184	770,062,384
TOTAL	637,872,041,405	1,373,686,417,695
Provision for long-term investments	(741,216,334)	(770,062,384)
NET	637,130,825,071	1,372,916,355,311

18.1 Investments in associates

Details of these investments in associates were as follows:

VND

Name of associates	Business activities	Ending balance		Beginning balance	
		Carrying amount	% interest	Carrying amount	% interest
Tay Ninh Tapioca Joint Stock Company	Manufacturing and trading tapioca starch by-products	125,947,770,609	29.96	-	-
Tapioca Viet Nam Limited Company	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	Trade real estate and invest in infrastructure and management of industrial zones	7,147,601,379	47.45	-	-
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	31,270,453,325	20.10
Thanh Thanh Cong Industrial Zone Joint Stock Company (*)	Building industrial zone's infrastructure and leasing industrial zone	-	-	210,985,942,196	49.00
TTC Attapeu Cane Sugar Limited Company (**)	Producing and trading import-export of sugar; planting sugarcane, rubber tree, oil palm tree, short-term leguminous trees; producing, transmitting and distributing electricity and trading of agricultural machineries and spare-parts	-	-	522,424,985,089	40.00

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18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in associates (continued)

Details of these investments in associates were as follows: (continued)

Name of associates	Business activities	VND			
		Ending balance		Beginning balance	
		Carrying amount	% of interest	Carrying amount	% of interest
Ben Tre Import Export Joint Stock Company (***)	Producing and trading products from coconut, agricultural products; rendering processing services, tourism services; and investing in financial markets	-	-	410,928,536,143	48.99
Tay Ninh Sugar Joint Stock Company (**)	Planting sugarcane; producing and trading sugar and its by-products	-	-	136,237,450,556	39.23
Nuoc Trong Sugar Joint Stock Company (***)	Producing sugar; planting sugar cane, wheat, rubber trees and agricultural products; processing agriculture products, food and alcoholic beverages; processing, manufacturing and installing food industry machineries; importing and exporting businesses	-	-	61,068,988,002	30.54
TOTAL		192,557,122,221		1,372,916,355,311	

(*) During the year, the Group completed the transfer of all its shares in Thanh Thanh Cong Industrial Zone Joint Stock Company ("TTC IZ") to a related party (Note 35).

(**) These investments became investments in subsidiaries as a result of the share swap (Note 4).

(***) During the year, Ben Tre Import Export Joint Stock Company completed the issuance of 108,000,000 shares to swap with all shares in Global Mind Vietnam Company Limited, Coconut Fibre Processing One Member Company Limited and Thanh Thanh Cong Food and Beverage Joint Stock Company. This increase has been approved by The Planning and Development Department of Ben Tre Province through the issuance of the 16th Business Registration Certificate dated 7 December 2017. Accordingly, ownership interest of the Group in Ben Tre Import Export Joint Stock Company decreased to 13.5% and it was no longer the Group's associate.

VND	
Cost of investment	
Beginning balance	1,394,836,191,375
Increase due to business combination	148,353,976,123
Decrease due to being subsidiaries	(715,761,711,375)
Decrease due to disposal	(245,000,000,000)
Other decreases	(402,495,280,000)
Ending balance	179,933,176,123
Accumulated share in post-acquisition profit (loss) of the associates	
Beginning balance	(21,919,836,064)
Share in post-acquisition profit of the associates for the year	60,942,913,700
Decrease due to being subsidiaries	(3,969,712,272)
Decrease due to disposal	2,288,867,474
Other decreases	(24,718,286,740)
Ending balance	12,623,946,098
Net carrying amount	
Beginning balance	1,372,916,355,311
Ending balance	192,557,122,221

18. LONG-TERM INVESTMENTS (continued)

18.2 Investments in other entities

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

VND

	Ending balance		Beginning balance	
	Cost of investment	% of interest	Cost of investment	% of interest
Ben Tre Import and Export Joint Stock Company	427,213,566,740	13.50	-	-
Son Duong Sugar Joint Stock Company	17,360,136,000	13.08	-	-
Other long-term investments	741,216,444		770,062,384	
TOTAL	445,314,919,184		770,062,384	
Provision for diminution in value of long-term investment	(741,216,334)		(770,062,384)	
NET	444,573,702,850		-	

19. GOODWILL

VND

Cost	
Beginning balance	19,357,741,738
Increase due to business combination (*)	173,188,881,696
Ending balance	192,546,623,434
Accumulated amortisation	
Beginning balance	3,387,604,804
Amortization for the year	18,741,197,382
Ending balance	22,128,802,186
Net carrying amount	
Beginning balance	15,970,136,934
Ending balance	170,417,821,248

(*) Including goodwill arising from the fair value's adjustments corresponding to the assets of TTC Attapeu Cane Sugar Limited Company, a subsidiary acquired in May 2017, in accordance with Appraisal Letter No. 177/017/CT/TDGSG dated 15 August 2017.

20. SHORT-TERM TRADE PAYABLES

VND

	Ending balance	Beginning balance
Due to related parties (Note 35)	199,985,290,790	72,090,149,385
Due to other parties	157,634,936,442	53,733,717,511
<i>In which:</i>		
- Farmers	42,485,849,679	15,190,523,170
- Vietnam Dairy Products Joint Stock Company	22,663,554,169	-
- Others	92,485,532,594	38,543,194,341
TOTAL	357,620,227,232	125,823,866,896

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21. SHORT-TERM ADVANCES FROM CUSTOMERS

	Ending balance	Beginning balance
		VND
Due to related parties (Note 35)	121,042,011,694	87,662,305,831
Due to other parties	68,033,229,911	2,383,645,743
<i>In which:</i>		
Ms Le Thi Thanh Nhan	26,983,548,900	-
Mr Nguyen Thanh Danh	26,983,548,900	-
Others	14,066,132,111	2,383,645,743
TOTAL	189,075,241,605	90,045,951,574

22. STATUTORY OBLIGATIONS

	Ending balance	Beginning balance
		VND
Corporate income tax	83,240,175,899	3,709,853,844
Land rental fee	36,141,707,100	-
Value-added tax	34,747,743,586	6,509,048,833
Personal income tax	5,049,495,209	740,275,598
Others	123,086,269	135,079,767
TOTAL	159,302,208,063	11,094,258,042

23. SHORT-TERM ACCRUED EXPENSES

	Ending balance	Beginning balance
		VND
Interest expense	165,171,897,840	25,826,267,537
Purchase of sugarcane	38,638,413,614	9,680,034,780
Transportation and loading fees	35,369,888,100	3,066,398,571
Foreign contractor tax	18,861,709,054	-
Trade discounts	9,677,773,356	-
Land rental expenses	8,760,400,449	-
Others	22,720,678,824	15,932,520,028
TOTAL	299,200,761,237	54,505,220,916

24. OTHER PAYABLES

	Ending balance	Beginning balance
		VND
Short-term	80,757,931,129	7,293,806,406
Payable to Brightway Group Co., Ltd (*)	33,172,706,250	-
Dividends	21,802,006,989	432,034,015
Deposits	8,660,459,786	1,116,657,796
Harvest and transportation payables	10,422,181,225	1,524,007,192
Others	6,700,576,879	4,221,107,403
Long-term		
Deposits	6,679,256,280	6,338,567,960
TOTAL	87,437,187,409	13,632,374,366
<i>In which:</i>		
Other parties	86,356,631,196	12,432,374,366
Related parties (Note 35)	1,080,556,213	1,200,000,000

(*) Payable to Brightway Group Co., Ltd represented advanced amount from Brightway Group Co., Ltd in accordance with Contract dated 16 June 2011 for the transfer of sugar cane planting and sugar production in Cambodia.

25. LOANS

VND

	Beginning balance	Increase	Decrease	Impact from foreign exchange difference	Ending balance
Short-term	2,849,665,687,097	19,773,953,352,148	(14,925,361,439,185)	4,553,875,526	7,702,811,475,586
Loans from banks (Note 25.1)	2,606,272,712,011	18,183,073,435,601	(14,367,789,122,772)	3,672,828,026	6,425,229,852,866
Loan from a related party (Note 35)	-	300,000,000	-	-	300,000,000
Short-term bonds (Note 25.2)	-	538,960,000,000	-	-	538,960,000,000
Current portion of long-term loans from banks (Note 25.3)	82,719,804,000	449,966,703,925	(277,631,076,673)	881,047,500	255,936,478,752
Current portion of long-term loan from another entity (Note 25.4)	1,720,000,000	1,720,000,000	(1,720,000,000)	-	1,720,000,000
Current portion of long-term loan from a related party	2,386,342,000	-	(2,386,342,000)	-	-
Current portion of long-term bonds (Note 25.5)	147,404,000,000	551,896,933,321	(246,450,466,661)	-	452,850,466,660
Current portion of finance leases (Note 25.6)	9,162,829,086	48,036,279,301	(29,384,431,079)	-	27,814,677,308
Long-term	1,501,308,812,287	1,865,879,588,937	(792,953,170,451)	7,642,819,525	2,581,878,050,298
Loans from banks (Note 25.3)	297,086,721,220	898,869,238,137	(306,749,041,820)	7,642,819,525	896,849,737,062
Loan from another entity (Note 25.4)	2,690,000,000	-	(1,720,000,000)	-	970,000,000
Loan from a related party	4,772,682,000	-	(4,772,682,000)	-	-
Bonds (Note 25.5)	1,162,398,800,000	929,507,666,662	(451,896,933,321)	-	1,640,009,533,341
Long-term finance leases (Note 25.6)	34,360,609,067	37,502,684,138	(27,814,513,310)	-	44,048,779,895
TOTAL	4,350,974,499,384	21,639,832,941,085	(15,718,314,609,636)	12,196,695,051	10,284,689,525,884

25.1 Short-term loans from banks

Details of the short-term loans from banks are as follows:

Bank	Ending balance		Principal repayment term	Description of collateral
	VND	Original currency (USD)		
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Dong Nai Branch	701,032,666,948	-	From 11 July 2018 to 15 February 2019	Machineries funded from the loan and land lot 738 and 748, located at Chau Thanh District, Tay Ninh Province
	98,647,200,000	4,320,000	12 December 2018	
ANZ Bank (Vietnam) Ltd. - Ho Chi Minh City City Branch	334,736,000,000	-	From 15 July 2018 to 25 December 2018	All of receivables, inventories with the carrying value of USD 18,750,000
	110,574,737,302	-	From 9 July 2018 to 19 November 2018	All of receivables, inventories with the carrying value of USD 6,250,000
	97,961,322,693	-	From 2 July 2018 to 26 December 2018	All of receivables, inventories with the carrying value of USD 46,250,000
Joint Stock Commercial Bank for Investment and Development of Vietnam - Khanh Hoa Branch	62,000,000,000	-	From 7 August 2018 to 27 December 2018	All of receivables and inventories with the carrying value of USD 6,250,000; guarantee letter from TTC Bien Hoa – Dong Nai Sugar One Member Company Limited
	445,539,373,764	-	From 15 July 2018 to 21 December 2018	Term deposit at the bank with the value of VND 135,000,000,000 and inventory with carrying value of VND 300,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch	374,939,385,914	-	From 1 July 2018 to 28 November 2018	All of receivables, inventories with the carrying value of VND 300,000,000,000 and term deposit at the bank with the value of VND 43,500,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam – North Saigon Branch	348,339,442,735	-	From 16 September 2018 to 27 December 2018	Land use right of land lot 49 at 2 Ward, Tay Ninh City, Tay Ninh Province and associated assets
	14,437,229,931	-	From 31 July 2018 to 21 September 2018	Transportation vehicles and machineries
Vietnam Joint Stock Commercial Bank for Industry and Trade – Gia Lai Branch	350,434,198,180	-	From 25 July 2018 to 21 November 2018	Trade receivables, land use right, assets funded from the loans, rights emerged from trading electricity contract with Central Power Corporation
Vietnam Prosperity Joint-Stock Commercial Bank - Ho Chi Minh City Branch	187,000,000,000	-	From 25 October 2018 to 13 November 2018	Inventories with the carrying value of VND 120,000,000,000; and 7,300,000 shares of Thanh Thanh Cong Tourist Joint Stock Company
	99,078,251,445	-	From 25 October 2018 to 12 November 2018	Inventories with carrying value of VND 110,000,000,000

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25. LOANS (continued)

25.1 Short-term loans from banks (continued)

Details of the short-term loans from banks are as follows: (continued)

Bank	Ending balance		Principal repayment term	Description of collateral
	VND	Original currency (USD)		
BPCE IOM Bank – Ho Chi Minh City Branch	92,799,271,734	-	From 4 July 2018 to 22 November 2018	All of receivables, inventories with the carrying value of USD 6,600,000
	43,465,951,540	1,890,646	3 July 2018	
	114,329,195,547	-	From 12 July 2018 to 27 December 2018	Receivables and inventories with carrying value of VND 137,195,034,656
Vietnam Technological and Commercial Joint Stock Bank – Ho Chi Minh Branch	11,348,093,708	-	From 30 July 2018 to 28 September 2018	Inventories and the transfer of corresponding insurance premiums with minimum value of USD 250,000, receivables and guarantee letter from TTC Bien Hoa – Dong Nai Sugar One Member Company Limited
	259,653,193,092	-	From 29 June 2018 to 26 December 2018	All of receivables, inventories with the carrying value of VND 150,000,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam - Gia Dinh Branch	245,724,000,000	-	From 4 September 2018 to 25 December 2018	Term deposit at the bank with the value of VND 45,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Khanh Hoa Branch	199,998,216,647	-	From 28 July 2018 to 28 November 2018	Term deposit at the bank with the value of VND 84,000,000,000 and transportation vehicles
Joint Stock Commercial Bank for Investment and Development of Vietnam – Gia Lai Branch	199,500,000,000	-	From 2 July 2018 to 14 December 2018	Inventories with the carrying value of VND 126,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank	186,073,708,198	-	From 19 September 2018 to 27 November 2018	Inventories with the carrying value of VND 200,000,000,000; 6,588,880 shares of Thanh Thanh Cong Tourist Joint Stock Company and 4,849,000 shares of the Company held by Thanh Thanh Cong Investment Joint Stock Company
	50,000,000,000	-	From 5 September 2018 to 16 October 2018	All of inventories with the carrying value of VND 100,000,000,000
Orient Commercial Joint Stock Bank - Dak Lak Branch	92,571,920,772	-	From 3 July 2018 to 11 December 2018	All of inventories with the carrying value of VND 143,000,000,000
	59,976,375,000	-	From 3 July 2018 to 5 July 2018	Right emerged from investment in advance to farmers with carrying amount of VND 142,885,000,000; inventories with the carrying value of VND 143,000,000,000
HSBC Bank (Vietnam) Ltd – Ho Chi Minh City Branch	133,000,000,000	-	From 30 August 2018 to 30 September 2018	All of receivables, inventories with carrying value of USD 8,000,000; guarantee letters from the Company and Thanh Thanh Cong Investment Joint Stock Company
	17,280,619,709	-	4 September 2018	Receivables with the carrying value of USD 6,000,000
United Oversea Bank Limited - Ho Chi Minh Branch	135,884,234,200	5,910,580	4 July 2018	All of receivables, inventories with the carrying value of USD 6,000,000
Vietnam International Commercial Joint Stock Bank – Dong Nai Branch	128,278,863,300	-	From 12 September 2018 to 19 October 2018	All of receivables, inventories with the carrying value of VND 200,000,000,000
	6,336,292,875	-	19 October 2018	Inventories with carrying value of VND 100,000,000,000
Malayan Banking Berhad, Ho Chi Minh Branch	81,868,309,830	3,561,040	19 December 2018	All of receivables, inventories with the carrying value of USD 8,750,000
	81,680,789,307	-	From 9 July 2018 to 29 December 2018	All of receivables, inventories with the carrying value of USD 2,500,000
	42,914,893,397	-	From 6 July 2018 to 20 July 2018	Receivables with the carrying value of VND 50,000,000,000

25. LOANS (continued)

25.1 Short-term loans from banks (continued)

Details of the short-term loans from banks are as follows: (continued)

Bank	Ending balance		Principal repayment term	Description of collateral
	VND	Original currency (USD)		
Military Commercial Joint Stock Bank - South Sai Gon Branch	120,336,000,000	-	From 6 August 2018 to 29 December 2018	All of inventories with the carrying value of VND 143,750,000,000
Saigon – Hanoi Commercial Joint Stock Bank - Dong Nai Branch	100,000,000,000	-	19 September 2018	Unsecured
Malayan Banking Berhad, Ha Noi Branch	53,959,331,664	-	From 21 July 2018 to 25 August 2018	Receivables with the carrying value of VND 50,000,000,000
	37,600,000,000	-	From 13 July 2018 to 20 July 2018	Receivables with the carrying value of USD 1,250,000
Vietnam Joint Stock Commercial Bank for Industry and Trade – Tay Ninh Branch	69,932,237,196	-	From 15 October 2018 to 12 November 2018	Land use right under mortgage contracts
	19,344,737,110	-	From 20 July 2018 to 28 November 2018	Fixed assets
Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	63,000,000,000	-	18 July 2018	Unsecured
	21,904,040,171	-	From 3 July 2018 to 5 July 2018	Unsecured
Laos - Vietnam Joint Venture Bank - Attapeu Branch (*)	61,096,837,766	2,691,183	From 21 April 2016 to 17 August 2017	Hoang Anh Attapeu Hotel which belongs to Hoang Anh Attapeu Agricultural Development Company Limited; inventories, machinery and equipment and 3,441.3 hectre sugarcane planting area
Joint Stock Bank for Investment and Development of Vietnam - Ninh Thuan Branch	60,563,796,679	-	From 12 October 2018 to 31 December 2018	Machinery and equipment
Shinhan Bank Vietnam - Transaction Center	59,911,810,000	-	From 21 November 2018 to 28 November 2018	Unsecured
Bank SinoPac – Ho Chi Minh City Branch	56,577,138,836	-	From 10 September 2018 to 21 October 2018	Unsecured
	9,827,849,098	500,000	From 11 July 2018 to 9 September 2018	Assets funded from the loan and guarantee letter from TTC Bien Hoa - Dong Nai Sugar One Member Limited Company
Ho Chi Minh City Development Joint Stock Commercial Bank – Tay Ninh Branch	52,307,345,290	-	From 21 September 2018 to 30 November 2018	Unsecured
Bao Viet Bank - Khanh Hoa Branch	50,000,000,000	-	From 5 November 2018 to 19 November 2018	Right emerged from the contract No. 1207/2017/HDKT-BHS-NHS

(*) This is an overdue loan of TTC Attapeu Sugar Cane Sole Co., Ltd, a subsidiary acquired in May 2017, and the Group is in the process of negotiating after the change of ownership from acquisition of this company.

Bank	Ending balance		Principal repayment term	Description of collateral
	VND	Original currency (USD)		
Vietnam Maritime Commercial Stock Bank - Khanh Hoa Branch	49,810,000,000	-	From 12 September 2018 to 29 November 2018	Right emerged from the contract HD1207/2017/HDKT-BHS-NHS
DBS Bank Ltd. – Ho Chi Minh City Branch	41,356,250,000	-	From 3 July 2018 to 8 July 2018	All of receivables, inventories with the carrying value of USD 11,000,000
Vietnam International Commercial Joint Stock Bank – Nha Trang Branch	40,237,338,682	-	From 27 August 2018 to 26 October 2018	Guarantee letter from the Company
Military Commercial Joint Stock Bank - Ho Chi Minh City Branch	32,251,742,587	-	From 6 August 2018 to 29 December 2018	17,696,846 shares of Tay Ninh Sugar Joint Stock Company
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ninh Thuan Branch	17,809,660,019	-	From 12 September 2018 to 20 November 2018	Transportation vehicles and machinery
TOTAL	6,425,229,852,866	18,873,449		

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

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25. LOANS (continued)

25.2 Short-term bonds issued

Details of short-term bonds are as follows:

	Ending balance	Principal repayment term	Interest rate %p.a.	Purpose
VND				
Issued at par value				
Vietnam Maritime Commercial Joint Stock Bank – Contract No. 139/2018/HĐMTP-TTCBH dated 20 April 2018 (*)	450,000,000,000	20 April 2019	10.5	Financing for working capital
Post and Telecommunication Joint Stock Insurance Corporation – Contract No. 1005/2018/SBT-PTI dated 10 May 2018 (*)	100,000,000,000	From 10 May 2019 to 15 May 2019	11.0	Financing for working capital
Issuance fee	(11,040,000,000)			
TOTAL	538,960,000,000			

(*) Collateral:

- 61,600,900 treasury shares of the Company with the value of VND 1,100,000,000,000 which were pledged at MB Security Joint Stock Company, and the additional collateral assets by cash equivalent to the diluted value of the treasury shares over 15% of daily closing price announced on Ho Chi Minh Stock Exchange; and
- Guarantee Agreement No.139/2018/HĐBL-TTC dated 18 April 2018 and No.147/2018/HĐBL-TTC dated 10 May 2018, in which Thanh Thanh Cong Investment Joint Stock Company unconditionally and irrevocably guaranteed to all obligations of the Company to the bond holders under the Bond Issuance Contract.

25.3 Long-term loans from banks

Details of the long-term loans from banks are as follows:

Bank	Ending balance		Principal repayment term	Description of collateral
	VND	Original currency (USD)		
Joint Stock Commercial Bank for Investment and Development of Vietnam - Binh Dinh Branch	501,476,096,069	22,172,235	From 28 September 2018 to 21 April 2023	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	167,312,964,268	-	From 1 July 2018 to 14 February 2022	Trade receivables, land use right, assets funded from the loans, rights emerged from trading electricity contract with Central Power Corporation
	95,510,596,000	-	From 1 July 2018 to 1 October 2022	Fixed assets funded from the loan
	17,225,306,616	-	From 29 September 2018 to 29 March 2022	Machinery funded from the loan
Military Commercial Joint Stock Bank - South Sai Gon Branch	90,166,215,344	-	From 25 August 2018 to 17 November 2022	Machinery funded from the loan
Orient Commercial Joint Stock Bank - Dak Lak Branch	63,335,000,000	-	From 26 September 2018 to 26 March 2023	Land used right of land lot 3106, located at Tan Kim Commune, Can Giuoc District, Long An Province and associated assets funded from loan
	39,916,000,000	-	From 23 September 2018 to 23 December 2021	Machinery funded from the loan
	11,388,722,452	-	From 8 July 2018 to 8 January 2022	Machinery funded from the loan

25. LOANS (continued)

25.3 Long-term loans from banks (continued)

Details of the long-term loans from banks are as follows: (continued)

Bank	Ending balance		Principal repayment term	Description of collateral
	VND	Original currency (USD)		
Joint Stock Commercial Bank for Foreign Trade of Vietnam - North Saigon Branch	64,053,478,042	-	From 31 December 2018 to 30 December 2024	Thermo-power plant project
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ninh Branch	48,257,000,000	-	From 30 June 2018 to 21 May 2021	Land use right of land lot located at Thach Tay, Tan Bien, Tay Ninh and machinery funded from the loan
	4,480,000,000	-	From 10 August 2018 to 10 May 2023	Investment properties
	2,662,000,000	-	From 15 July 2018 to 17 February 2020	Machinery funded from the loan
Vietnam Bank for Agriculture and Rural Development – Gia Lai Branch	18,100,978,711	-	From 26 June 2019 to 15 February 2022	Machinery funded from the loan
Vietnam Development Bank - Tay Ninh Branch	7,818,908,149	-	From 15 October 2018 to 15 April 2020	Unsecured
	3,217,056,600	-	From 14 October 2018 to 14 April 2020	Unsecured
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch	6,795,180,000	-	From 27 September 2018 to 12 December 2019	Machinery funded from the loan
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Dong Nai Branch	6,297,994,012	-	From 5 September 2018 to 9 September 2020	Machinery funded from the loan
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ninh Thuan Branch	4,772,719,551	-	From 30 September 2018 to 9 October 2022	Building and structure, machinery and equipment funded from the loan
TOTAL	1,152,786,215,814	22,172,235		
<i>In which:</i>				
<i>Current-portion</i>	255,936,478,752	3,500,000		
<i>Non-current portion</i>	896,849,737,062	18,672,235		

The Group obtained long-term loans from banks at the market interest rate for the purpose of purchase and construction of fixed assets.

25.4 Long-term loan from another entity

Details of the long-term loan from another entity is as follows:

Lender	Ending balance		Principal repayment term	Description of collateral
	VND	Original currency (USD)		
Vietnam Environment Protection Fund	2,690,000,000	-	From 25 September 2018 to 25 December 2019	Guarantee letter from Vietnam Joint Stock Commercial Bank for Industry and Trade
<i>In which:</i>				
<i>Current portion</i>	1,720,000,000	-		
<i>Non-current portion</i>	970,000,000	-		

The Group obtained long-term loan from another entity at interest rate of 5.40% per annum for the purpose of purchase and construction of fixed assets.

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25. LOANS (continued)

25.5 Long-term bonds issued

Details of bonds are as follows:

	Ending balance	Principal repayment term	Purpose
VND			
Issued at par value			
Tien Phong Commercial Joint Stock Bank – Ho Chi Minh Transaction Center (*)	450,000,000,000	From 30 May 2019 to 30 May 2021	Loan restructuring and financing for working capital
Vietnam International Commercial Joint Stock Bank – Dong Nai Branch (*)	300,000,000,000	From 30 May 2019 to 30 May 2021	Loan restructuring and financing for working capital
Orient Commercial Joint Stock Bank – Ho Chi Minh Branch (**)	300,000,000,000	From 27 May 2019 to 27 May 2021	Loan restructuring and financing for working capital
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Noi Branch (***)	425,600,000,000	From 23 June 2019 to 23 June 2023	
Joint Stock Commercial Bank for Investment and Development of Vietnam - Binh Dinh Branch (****)	338,400,000,000	From 23 June 2019 to 23 December 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
Bao Viet Joint Stock Commercial Bank – Transaction Center (****)	300,000,000,000	From 23 June 2019 to 23 December 2023	
Issuance fee	(21,139,999,999)		
	2,092,860,000,001		
<i>In which:</i>			
<i>Current portion</i>	452,850,466,660		
<i>Non-current portion</i>	1,640,009,533,341		

(*) Interest rate

These bonds bear an interest rate of 8.5% for the first year and the average of interest rate of individual saving deposit in VND with the term of twelve (12) months announced by four (4) commercial banks including Tien Phong Commercial Joint Stock Bank, Vietnam International Commercial Joint Stock Bank, Joint Stock Bank for Foreign Trade of Vietnam and Vietnam Joint Stock Commercial Bank for Industry and Trade plus margin 2.6% per annum for subsequent periods.

Collateral

- Land use right of land lot 97 located at Tan Hung Commune, Tan Chau District, Tay Ninh Province and associated assets owned by the Group, machinery and equipment and 51% capital contribution by the Company in Thanh Thanh Cong Gia Lai Co., Ltd.

(**) Interest rate

These bonds bear an interest rate of 8.5% for the first year and the average of interest rate of individual saving deposit in VND with the term of twelve (12) months announced by four (4) commercial banks including: Orient Commercial Joint Stock Bank, Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank For Industry And Trade and Joint Stock Commercial Bank For Foreign Trade Of Vietnam plus margin 2.75% per annum for subsequent periods.

25. LOANS (continued)

25.5 Bonds issued (continued)

(**) Interest rate (continued)

Collateral

- All buildings, equipment and machinery 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 in land lot 329, Thanh Binh Ward, Bien Hoa City, Dong Nai which belongs to TTC Bien Hoa – Dong Nai Sugar One Member Company Limited; and
- Capital contributed by the Group to Bien Hoa - Ninh Hoa Sugar One Member Company Limited.

(***) Interest rate

These bonds bear an interest rate defined by Joint Stock Commercial Bank for Investment and Development of Vietnam - Gia Dinh Branch on issued date for the first period or the seventh (7th) working date prior to the beginning day of each period for subsequent periods; and of the average of interest rate of individual saving deposit in VND with the term of twelve (12) months announced by Joint Stock Commercial Bank for Investment and Development of Vietnam - Ho Chi Minh City Branch, Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch, Vietnam Bank for Agriculture and Rural Development - Ho Chi Minh City Branch and Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch plus (+) margin 3.2% per annum.

Collateral

- Land lease right under Contract No. 8011/TNM dated 19 November 2012 between TTC Attapeu Sugar Cane Sole Co., Ltd, formerly known as Hoang Anh Attapeu Cane Sugar Limited Company, (“TTC Attapeu Laos”) and The Lao People’s Democratic Republic for 51 hectare land area located at Phu Vong District, Attapeu Province, The Lao People’s Democratic Republic and associated assets, real estates and all rights and obligations emerging from those assets owned by TTC Attapeu Laos; and ownership and entitlement to indemnity for incidents arising under insurance policies for those assets;
- Land lease right under Contract dated 26 December 2013 between TTC Attapeu Laos and The Lao People’s Democratic Republic for 2,723.9 hectare land area located at Attapeu Province, The Lao People’s Democratic Republic and associated assets, real estates and all rights and obligations emerging from those assets owned by TTC Attapeu Laos; construction, machineries in use at farm sites, sugar manufacturing plant, 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 contribution by the Company and TTC Bien Hoa – Dong Nai Sugar One Member Company Limited in TTC Attapeu.

25.6 Finance leases

The Group currently has leased machinery 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 30 June 2018 were as follows:

	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	33,160,559,659	5,345,882,351	27,814,677,308	12,752,367,380	3,589,538,294	9,162,829,086
Non-current liabilities						
From 1 - 5 years	36,539,369,027	3,793,014,490	32,746,354,537	40,380,015,099	6,019,406,032	34,360,609,067
More than 5 years	11,838,594,626	536,169,268	11,302,425,358	-	-	-
TOTAL	81,538,523,312	9,675,066,109	71,863,457,203	53,132,382,479	9,608,944,326	43,523,438,153

VND

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26. OWNERS' EQUITY

26.1 Increase and decrease in owners' equity

	Issued share capital	Share premium	Consolidation reserve	Treasury shares	Foreign exchange difference reserve	Investment and development fund	Undistributed earnings	Total
Previous year (as restated – Note 37)								
Beginning balance	1,947,610,330,000	155,174,403,823	-	(40,306,862,293)	(2,165,210,735)	243,709,260,201	386,137,417,421	2,690,159,338,417
Increase in capital	584,272,350,000	(146,070,770,000)	-	-	-	(233,713,240,000)	(204,488,340,000)	-
Reissuance of treasury shares	-	66,790,560,242	-	40,306,862,293	-	-	-	107,097,422,535
Net profit for the year (as restated – Note 37)	-	-	-	-	-	-	287,703,220,863	287,703,220,863
Foreign exchange differences arisen from conversion of financial statements to VND	-	-	-	-	8,977,455,742	-	-	8,977,455,742
Profit appropriation	-	-	-	-	-	29,221,439,973	(29,221,439,973)	-
Transfer to bonus and welfare fund	-	-	-	-	-	-	(44,276,628,452)	(44,276,628,452)
Ending balance	2,531,882,680,000	75,894,194,065	-	-	6,812,245,007	39,217,460,174	395,854,229,859	3,049,660,809,105
Current year								
Beginning balance (as restated)	2,531,882,680,000	75,894,194,065	-	-	6,812,245,007	39,217,460,174	395,854,229,859	3,049,660,809,105
Increase in capital (*)	3,038,304,050,000	6,167,151,721,500	-	-	-	-	-	9,205,455,771,500
Purchase of treasury share (**)	-	-	-	(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)
Purchase of non-controlling interest	-	-	-	-	-	-	3,352,107,031	3,352,107,031
Net profit for the year	-	-	-	-	-	-	544,871,022,423	544,871,022,423
Foreign exchange differences arisen from 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	-	-	-	-	-	-	(121,800,106)	(121,800,106)
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	856,496,451,241	6,044,587,635,462

VND

26. OWNERS' EQUITY (continued)

26.1 Increase and decrease in owners' equity (continued)

(*) On 6 September 2017, the Company completed the issuance of 303,830,405 new shares 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. This increase in share capital was approved by the Planning and Investment Department of Tay Ninh Province through the issuance of the fifth amended BRC dated 18 September 2017.

(**) On 18 May 2018, the Company completed the purchase of 61,600,900 shares as treasury shares in accordance to Resolution No. 02/2017/NQ-DHCD dated 20 November 2017. All treasury shares were pledged as collateral for short-term bonds obtained from financial organizations (Note 25.2).

26.2 Capital transactions with owners and distribution of dividends

VND

	Ending balance	Beginning balance
Issued contributed share capital		
Beginning balance	2,531,882,680,000	1,947,610,330,000
Increase during the year	3,038,304,050,000	584,272,350,000
Ending balance	5,570,186,730,000	2,531,882,680,000
Dividends declared	-	-
Dividends paid	(12,074,600)	(63,122,250)

26.3 Shares

	Number of shares	
	Ending balance (shares)	Beginning balance (shares)
Authorised shares	557,018,673	253,188,268
Shares issued and fully paid		
Ordinary shares	557,018,673	253,188,268
Treasury shares		
Ordinary shares	(61,600,900)	-
Shares in circulation		
Ordinary shares	495,417,773	253,188,268

26.4 Earnings per share

	Current year	Previous year (as restated)
Net profit for the year attributable to the Company's shareholders (VND)	544,871,022,423	287,703,220,863
Appropriation to bonus and welfare fund (*)	(65,384,522,691)	(50,153,685,934)
Net profit attributable to ordinary holders of the Company's shareholders adjusted for appropriation to bonus and welfare fund	479,486,499,732	237,549,534,929
Weighted average number of ordinary shares in circulation (shares)	491,805,718	252,898,723
Basic and diluted earnings per share (VND/share)	974	939

(*) Net profit used to compute earnings per share for the year ended 30 June 2017 was restated following the actual distribution to Bonus and welfare funds from 2016 retained earnings as approved in the Resolution of Annual Shareholders Meeting No. 02/2017/NQ-DHDCD dated 20 November 2017.

Bonus and welfare fund for current year is intended to be accrued in accordance with the Resolution of Annual Shareholders Meeting No. 02/2017/NQ-DHDCD dated 20 November 2017.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

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27. NON-CONTROLLING INTERESTS

VND

Beginning balance	11,749,646,292
Increase due to business combination	103,382,120,397
Change of ownership interest	(62,578,170,746)
Net profit for the year	218,702,911
Ending balance	52,772,298,854

28. REVENUES

28.1 Revenues from sale of goods and rendering of services

VND

	Current year	Previous year
Gross revenue	10,325,400,666,889	4,502,976,571,901
<i>Of which:</i>		
Sales of sugar	9,085,503,491,590	3,890,626,622,497
Sales of molasses	348,022,122,396	186,801,226,683
Sales of products from rubber	294,315,456,434	-
Sales of fertilizer	227,851,686,505	123,099,383,747
Sales of electricity	166,760,012,512	105,973,587,594
Other	202,947,897,452	196,475,751,380
Less	(40,705,067,180)	(4,593,193,827)
Sale returns	(19,232,917,599)	(2,489,839,720)
Trade discounts	(21,472,149,581)	(2,103,354,107)
Net revenues	10,284,695,599,709	4,498,383,378,074
<i>Of which:</i>		
Sales of sugar	9,044,825,709,704	3,886,484,285,563
Sales of molasses	348,022,122,396	186,644,635,254
Sales of products from rubber	294,315,456,434	-
Sales of fertilizer	227,851,686,505	123,006,968,301
Sales of electricity	166,760,012,512	105,973,587,594
Other	202,920,612,158	196,273,901,362
<i>Of which:</i>		
Sales to other parties	7,016,994,966,593	2,490,584,444,530
Sales to related parties	3,267,700,633,116	2,007,798,933,544

28.2 Finance income

VND

	Current year	Previous year
Interest income	280,009,634,773	134,299,173,133
Gains from disposal of investments	409,954,101,307	70,255,215,430
Dividends income	9,170,878,382	10,573,166,005
Foreign exchange gains	12,585,607,774	6,750,235,844
Others	758,388,897	8,733,793
TOTAL	712,478,611,133	221,886,524,205

28. REVENUES (continued)

28.3 Revenue and expense relating to investment properties

VND

	Current year	Previous year
Rental income from investment properties	37,154,555,649	6,402,180,435
Direct operating expenses of investment properties that generated rental income during the year	23,523,595,050	2,567,486,404

29. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year (as restated – Note 37)
Cost of sugar	7,797,489,394,872	3,376,648,406,411
Cost of molasses	335,169,533,346	170,970,100,490
Cost of products from rubber	287,185,193,804	-
Cost of fertilizer	211,588,640,546	109,800,763,623
Cost of electricity	150,457,452,182	122,543,063,779
Others	176,720,816,771	162,279,311,052
TOTAL	8,958,611,031,521	3,942,241,645,355

30. FINANCE EXPENSES

VND

	Current year	Previous year
Interest expense	714,074,144,851	256,785,222,928
Payment discount and interest from advances	42,862,204,238	15,853,168,345
Foreign exchange losses	13,551,277,323	3,366,986,196
Provision for diminution in investments	8,851,076,348	1,575,408,894
Loss from disposal of investments	2,585,105,125	-
Others	24,146,682,725	2,644,987,458
TOTAL	806,070,490,610	280,225,773,821

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

	Current year	Previous year
Selling expenses		
Expenses for external services	198,132,705,287	69,132,772,991
Labour cost	83,458,331,575	9,416,545,804
Depreciation and amortisation	6,957,515,143	3,601,885,953
Others	29,109,127,902	5,205,694,298
	317,657,679,907	87,356,899,046
General and administrative expenses		
Labour costs	203,577,651,635	66,041,843,774
Expenses for external services	84,588,920,252	32,270,873,968
Provision	24,010,306,175	10,366,048,860
Depreciation and amortisation	44,658,105,543	9,114,777,992
Other expenses	79,491,617,433	31,798,917,650
	436,326,601,038	149,592,462,244
TOTAL	753,984,280,945	236,949,361,290

34. CORPORATE INCOME TAX(continued)

34.1 CIT expense (continued)

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

VND

	Current year	Previous year (as restated – Note 37)
Accounting profit before tax	682,291,740,983	309,602,800,539
At CIT rates applied to the Group	117,715,087,206	49,046,625,398
<i>Adjustments</i>		
Consolidation adjustments	45,580,032,425	-
Non-deductible expenses	4,334,477,178	458,617,574
Amortisation of goodwill	3,748,239,476	387,154,835
Adjustment for under accrual of tax from prior years	238,362,996	431,367,762
Change of gains of change in ownership interest of investments	(457,773,495)	5,597,015,335
Dividends income	(2,193,178,244)	(1,057,316,600)
Change of provisions for long-term investments	-	(283,260,313)
Share of profit in associates	(12,188,582,740)	(8,042,497,734)
Tax exemption	(19,574,649,153)	(24,151,369,634)
CIT expense	137,202,015,649	22,386,336,623

34.2 Current CIT

The current tax payable is based on taxable profit for the current year. The taxable profit 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 recognized 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				
Increase due to business combination	5,603,621,099	-	-	-
Change in provision for obsolete inventories	2,967,049,423	-	2,967,049,423	-
Unrealised profits	6,028,931,545	573,205,126	5,455,726,419	(278,190,193)
Change in short-term accrued expenses	1,254,104,949	-	1,254,104,949	-
TOTAL	15,853,707,016	573,205,126		
Deferred tax liabilities				
Increase due to business combination	92,816,940,576	-	-	-
Change of fair value of net assets after business combination	(3,763,546,916)	-	3,763,546,916	-
Change of provisions for long-term investments	1,247,039,853	-	(1,247,039,853)	-
TOTAL	90,300,433,513	-		
Deferred tax income (expenses)			12,193,387,854	(278,190,193)

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as at and for the year ended 30 June 2018

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35. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the current and previous year were as follows:

VND				
Related parties	Relationship	Transactions	Current year	Previous year
Toan Hai Van Joint Stock Company	Related party	Sales of TTC IZ shares	612,500,000,000	-
Thanh Thanh Cong Investment Joint Stock Company	Related party	Sale of goods	737,988,286,679	405,214,745,730
		Purchase of goods	434,192,717,781	1,891,192,768
		Interest income	80,687,421,034	12,807,296,002
		Interest expenses	31,767,523,040	10,454,818,345
		Purchase of services	21,988,040,858	11,294,834,190
		Lending	10,000,000,000	163,800,000,000
		Purchase of assets	1,357,067,442	-
Thanh Thanh Cong Trading Joint Stock Company	Related party	Sale of goods	676,995,736,402	50,823,320,505
		Purchase of goods	342,903,784,690	110,199,000,000
		Purchase of services	47,301,031,396	38,564,027,640
		Interest income	40,385,168,252	35,123,804,391
		Interest expenses	7,006,367,132	5,398,350,000
		Service rendered	590,758,911	229,090,911
		Purchase of materials	74,102,000	15,410,000,000
		Lending	-	840,880,000,000
Ben Tre Import Export Joint Stock Company	Related party	Purchase of goods	347,544,709,951	97,747,086,880
		Sale of goods	101,240,877,882	35,214,778,071
		Purchase of materials	68,843,602,504	68,742,132,077
		Interest income	6,820,199,411	16,618,645,409
		Interest expenses	690,662,737	-
Global Mind Commodities Trading Pte., Ltd	Related party	Purchase of materials	965,136,534,786	970,532,804,268
		Sale of goods	874,442,563,960	576,614,234,980
		Advances for purchase of goods	211,157,419,200	207,967,005,792
		Interest income	1,353,035,864	-
		Interest expenses	698,813,800	-
		Purchase of services	-	1,603,249,737
Svayrieng Sugar and Cane Company Limited	Related party	Purchase of materials	81,019,607,504	114,044,021,914
		Sale of goods	24,266,789,000	20,332,350,522
		Service rendered	1,324,946,200	-
		Profit shared	-	7,288,838,895
		Interest income	-	45,424,928
Son Tin Commodities Exchange Joint Stock Company	Related party	Sale of goods	546,976,996,273	21,085,714,287
		Purchase of goods	91,744,315,250	48,710,142,857
		Interest income	59,834,240,939	26,867,460,188
		Interest expenses	6,163,940,669	-
		Lending	-	109,000,000,000
		Purchase of materials	-	149,472,871,475
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Related party	Sale of fixed assets	255,498,447,101	-
		Sale of goods	195,185,809,524	-
		Purchase of services	1,471,655,031	1,008,785,960
		Service rendered	136,363,636	-
Tam Binh An Manufacturing Trading Joint Stock Company	Related party	Purchase of goods	363,490,909,091	-
		Sale of goods	140,170,000,000	-
		Payment on behalf	4,071,756,165	-
Loc Tho Joint Stock Company	Related party	Sale of goods	55,475,518,054	-
		Purchase of materials	28,263,336,829	-
		Deposit for land rental	-	57,865,463,900
		Land rental	-	4,134,487,500

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the current and previous year were as follows: (continued)

VND				
Related parties	Relationship	Transactions	Current year	Previous year
Thanh Thanh Cong Tourist Joint Stock Company	Related party	Purchase of services	8,937,246,843	7,989,089,060
		Purchase of goods	2,634,407,795	-
		Sale of goods	135,207,790	-
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Related party	Sale of goods	100,798,910,077	8,438,095
		Purchase of goods	36,455,032,395	32,758,189,637
		Purchase of materials	35,869,535,972	-
Toan Thinh Phat Corporation	Related party	Purchase of services	9,270,683,293	6,811,361,927
		Sale of goods	61,605,714	-

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				
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Related party	Sale of fixed assets	249,302,744,490	-
		Sale of goods	96,589,200,000	-
Son Tin Commodities Exchange Joint Stock Company	Related party	Sale of goods	235,036,706,000	-
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Related party	Sale of goods	74,859,135,994	-
Thanh Thanh Cong Investment Joint Stock Company	Related party	Sale of goods	73,224,351,338	10,520,376,000
Tam Binh An Manufacturing Trading Joint Stock Company	Related party	Sale of goods	70,003,500,000	-
Global Mind Commodities Trading Pte., Ltd	Related party	Sale of goods	57,876,301,528	59,156,583,419
Thanh Thanh Cong Trading Joint Stock Company	Related party	Sale of goods	36,152,729,758	4,525,001
		Service rendered	-	48,000,000
Loc Tho Joint Stock Company	Related party	Sale of goods	4,805,078,587	-
Ben Tre Import and Export Joint Stock Company	Related party	Sale of goods	1,146,462,990	45,622,500
Svayrieng Sugar and Cane Company Limited	Related party	Sale of goods	929,100,840	306,167,140
Tan Hoi Industrial Complex Infrastructure Investment Joint Stock Company	Associate	Sale of goods	497,683,935	-
Thanh Thanh Cong Tourist Joint Stock Company.	Related party	Sale of goods	6,287,123	-
Sai Gon Thuong Tin Real Estate Joint Stock Company	Related party	Sale of goods	1,000,021	-
Thanh Thanh Cong Education Joint Stock Company	Related party	Sale of goods	9,000	-
Hai Vi Company Limited	Related party	Service rendered	-	4,096,638,534
		Sale of goods	-	318,505,825

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as at and for the year ended 30 June 2018

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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 trade receivables (continued)				
TTC Attapeu Cane Sugar Limited Company	Related party	Sale of goods	-	78,073,302,386
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Related party	Sale of goods	-	45,780,000,000
TTC Bien Hoa - Dong Nai Sugar One Member Company Limited	Related party	Sale of goods	-	10,281,485,332
TTC Attapeu Cane Sugar Limited Company	Related party	Sale of assets	-	7,261,165,198
		Sale of goods	-	754,600,000
Tay Ninh Sugar Joint Stock Company	Related party	Service rendered	-	420,000,000
Bien Hoa - Phan Rang Sugar Joint Stock Company	Related party	Sale of goods	-	121,000,000
TOTAL			900,430,291,604	217,187,971,335
Short-term advance to suppliers				
Thanh Thanh Cong Trading Joint Stock Company (*)	Related party	Purchase of goods	888,147,854,765	157,687,000,000
Thanh Thanh Cong Investment Joint Stock Company (*)	Related party	Purchase of goods	295,910,880,000	-
Global Mind Commodities Trading Pte., Ltd	Related party	Purchase of goods	211,157,419,200	211,978,074,672
Son Tin Commodity Exchange Joint Stock Company (*)	Related party	Purchase of materials	164,758,103,986	52,722,834,951
Tam Binh An Manufacturing Trading Joint Stock Company (*)	Related party	Purchase of goods	96,600,000,000	-
Svayrieng Sugar and Cane Company Limited (*)	Related party	Purchase of materials	52,634,652,710	20,015,194,100
Ben Tre Import – Export Joint Stock Company	Related party	Purchase of goods	21,405,055,440	118,988,721,305
Thanh Thanh Cong Tourist Joint Stock Company	Related party	Purchase of services	2,533,253,700	1,075,030,000
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Related party	Purchase of materials	1,701,160,464	-
Gia Lai Electricity Joint Stock Company	Related party	Purchase of services	550,000,000	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Related party	Purchase of services	253,600,000	126,800,000
Hai Vi Company Limited	Related party	Purchase of services	-	2,122,804,295
		Purchase of materials	-	2,450,466,821
Toan Thinh Phat Corporation	Related party	Purchase of services	-	5,874,764,500
TTC Bien Hoa – Dong Nai Sugar One Member Company Limited	Related party	Purchase of materials	-	5,156,829,000
TOTAL			1,735,651,980,265	578,198,519,644

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

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
Other short-term receivables				
Toan Hai Van Joint Stock Company	Related party	Sale of TTC IZ shares	394,500,000,000	-
Son Tin Commodity Exchange Joint Stock Company	Related party	Interest income	53,785,251,028	3,235,305,007
Thanh Thanh Cong Investment Joint Stock Company	Related party	Interest income	35,420,856,485	-
		Deposit	-	1,882,678,534
Thanh Thanh Cong Trading Joint Stock Company	Related party	Interest income	31,006,207,153	1,831,084,444
		Deposit	457,708,000	-
Tam Binh An Manufacturing Trading Joint Stock Company	Related party	Interest income	3,067,709,133	-
Svayrieng Sugar and Cane Company Limited	Related party	Payment on behalf	1,825,864,722	1,568,832,139
		Profit shared	-	7,288,838,895
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Related party	Payment on behalf	1,394,849,312	-
		Deposit	465,150,000	-
Tay Ninh Chemical Industrial Joint Stock Company	Associate	Interest income	48,600,000	-
Hai Vi Company Limited	Related party	Payment on behalf	-	2,973,460,912
Ben Tre Import Export Joint Stock Company	Related party	Interest income	-	930,358,121
TTC Attapeu Sugar Cane Sole Co., Ltd	Related party	Payment on behalf	-	821,360,146
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Related party	Payment on behalf	-	742,647,317
Global Mind Commodities Trading Pte., Ltd	Related party	Deposit	-	355,059,818
TTC Attapeu Sugar Cane Limited Company	Related party	Interest income	-	280,785,366
		Payment on behalf	-	11,552,762
TTC Bien Hoa - Dong Nai Sugar One Member Company Limited	Related party	Payment on behalf	-	131,580,000
Tay Ninh Sugar Joint Stock Company	Related party	Interest income	-	105,041,667
TOTAL			521,972,195,833	22,158,585,128
Short-term loan receivables (*)				
Son Tin Commodities Exchange Joint Stock Company	Related party	Lending	79,400,000,000	109,000,000,000
Thuan Thien Investment Joint Stock Company	Related party	Lending	14,200,000,000	-
Thanh Thanh Cong Investment Joint Stock Company	Related party	Lending	-	108,800,000,000
Thanh Thanh Cong Trading Joint Stock Company	Related party	Lending	-	35,000,000,000
Ben Tre Import Export Joint Stock Company	Related party	Lending	-	18,000,000,000
Tay Ninh Sugar Joint Stock Company	Related party	Lending	-	12,000,000,000
TTC Attapeu Cane Sugar Limited Company	Related party	Lending	-	3,000,000,000
TOTAL			93,600,000,000	285,800,000,000

(*) These represent 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2018

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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
Other long-term receivables				
Loc Tho Joint Stock Company	Related party	Deposit	357,865,463,900	57,865,463,900
Svayrieng Sugar and Cane Company Limited	Related party	Business Co-operation Contract	-	12,707,425,000
TOTAL			357,865,463,900	70,572,888,900
Short-term trade payables				
Ben Tre Import Export Joint Stock Company	Related party	Purchase of goods	137,000,871,278	2,461,183,000
Thanh Thanh Cong Trading Joint Stock Company	Related party	Purchase of goods	25,125,056,248	-
		Purchase of services	-	100,300,000
Thanh Thanh Cong Investment Joint Stock Company	Related party	Purchase of services	22,117,023,356	7,127,364,214
Tam Binh An Manufacturing Trading Joint Stock Company	Related party	Purchase of goods	7,780,000,000	-
Thanh Thanh Cong Packaging Trading - Production Joint Stock Company	Related party	Purchase of materials	4,266,982,908	-
Dang Huynh Industrial Zones Exploitation and Management Joint Stock Company	Related party	Purchase of goods	3,360,000,000	-
Thanh Thanh Cong Tourist Joint Stock Company.	Related party	Purchase of goods	327,057,000	577,340,000
Gia Lai Electricity Joint Stock Company	Related party	Purchase of goods and services	8,300,000	550,000,000
TTC Bien Hoa - Dong Nai Sugar One Member Company Limited	Related party	Purchase of materials	-	36,562,958,884
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Related party	Purchase of goods	-	21,006,825,000
Toan Thinh Phat Corporation	Related party	Purchase of services	-	1,917,610,286
Bien Hoa - Phan Rang Sugar Joint Stock Company	Related party	Purchase of goods	-	1,060,000,001
Nuoc Trong Sugar Joint Stock Company	Related party	Purchase of materials	-	675,000,000
Ben Tre Tourist Joint Stock Company	Related party	Purchase of services	-	51,568,000
TOTAL			199,985,290,790	72,090,149,385

35. TRANSACTIONS WITH RELATED PARTIES (continued)

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

VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term advances from customers				
Son Tin Commodities Exchange Joint Stock Company	Related party	Sale of goods	66,829,943,383	-
Thanh Thanh Cong Trading Joint Stock Company	Related party	Sale of goods	37,268,337,247	72,570,000,000
Thanh Thanh Cong Investment Joint Stock Company	Related party	Sale of goods	16,943,731,064	10,958,320,000
Global Mind Commodities Trading Pte., Ltd	Related party	Sale of goods	-	1,532,566,506
TTC Bien Hoa - Dong Nai Sugar One Member Company Limited	Related party	Sale of goods	-	1,280,449,618
Bien Hoa - Ninh Hoa Sugar One Member Company Limited	Related party	Service rendered	-	1,214,000,000
Ben Tre Import and Export Joint Stock Company	Related party	Sale of goods	-	99,149,707
Tay Ninh Sugar Joint Stock Company	Related party	Service rendered	-	7,820,000
TOTAL			121,042,011,694	87,662,305,831
Short-term loan				
Ben Tre Import Export Joint Stock Company (*)	Related party	Loan	300,000,000	-
Other short-term payables				
Thanh Thanh Cong Trading Joint Stock Company	Related party	Interest expenses	752,253,057	-
Svayrieng Sugar and Cane Company Limited	Related party	Interest expenses	290,635,498	-
Thanh Thanh Cong Investment Joint Stock Company	Related party	Interest expenses	3,867,658	-
Global Mind Commodities Trading Pte., Ltd	Related party	Interest expenses	33,800,000	-
Tay Ninh Sugar Joint Stock Company	Related party	Business Co-operation Contract	-	1,200,000,000
TOTAL			1,080,556,213	1,200,000,000

(*) The Group obtained unsecured short-term loan which matures on 7 July 2018 and bears interest rate of 10% per annum for financing its working capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 30 June 2018

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36. 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:

	Ending balance	Beginning balance
Less than 1 year	26,675,423,391	3,804,307,240
From 1 – 5 years	114,719,008,574	1,148,588,760
More than 5 years	227,749,422,265	-
TOTAL	369,143,854,230	4,952,896,000

VND

37. RESTATEMENT OF CORRESPONDING FIGURES

On 2 May 2018, the Group received Official Letter No. 2316/TCHQ-TXNK issued by General Department of Vietnam Customs regarding import tax refund which does not mention specifically about on-spot export. Accordingly, the Group's management interprets that raw materials imported to produce on-spot exported finished goods in 2016 is not subject to import tax refund and decided to write off the related import tax receivables from the State amounting to VND 57,876,000,000 to expenses retrospectively. Some certain corresponding balances and transactions in the consolidated financial statements as at and for the year ended 30 June 2018 have been restated as follows:

	Beginning balance <i>(as previously presented)</i>	Retrospective adjustments	Beginning balance <i>(as restated)</i>
Consolidated balance sheet			
Tax and other receivables from the State	67,683,797,819	(57,876,000,000)	9,807,797,819
Statutory obligations	16,881,858,042	(5,787,600,000)	11,094,258,042
Profit of current year	336,916,998,218	(52,088,400,000)	284,828,598,218
	Previous year <i>(as previously presented)</i>	Retrospective adjustments	Previous year <i>(as restated)</i>
Consolidated income statement			
Cost of goods sold	(3,884,365,645,355)	(57,876,000,000)	(3,942,241,645,355)
Current corporate income tax expenses	(27,895,746,430)	5,787,600,000	(22,108,146,430)
Net profit after tax	339,304,863,916	(52,088,400,000)	287,216,463,916
Net profit after tax attributable to shareholders of the parent	339,791,620,863	(52,088,400,000)	287,703,220,863
Consolidated cash flow statement			
Accounting profit before tax	367,478,800,539	(57,876,000,000)	309,602,800,539
Decrease (increase) in receivables	(191,354,152,810)	57,876,000,000	(133,478,152,810)

VND

38. OFF BALANCE SHEET ITEMS

	Ending balance	Beginning balance
Goods held on consignment		
- Sugar finished goods (tonne)	73,259	-
Foreign currencies		
- LAK	1,631,398,738	-
- USD	2,072,270	3,566,100
- SGP	58,793	137
- THB	19,460	-
- INR	18,140	18,140
- AUD	950	950
- GBP	630	630
- EUR	250	500

39. EVENTS AFTER THE BALANCE SHEET DATE

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



Nguyen Thuy Trang

Preparer

25 September 2018



Le Phat Tin

Chief Accountant



Nguyen Thanh Ngu

General Director

SEPARATE BALANCE SHEET

as at 30 June 2018

B01-DN

			VND	
Code	ASSETS	Notes	Ending balance	Beginning balance (As restated - Note 34)
100	A. CURRENT ASSETS		4,276,199,011,506	3,183,804,231,688
110	I. Cash	4	56,585,754,828	62,187,577,074
111	1. Cash		56,585,754,828	62,187,577,074
120	II. Short-term investments		46,323,850,003	67,736,224,925
121	1. Held-for-trading securities	5.1	2,529,288,253	69,379,966,906
122	2. Provision for diminution in value of held-for-trading securities	5.1	(1,205,438,250)	(1,643,741,981)
123	3. Held-to-maturity investments	5.2	45,000,000,000	-
130	III. Current accounts receivable		2,616,751,590,028	1,323,782,479,290
131	1. Short-term trade receivables	6	754,241,677,253	495,859,975,929
132	2. Short-term advances to suppliers	7	1,295,171,011,943	763,063,021,070
135	3. Short-term loan receivables	8	113,800,000,000	15,000,000,000
136	4. Other short-term receivables	9	502,391,841,203	88,352,460,694
137	5. Provision for doubtful short-term receivables	7, 9	(48,852,940,371)	(38,492,978,403)
140	IV. Inventories	10	1,516,096,011,030	1,659,685,225,883
141	1. Inventories		1,547,056,717,834	1,660,975,438,458
149	2. Provision for obsolete inventories		(30,960,706,804)	(1,290,212,575)
150	V. Other current assets		40,441,805,617	70,412,724,516
151	1. Short-term prepaid expenses	11	31,459,034,403	60,634,346,409
153	2. Tax and other receivables from the State	19	8,982,771,214	9,778,378,107

Code	ASSETS	Notes	Ending balance	Beginning balance (As restated - Note 34)
200	B. NON-CURRENT ASSETS		12,567,457,395,400	3,480,477,637,716
210	I. Long-term receivables		162,160,445,217	182,797,313,608
212	1. Long-term advances to suppliers	7	60,566,551,291	22,658,393,705
216	2. Other long-term receivables	9	101,593,893,926	160,138,919,903
220	II. Fixed assets		587,622,664,765	570,054,210,145
221	1. Tangible fixed assets	12	575,008,791,730	424,629,317,727
222	Cost		2,145,609,476,874	1,881,475,983,062
223	Accumulated depreciation		(1,570,600,685,144)	(1,456,846,665,335)
227	2. Intangible fixed assets	13	12,613,873,035	145,424,892,418
228	Cost		26,000,266,541	160,984,063,181
229	Accumulated amortisation		(13,386,393,506)	(15,559,170,763)
230	III. Investment properties	14	161,581,787,394	131,118,256,994
231	1. Investment properties		176,757,947,173	138,061,019,789
232	2. Accumulated depreciation		(15,176,159,779)	(6,942,762,795)
240	IV. Long-term asset in progress		10,972,903,560	45,691,373,486
242	1. Construction in progress	15	10,972,903,560	45,691,373,486
250	V. Long-term investments	16	11,483,375,664,386	2,514,826,747,088
251	1. Investments in subsidiaries	16.1	11,065,553,278,185	1,118,629,504,600
252	2. Investments in associates	16.2	31,579,200,000	1,397,740,319,375
253	3. Investments in other entities	16.3	403,236,496,444	770,062,384
254	4. Provision for diminution in value of long-term investments		(16,993,310,243)	(2,313,139,271)
260	VI. Other long-term assets		161,743,930,078	35,989,736,395
261	1. Long-term prepaid expenses	11	155,459,549,932	35,654,264,372
262	2. Deferred tax asset	31.3	6,284,380,146	335,472,023
270	TOTAL ASSETS		16,843,656,406,906	6,664,281,869,404

SEPARATE BALANCE SHEET (continued)

as at 30 June 2018

B01-DN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance (As restated - Note 34)
300	C. LIABILITIES		5,209,400,513,919	3,636,269,760,664
310	I. Current liabilities		4,160,614,231,226	2,437,186,915,264
311	1. Short-term trade payables	17	181,514,785,015	123,294,298,086
312	2. Short-term advances from customers	18	21,820,269,941	17,233,298,345
313	3. Statutory obligations	19	87,451,432,472	6,754,280,373
314	4. Payables to employees		3,929,192,216	6,410,407,347
315	5. Short-term accrued expenses	20	53,636,090,640	39,803,523,151
318	6. Short-term unearned revenue	21	4,099,827,339	3,466,732,320
319	7. Other short-term payables	22	8,301,992,652	4,995,267,539
320	8. Short-term loans	23	3,754,991,615,292	2,223,270,638,025
322	9. Bonus and welfare fund		44,869,025,659	11,958,470,078
330	II. Non-current liabilities		1,048,786,282,693	1,199,082,845,400
336	1. Long-term unearned revenue	21	12,537,563,120	15,600,295,440
337	2. Other long-term liability	22	6,359,756,280	6,153,067,960
338	3. Long-term loans	23	1,029,888,963,293	1,177,329,482,000
400	D. OWNERS' EQUITY	24	11,634,255,892,987	3,028,012,108,740
410	I. Capital		11,634,255,892,987	3,028,012,108,740
411	1. Share capital		5,570,186,730,000	2,531,882,680,000
411a	- Shares with voting rights		5,570,186,730,000	2,531,882,680,000
412	2. Share premium		6,243,045,915,565	75,894,194,065
415	3. Treasury shares		(1,099,985,561,092)	-
418	4. Investment and development fund		69,863,681,464	39,217,460,174
421	5. Undistributed earnings		851,145,127,050	381,017,774,501
421a	- Undistributed earnings up to the end of prior year		308,596,087,663	126,643,961,605
421b	- Profit of current year		542,549,039,387	254,373,812,896
440	TOTAL LIABILITIES AND OWNERS' EQUITY		16,843,656,406,906	6,664,281,869,404




Le Van Danh
Preparer

Le Phat Tin
Chief Accountant



Nguyen Thanh Ngu
General Director

24 September 2018

SEPARATE INCOME STATEMENT

for the year ended 30 June 2018

B02-DN

VND

Code	ITEMS	Notes	Current year	Previous year (As restated - Note 34)
01	1. Revenue from sale of goods and rendering of services	25.1	4,551,547,946,031	3,422,709,715,600
02	2. Deductions	25.1	(4,847,029,852)	(4,593,193,827)
10	3. Net revenue from sale of goods and rendering of services	25.1	4,546,700,916,179	3,418,116,521,773
11	4. Cost of goods sold and services rendered	26, 30	(3,965,568,909,261)	(3,055,019,448,284)
20	5. Gross profit from sale of goods and rendering of services		581,132,006,918	363,097,073,489
21	6. Finance income	25.2	470,656,484,819	258,988,446,472
22	7. Finance expenses	27	(322,252,972,342)	(191,221,246,992)
23	<i>In which: Interest expense</i>		<i>(286,316,265,526)</i>	<i>(182,287,488,941)</i>
25	8. Selling expenses	28, 30	(79,473,786,689)	(59,629,689,336)
26	9. General and administrative expenses	28, 30	(133,935,149,388)	(102,997,726,811)
30	10. Operating profit		516,126,583,318	268,236,856,822
31	11. Other income	29	150,308,162,340	16,273,229,651
32	12. Other expenses	29	(17,331,783,632)	(7,655,929,657)
40	13. Other profit	29	132,976,378,708	8,617,299,994
50	14. Accounting profit before tax		649,102,962,026	276,854,156,816
51	15. Current corporate income tax expense	31.1	(112,502,830,762)	(21,959,328,152)
52	16. Deferred tax income (expense)	31.3	5,948,908,123	(521,015,768)
60	17. Net profit after tax		542,549,039,387	254,373,812,896



Le Van Danh

Preparer



Le Phat Tin

Chief Accountant



Nguyen Thanh Ngu

General Director

24 September 2018

SEPARATE CASH FLOW STATEMENT

for the year ended 30 June 2018

B03-DN

					VND	
Code	ITEMS	Notes	Current year	Previous year	(As restated - Note 34)	
I. CASH FLOWS FROM OPERATING ACTIVITIES						
01	Profit before tax		649,102,962,026	276,854,156,816		
	<i>Adjustments for:</i>					
02	Depreciation and amortisation of fixed assets and investment properties	12, 13, 14	128,449,876,866	107,434,366,531		
03	Provisions		54,272,323,438	7,236,518,146		
04	Foreign exchange losses (gains) arisen from revaluation of monetary accounts dominated in foreign currency		418,362,103	(184,759,106)		
05	Profit from investing activities		(581,334,800,711)	(247,045,124,526)		
06	Interest expense	27	286,316,265,526	182,287,488,941		
08	Operating profit before changes in working capital		537,224,989,248	326,582,646,802		
09	Increase in receivables		(554,915,402,543)	(32,296,886,782)		
10	Decrease (increase) in inventories		113,918,720,624	(551,549,685,039)		
11	Increase in payables		79,868,561,009	32,286,151,982		
12	Increase in prepaid expenses		(83,400,440,215)	(24,513,776,739)		
13	Decrease (increase) in held-for-trading securities		66,850,678,653	(69,379,966,906)		
14	Interest paid		(266,740,905,374)	(178,444,007,630)		
15	Corporate income tax paid	19	(67,574,822,452)	(26,193,036,513)		
17	Other cash outflows for operating activities		(8,864,909,967)	(40,123,080,569)		
20	Net cash flows used in operating activities		(183,633,531,017)	(563,631,641,394)		
II. CASH FLOWS FROM INVESTING ACTIVITIES						
21	Purchase and construction of fixed assets		(188,447,741,905)	(140,226,910,057)		
22	Proceeds from disposals of fixed assets		7,352,117,840	5,952,933,933		
23	Loans to other entities and term deposits		(499,800,000,000)	(898,880,000,000)		
24	Collections from borrowers and term deposits		356,000,000,000	998,380,000,000		
25	Payments for investments in other entities		(23,543,379,154)	(935,605,279,975)		
26	Proceeds from sale of investments in other entities		218,000,000,000	355,792,706,726		
27	Interest and dividends received		33,058,823,955	73,436,774,065		
30	Net cash flows used in investing activities		(97,380,179,264)	(541,149,775,308)		

VND

Code	ITEMS	Notes	Current year	Previous year (As restated - Note 34)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Reissuance of treasury shares	24.1	-	107,097,422,535
32	Capital redemption	24.1	(1,099,985,561,092)	-
33	Drawdown of borrowings		6,058,935,327,364	4,802,787,608,475
34	Repayment of borrowings		(4,683,526,526,719)	(4,301,275,653,029)
36	Dividends paid	24.2	(12,074,600)	(63,122,250)
40	Net cash flows from financing activities		275,411,164,953	608,546,255,731
50	Net decrease in cash		(5,602,545,328)	(496,235,160,971)
60	Cash at beginning of year		62,187,577,074	558,391,859,290
61	Impact of exchange rate fluctuation		723,082	30,878,755
70	Cash at end of year	4	56,585,754,828	62,187,577,074


Le Van Danh

Preparer


Le Phat Tin

Chief Accountant

**Nguyen Thanh Ngu**

General Director

24 September 2018

In terms of the Notes to Separate Financial Statements for the financial year ended 30/06/2018, please refer to the Company's website at: www.tcsugar.com.vn

Proactiveness - Preparedness

CONQUERING NEW HEIGHTS

Thanks to the proactive and proper preparations, TTC Bien Hoa enters the Strategic Development Phase to 2020-2021 with the readiness to successfully conquer new heights.





06

COMPANY INTRODUCTION

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VND **6,097** BILLION

OWNER'S EQUITY

Vietnamese name	: CONG TY CO PHAN THANH THANH CONG - BIEN HOA
English name	: THANH THANH CONG - BIEN HOA JOINT STOCK COMPANY
Tax code	: 3900244389
Abbreviation	: TTC-BH
Ticker	: SBT
Stock exchange	: HOSE
Charter capital	: VND 5,570,186,730,000
Owner's equity	: VND 6,097,359,934,316
Independent Auditing Company	: Ernst & Young Vietnam Limited
Number of listed shares	: 557,018,673 shares
Number of outstanding shares	: 495,417,773 shares
Business Registration Certificate	: No. 3900244389 granted by Department of Planning and Investment of Tay Ninh Province, 6 th amendment on November 29 th , 2017.



TTCS FACTORY IN TAN CHAU DISTRICT, TAY NINH PROVINCE, WITH ADVANCED TECHNOLOGY, CANE CRUSHING CAPACITY OF 9,800 TCD AND PRODUCTION CAPACITY OF 1,000 TONS OF SUGAR/DAY.

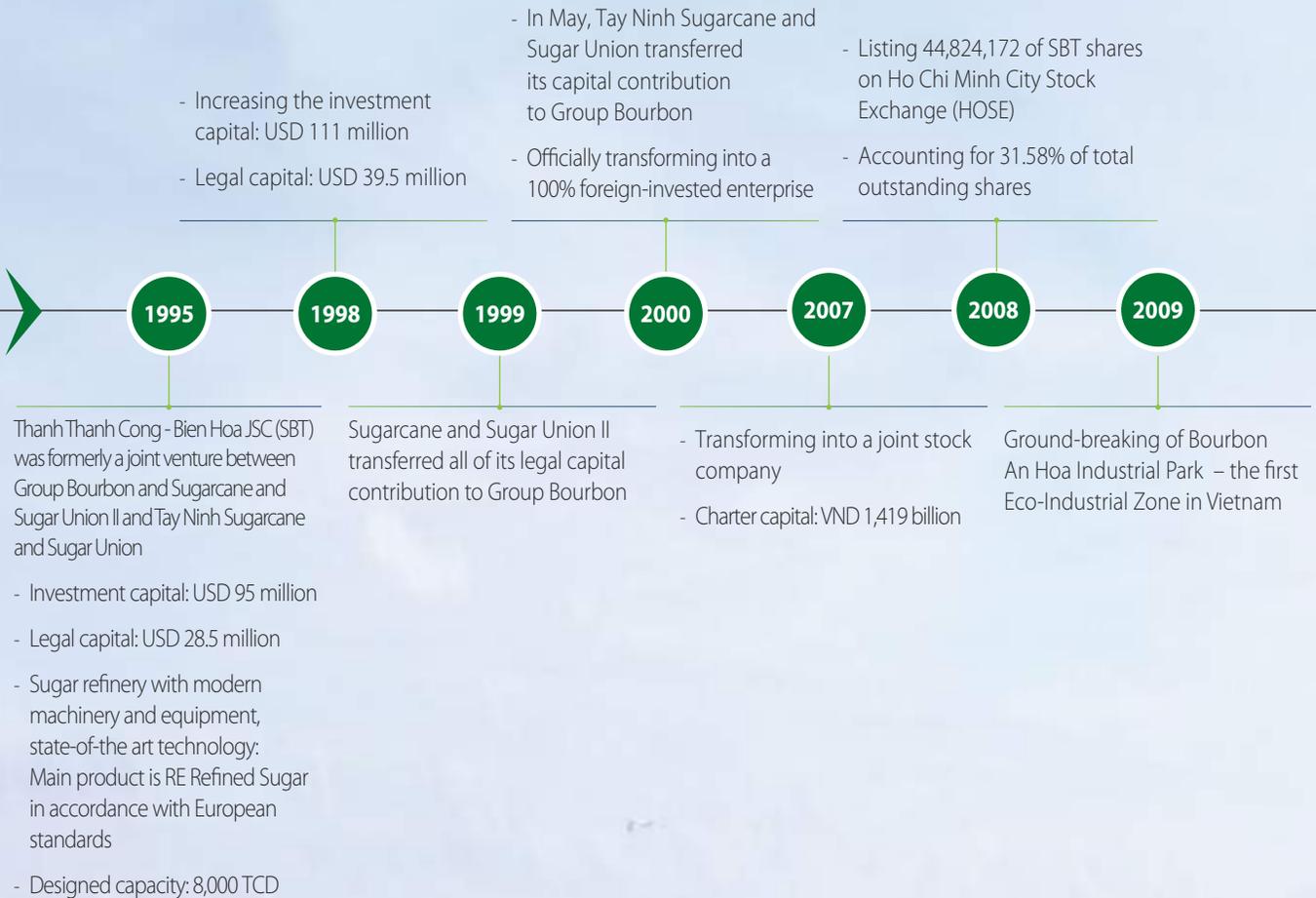


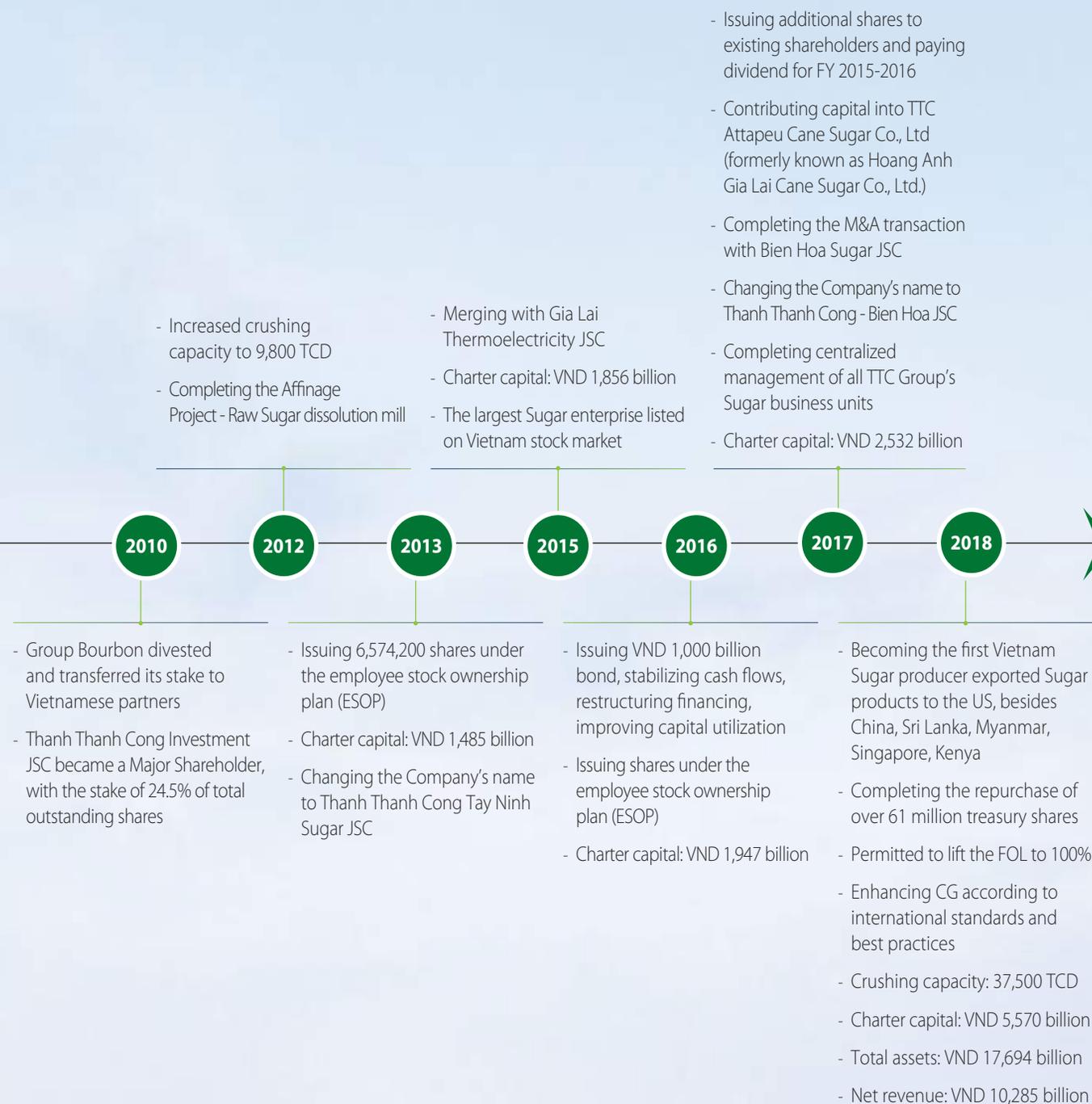
An aerial view of TTC Bien Hoa Branch - TTCS Factory

THE COMPANY'S MAIN BUSINESS LINES IN ACCORDANCE WITH THE BUSINESS REGISTRATION CERTIFICATE INCLUDE

No.	Business line	VSIC code
1	Manufacture of sugar <i>Detail: Manufacture of sugar</i>	1072 (Main)
2	Generation, transmission and distribution of electricity <i>Detail: Generation and distribution of electric power</i>	3510
3	Growing of sugarcane	0114
4	Manufacture of other food products not elsewhere classified <i>Detail: Manufacture, trading of products using sugar or by-products, waste products from sugar production</i>	1079
5	Manufacture of fertilizers and nitrogen compounds <i>Detail: Manufacture, trading of fertilizers, agricultural materials</i>	2012
6	Short-term accommodation activities <i>Detail: Hotel services</i>	5510
7	Restaurants and mobile food services <i>Detail: Restaurant services</i>	5610
8	Other professional, scientific and technological activities not elsewhere classified <i>Detail: Technical and technological consultancy in sugarcane production</i>	7490
9	Management consultancy activities <i>Detail: Management consultancy in sugarcane production</i>	7020
10	Manufacture of basic chemicals <i>Detail: Manufacture, trading of alcohols and by-products</i>	2011
11	Trading of own or rented real estate and land use rights <i>Detail: Pursuant to Clause 3, Article 11 of the Law on Real Estate Business in 2014</i>	6810
12	Manufacture of non-alcoholic beverages, mineral water <i>Detail: Manufacture of mineral water, bottled pure water; non-alcoholic beverages, mineral water; processing of soft drinks, fruit drinks, soya milk</i>	1104
13	Processing and preserving of vegetables <i>Detail: Processing of agricultural products</i>	1030
14	Wholesale of agricultural and forestry raw materials (except wood, bamboo, neohouzeaua) and live animals <i>Detail: Wholesale of agricultural and forestry materials (except rice, wood, bamboo, neohouzeua and liquid rubber)</i>	4620
15	Wholesale of agricultural machineries, equipment and accessories	4653

No.	Business line	VSIC code
16	Retail sale of food, foodstuff, beverages, tobacco, rustic tobacco predominating in non-specialized stores <i>Detail: Retail sale of food, foodstuff, beverages predominating in non-specialized stores (except sugar, rice, tobacco, rustic tobacco)</i>	4711
17	Distilling, rectifying and blending of spirits	1101
18	Wholesale of food <i>Detail: 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)</i>	4632
19	Other retail sale in non-specialized stores <i>Detail: Retail sale in supermarkets, trade centers; Other retail sale in non-specialized stores not elsewhere classified (except retail sales of sugar, rice, tobacco, rustic tobacco)</i>	4719
20	Retail sale of food in specialized stores <i>Detail: 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)</i>	4722
21	Wholesale of beverages	4633
22	Retail sale of beverages in specialized stores	4723
23	Retail sale of food, beverages, tobacco, rustic tobacco via stalls or markets <i>Detail: Retail sale of food (except sugar and rice), beverages via stalls or markets</i>	4781
24	Construction of other civil engineering projects <i>Detail: Construction of civil projects (restaurants, hotels, supermarkets)</i>	4290
25	Manufacture of clay building materials	2392
26	Wholesale of other machineries, equipment and accessory <i>Detail: Wholesale of machinery, equipment for cane sugar production</i>	4659
27	Repair of machineries and equipment <i>Detail: Repair and maintenance of sugarcane industrial equipment</i>	3312
28	Installation of industrial machinery and equipment <i>Detail: Installation of cane sugar industrial equipment</i>	3320
29	Construction of buildings	4100
30	<i>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.</i>	Not yet classified under the Vietnam Standard Industrial Classification System





HEADQUARTERS

THANH THANH CONG - BIEN HOA JSC

Address : Tan Hung Commune, Tan Chau District, Tay Ninh Province

Tel : (0276) 375.3250

Email : ttcs@tcsugar.com.vn

COMMERCIAL OFFICE

THANH THANH CONG - BIEN HOA JSC

Address : 11th Floor, TTC Building, 253 Hoang Van Thu Street, Ward 2, Tan Binh District, Ho Chi Minh City

Tel : (028) 3999.8811

Email : ttcs@tcsugar.com.vn

FACTORIES



No.	Factory	Location	Cane crushing capacity (TCD)	Sugar production capacity (Tons of Sugar/Day)	Refinery capability	Refinery time
1	TTCS	Tay Ninh	9,800	1,000	Raw Sugar and Cane	Seasonal
2	Bien Hoa-Ninh Hoa	Khanh Hoa	5,200	600		
3	Bien Hoa-Tri An	Dong Nai	2,500	250		
4	Bien Hoa-Dong Nai	Dong Nai	-	400	Raw Sugar	Year-round
5	TTC Attapeu	Laos	7,500	700	Cane	Seasonal
6	TTCS Gia Lai	Gia Lai	6,000	600		
7	Bien Hoa-Tay Ninh	Tay Ninh	4,000	400		
8	Bien Hoa-Phan Rang	Ninh Thuan	1,500	150		
9	Nuoc Trong	Tay Ninh	1,000	100		
Total			37,500	4,200		

WAREHOUSES



TTC Bien Hoa's modern Finished Product Storage system

35

FINISHED PRODUCT
WAREHOUSES

~114,000_{sqm}

TOTAL AREA

4

MATERIAL WAREHOUSES

70,000_{TONS}

RAW MATERIAL STORAGE CAPACITY

No.	Company	Location	Number of warehouses	Area (sqm)
1	TTC Bien Hoa - Dong Nai Sugar Co.	Dong Nai	14	41,730
2	TTC Sugar Factory	Tay Ninh	5	20,000
3	TTC Gia Lai Co.	Gia Lai	3	12,380
4	TTC-Bien Hoa - Ninh Hoa Sugar Co.	Khanh Hoa	3	11,800
5	BHS-Tay Ninh Branch	Tay Ninh	3	11,600
6	TTC Attapeu Cane Sugar Co.	Laos	3	8,460
7	BHS-Tri An Branch	Dong Nai	2	4,200
8	Nuoc Trong Sugar Co.	Tay Ninh	1	2,000
9	TTC-Bien Hoa - Phan Rang Sugar Co.	Ninh Thuan	1	1,600
Total			35	113,700

4 MAIN DISTRIBUTION CHANNELS

B2B (Business to Business) - Trading

B2C (Business to Consumer) - Export

B2B	Trading	B2C	Export
<p>MNC – Multinational Corporation: Friesland Campina, Coca-Cola, Nestlé, Nutifood, Pepsi, Tan Hiep Phat, Vinacafe, Vinamilk...</p> <p>SME – Small and Medium-sized customers: - Beverages: Chuong Duong, FES (Pho Coffee), Sanest Khanh Hoa... - Food: Asiafood, Cholimex, Thien Huong Food... - Confectionery: Bibica, Pham Nguyen... - Whipping cream: IDP, KIDO, Yakult VN... - Pharmaceutical: Cuu Long, Domesco, Hau Giang, Mekophar, Sanofi...</p>	<p>Level 1 distributor: TTC Investment, TTC Trading, Thanh Thanh Phat, Toan Phat...</p>	<p>General Trade channels: - 49,000 grocery stores - 88 distributors</p> <p>Modern Trade channels: 2,035 supermarkets and convenient stores</p> <p>Chain stores: Starbucks Coffee, Highlands, schools...</p>	<p>6 Countries: US, China, Singapore, Sri Lanka, Myanmar, Kenya</p>

~ **58,600** HA

RAW MATERIAL AREA

RAW MATERIAL AREA NETWORK

No.	Plant's coverage	Contracted farms (ha)	Owncd farms (ha)
1	TTCS	12,500	2,200
2	Bien Hoa-Ninh Hoa	12,000	500
3	TTCS Gia Lai	11,100	300
4	Bien Hoa-Tay Ninh	3,900	2,100
5	Bien Hoa-Phan Rang	3,700	100
6	Nuoc Trong	3,100	-
7	Bien Hoa-Tri An	2,100	500
8	TTC Attapeu	-	4,500
Total		48,400	10,200

SUGARCANE RESEARCH AND DEVELOPMENT CENTRES

No.	Centre name	Address
1	Head Office	No.99, Binh Hoa Hamlet, Thai Binh Commune, Chau Thanh District, Tay Ninh Province
2	Branch in Gia Lai	444 Tran Hung Dao Street, Cheo Reo Ward, AyunPa Town, Gia Lai Province
3	Branch in Ninh Hoa	Km16, Lam Son Hamlet, Ninh Sim Commune, Ninh Hoa District, Khanh Hoa Province
4	Branch in Ninh Thuan	National Road 27A, La Vang Hamlet, Quang Son Commune, Ninh Son District, Ninh Thuan Province

SHOWROOMS

No.	Address	City
1	512 Ly Thuong Kiet Street, Tan Binh District	HCMC
2	Ta Cu Tourist Resort	Phan Thiet City
3	Thung Lung Tinh Yeu Tourist Resort	Da Lat City



An aerial view of TTCS Factory and Raw material area in Tay Ninh Province

Headquarters

Address : Tan Hung Commune, Tan Chau District, Tay Ninh Province
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Trade Office

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Telephone 24/7 : +84 988.381.379
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Email : ir.dir@ttcsugar.com.vn

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Contact : Ms. Duong Thi To Chau - Deputy CEO
Telephone : + 84 (28) 6292.6918 - +84 (28) 6292.6919
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Purchasing Department

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TTC SUGAR

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